145 (23 cases)

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**RFA No. 1981 of 2018 (O&M)
and “22” connected cases
Date of Decision: 25.03.2026**

Lakhi Ram and others

...Appellants

Versus

State of Haryana and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Sandeep Parkash Chahar, Advocate with
Ms. Savita Chahar, Advocate
for the appellant(s) / landowner(s)
(in RFA Nos. 1981, 1983, 1984, 1985, 1986, 1987 & 2817 of 2018)

Ms. Anitya Balyan, Advocate with
Mr. Vickey Chauhan, Advocate
for the appellant(s)-landowner(s)
(in RFA Nos. 4698, 4699, 4700, 4701, 4702, 4703, 4704, 4705, 4706, 7692, 8505, 8645 & 9735 of 2014)

Mr. Mohit Rathee, Advocate
for the appellant(s)-landowner(s)
(in RFA No. 138 of 2016; 4630 & 5501 of 2017)

Mr. Abhinash Jain, Deputy Advocate General, Haryana
for the respondent(s)-State of Haryana.

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HARKESH MANUJA, J. (ORAL)

This order shall dispose off a bunch of present twenty-three (23) appeals bearing RFA Nos. 4698, 4699, 4700, 4701, 4702, 4703, 4704, 4705, 4706, 7692, 8505, 8645 & 9735 of 2014; 138 of 2016; 4630 & 5501 of 2017; **1981 (lead case)**, 1983, 1984, 1985, 1986, 1987 & 2817 of 2018; as the same arise out of common acquisition / award. In all the appeals, the appellants-landowners are seeking further enhancement of compensation for the acquired land.

[2] In these appeals, challenge has been made to Award(s) dated 27.01.2014 & 30.01.2014 passed by the learned Additional District Judge, Jhajjar **(hereinafter to be referred as "Reference Court")**, whereby the reference petition(s) filed by the appellant(s)-landowner(s) were decided/partly allowed.

FACTS

[3] The relevant date(s) / particulars of the acquisitions are as under:-

Particulars	**Relevant date / description**
Notification under **Section 4** of the Land Acquisition Act, 1894 was issued	25.06.2003
Final declaration under **Section 6** of the Land Acquisition Act, 1894	20.02.2004
Village(s)	Daboda Khurd, H.B. No. 59; and Bupania, H.B. No. 59
Tehsil & District	Bahadurgarh & Jhajjar
Public Purpose	Construction of Mandothi Daboda Link Drain
Land Acquisition Collector's Award No. & Date	3 dated 24.05.2005 (Village Daboda Khurd) 2 dated 24.05.2005 (Village Bupania)
Land Acquisition Collector's Award	(i) Village Daboda Khurd: Rs. 2.5 lakhs per acre for nehri/chahi land; Rs. 3 lakhs per acre for the land alongwith road upto one acre depth; and Rs. 1,75,000/- for barani, banjar, kadim and gair mumkin land per acre alongwith other statutory benefits; and (ii) Village Bupania: Rs. 2.5 lakhs per acre for nehri/chahi land; and Rs. 1,75,000/- for barani and gair mumkin land per acre alongwith other statutory benefits.
Reference Court's Award Date	27.01.2014 for Village Daboda Khurd; and 30.01.2014 for Village Bupania
Reference Court's Award	Rs. 12.50 lakhs per acre for all kinds of land alongwith other statutory benefits.

[4] Dissatisfied with the aforesaid Award(s) dated 27.01.2014 & 30.01.2014 passed by the learned Reference Court, the present appeals have been preferred at the instance of appellant(s)-landowner(s).

CONTENTIONS:

ON BEHALF OF APPELLANT(S)-LANDOWNER(S)

[5] Impugning the aforementioned awards dated 27.01.2014 & 30.01.2014, learned counsel for the appellant(s) submits that the learned Reference Court went wrong while rejecting the claim made by the landowners towards enhancement of market value. Learned counsel points out that the market value at the time of passing of award under Section 11 of the 1894 Act was assessed at the rate of Rs.12,50,000/- per acre, based on the policy/notification dated 28.04.2005 issued by the Revenue & Disaster Management Department, Haryana (which was applicable from 05.03.2005), whereby the minimum floor rates of different areas within the State of Haryana were fixed. He further points out that the policy dated 28.04.2005 was later revised on 06.04.2007 (applicable w.e.f. 22.03.2007) and the minimum floor rates relating to District Jhajjar were enhanced to Rs.16,00,000/- per acre. For reference, the aforesaid Policy/notification dated 06.04.2007 is re-produced hereunder:-

" From

Financial Commissioner & Principal Secretary to Govt. Haryana, Revenue & Disaster Management Department.

