

2025:PHHC:140429



110 IN THE HIGH COURT OF PUNJAB AND HARYANA AT  
CHANDIGARH

Decided on:-09.10.2025

1. RFA-213-2000 (O&M)

Parvinder Singh ..Appellant.

vs.

State of Haryana and another ..Respondents.

2. RFA-214-2000 (O&M)

Harjit Singh ..Appellant.

vs.

State of Haryana and another ..Respondents.

3. RFA-215-2000 (O&M)

Ramesh Chander and another ..Appellants.

vs.

State of Haryana and another ..Respondents.

4. RFA-505-2000 (O&M)

Avtar Singh ..Appellant.

vs.

State of Haryana and another ..Respondents.

**CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA**

Present: Mr. Sanjiv Gupta, Advocate for the appellants-landowner(s).

Mr. Abhinash Jain, DAG, Haryana.

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**HARKESH MANUJA J. (Oral)**

1. This common judgement decides the aforementioned four

Regular First Appeals, all arising from the same award.

1.1 For convenience, the facts are taken from ***RFA-213-2000 (O&M)***.

2. The present appeal challenges an award dated 15.11.1999 passed by the learned Additional District Judge, Karnal (for short, "Reference Court") whereby, reference petition(s) preferred at the instance of appellants-landowners invoking Section 18 of the Land Acquisition Act, 1894 (***for brevity, "1894 Act"***), were dismissed.

3. The appellants, landowners, owned some land situated in Karnal's revenue estate. On 23.04.1985, and 16.04.1986, notifications were issued under Sections 4 and 6 of the 1894 Act respectively, to acquire the said land for public purposes. The land was intended for the development and utilization of the area for constructing a road from Karnal Railway Station to the Urban Estate. The Land Acquisition Collector, Panchkula, vide its award dated 22.03.1988, assessed the market value of the acquired land at the rate of Rs.475/- per sq. yard.

4. The appellants, dissatisfied with the Land Acquisition Collector's award, filed separate reference petitions under