To

1. *All the Divisional Commissioners in the State.*
2. *All the Heads of Departments in the State.*
3. *Chief Administrator, HUDA, Sector 6, Panchkula*
4. *Managing Director, HSIIDC, C 13-14, Sector-6, Panchkula*
5. *All the Deputy Commissioners in the State.*
6. *All the Sub-Divisional Officers (Civil) in the State.*
7. *All the Land Acquisition Collectors in the State.*

Memo No. 1298-R-5-2007/4174
Chandigarh, dated the 6th April, 2007

Sub: Fixation of floor rates for the acquisition of land for public purpose in the State of Haryana.

Ref: This Department Memo No. 2025-R-5-2005/4299, dated 28.4.2005.

Vide this Department Memo. under reference, minimum floor rates for acquiring land for public purposes for various Departments as well as other State Agencies were fixed by the Haryana Government as follows:

i) Minimum floor rate for urbanisable area of Gurgaon	*Rs. 15.00 lacs per acre*
ii) Minimum floor rate for rest of the Haryana Sub-Region of NCR including Panchkula and area of Chandigarh periphery in the Haryana State.	*Rs.12.50 lacs per acre.*
iii) Minimum floor rate for the rest of the Haryana State.	*Rs. 05.00 lacs per acre*

(These floor rates did not include the solatium and interest payable under the provisions of the Land Acquisition Act, 1894).

2. Now it has been observed that with the passage of time market rates of the land have increased substantially. Therefore, Haryana Government has reconsidered this matter and has decided to refix these floor rates as follows:

i) Minimum floor rate for urbanisable area of Gurgaon	*Rs. 20.00 lacs per acre*
ii) Minimum floor rate for rest of the Haryana Sub-Region of NCR including Panchkula and area of Chandigarh periphery in the Haryana State.	***Rs.16.00 lacs per acre.***
iii) Minimum floor rate for the rest of the Haryana State.	*Rs. 08.00 lacs per acre*

> *3. These floor rates do not include the solatium and interest payable under the provisions of the Land Acquisition Act, 1894.*
>
> *4. These revised rates will be applicable on all those acquisitions where awards have been announced on or after 22.3.2007 irrespective of the date of notification under Section 4 of the Land Acquisition Act, 1894.*
>
> *5. The Committee headed by the Divisional Commissioner will continue to perform its duties while fixing the rates of compensation for various categories of land under acquisition based on these floor rates. It will continue to take into account all those parameters for working out the land acquisition rates being followed at present while communicating the rates to the Acquiring Departments/Agencies in the State.*
>
> *6. This issues with the concurrence of Finance Department, Haryana conveyed vide their U.O. No.1/17/2007-4FGII (1109), dated 6.4.2007.*
>
> *7. These instructions may kindly be brought to the notice of all concerned for compliance.*
>
> *-sd-*
> *Under Secretary Revenue (LR)*
> *for Financial Commissioner & Principal Secretary to Govt. Haryana, Revenue and Disaster Management Department."*

[5.1] Learned counsel(s) for the appellant(s) thus contend(s) that by applying proportionate escalation for the time gap between the date of policy dated 28.04.2005 (applicable w.e.f. 05.03.2005) which was subsequently revised vide instructions dated 06.04.2007 (applicable w.e.f. 22.03.2007) till the date of award dated 24.05.2005 passed by the LAC issued under Section 4 of the 1894 Act, the market value should be revised in favour of the appellant(s)-landowner(s).

[6] Learned counsel for the appellant(s) further points out that since the acquisition in the present case was for the public purpose for the construction of Mandothi Daboda Link Drain, as such the appellant(s)-landowner(s) should have been awarded damages towards severance as well.

ON BEHALF OF RESPONDENT(S)-STATE OF HARYANA

[7] On the other hand, learned counsel for the respondent(s)-State of Haryana submits that the impugned award calls for no interference as the revised notification issued on 06.04.2007 (applicable w.e.f. 22.03.2007) cannot be given retrospective effect for grant of benefit in favour of the appellant(s)-landowner(s) for the purpose of assessment of market value to their land which was acquired vide notification dated 25.06.2003 i.e. prior to the issuance of notification of the revised policy.

[7.1] Learned counsel for the respondent(s)-State of Haryana further points out that in the absence of any evidence available on record with respect to any loss caused to the appellant(s)-landowner(s), no damages towards severance were payable to them and thus, the appeals were liable to be dismissed.

DISCUSSION AND REASONING

[8] After hearing learned counsel for the parties and having gone through the paper-book / records, I find substance in the submission(s) made on behalf of the appellant(s)-landowner(s).

[9] Considering the fact that as an effect of acquisition of land in terms of provisions of the 1894 Act, the landowners faced compulsory parting with their ownership over land; thus they were, by all means, entitled for just, equitable and fair market value. Admittedly, in the present case, notification under Section 4 of the 1894 Act was issued on 25.06.2003, therefore, applying the rates as per previous policy dated 28.04.2005 (applicable w.e.f 05.03.2005), the market value was assessed at the rate of Rs.12,50,000/- per acre. However, once a revised policy with respect to the minimum floor rates for the entire territory of Haryana was issued on 06.04.2007 (applicable w.e.f. 22.03.2007), whereby the minimum floor rates was fixed at the rate of Rs. 16,00,000/- per acre for the area in hand forming part of the District Jhajjar, the appellant(s)-landowner(s) were undoubtedly entitled to draw benefit of the same.

[10] Moreover, the policy dated 06.04.2007 (applicable w.e.f. 22.03.2007) only lays down the minimum floor rates and not the market value, for which the landowners are entitled for. However, in the absence of any sale instance(s) produced on record from the side of appellant(s)-landowner(s), in the humble opinion of this Court, the landowners can always be granted the benefit of the minimum floor rates fixed by the State of Haryana itself by applying the doctrine of escalation for the time gap between the date of policy dated 28.04.2005 (applicable w.e.f. 05.03.2005) till the date of award dated 24.05.2005 passed by the LAC while taking into account the increase in floor rates from policy dated 28.04.2005 to subsequently revised memo / notification dated 06.04.2007 (applicable w.e.f. 22.03.2007) in the present case.

As per policy dated 06.04.2007, the minimum floor rates of rest of the Haryana Sub-Region NCR which included District Jhajjar as well, were revised from Rs. 12,50,000 to Rs. 16,00,000/- per acre. Accordingly, after calculating the difference of Rs. 3,50,000/- **(Rs.16,00,000–12,50,000 = Rs. 3,50,000/-)** between the revised policy and the previous policy, the amount of proportionate per day increase comes to Rs.468/- **[05.03.2005 to 22.03.2007 = 748 days; Rs. 3,50,000/- ÷ 748 = Rs.467.91 OR Rs.468/- round off]**. Thus, applying the doctrine of escalation, the additional amount for the time gap between the date of effectiveness of previous policy w.e.f. 05.03.2005 till the date of award dated 24.05.2005 passed by the LAC, i.e. for 80 days **(05.03.2005 to 24.05.2005 = 80 days)**, comes to Rs.37,440/- (Rs. 468 x 80 days). Accordingly, the market value in favour of the appellant(s)-landowner(s) as on the date of award i.e. 24.05.2005 passed by the LAC with respect to the present acquisition is determined at the rate of Rs.12,87,440/- per acre **(Rs. 12,50,000/- + Rs. 37,440/-)**.

[11] Under similar circumstances, Co-ordinate Bench, vide order dated 20.12.2022, passed in a bunch of appeals, leading case bearing ***RFA No. 7896 of 2014***, titled ***"Rajbir and Ors. Versus State of Haryana and Ors."***, applied the same principle by relying upon the revised policy dated 06.04.2007 (Ex. P-1) (applicable w.e.f. 22.03.2007). Consequently, in addition, the appellant(s)-landowner(s) are also held entitled for the statutory benefit and interest under the 1894 Act.

[12] With respect to the another plea raised on behalf of the appellant(s) regarding award of damages towards severance, it may also be pointed out here that the acquisition has been carried out for the purpose of *"construction of Mandothi Daboda Link Drain"*, which undoubtedly is going to bifurcate / divide the land by creating severance of their land-holdings; in such circumstances, the appellant(s)-landowner(s) are bound to suffer loss towards cultivation of land besides causing them inconvenience towards connectivity of the two parcels left on either side of the drain. Moreover, severance also causes reduction in value of remaining land due to alteration in access, usability, irregularity of shape and loss of agricultural viability etc., therefore, in the considered opinion of this Court, the appellant(s)-landowner(s) are entitled for award of damages at the rate of 20% of the market value towards severance *qua* the leftover land-holdings.

DECISION

[13] In the light of above, Award(s) dated 27.01.2014 & 30.01.2014 passed by the learned Reference Court are hereby modified. The appellant(s)-landowner(s) are held entitled to the market value at the rate of Rs.12,87,440/- with regard to Villages Daboda Khurd and Bupania, Tehsil Bahadurgarh, District Jhajjar alongwith consequential / statutory benefits and interest as provided in the 1894 Act (as amended up-to-date). The appellant(s)-landowner(s) shall also be entitled for the benefit of interest on solatium as well.

[14] Also, wherever the landowner(s) has/have unfortunately died in the appeal(s) / cross-objection(s) after filing thereof and the legal representatives have not been impleaded, they shall be at liberty to seek execution of the present decision by moving appropriate application(s) before the learned Executing Court.

[15] All the appeals are **disposed off** accordingly.

[16] Pending miscellaneous application(s), if any, shall stand(s) disposed off.

March 25, 2026 **(HARKESH MANUJA)**
'dk kamra' **JUDGE**

Whether Speaking / Reasoned :	Yes	No
Whether Reportable :	Yes	No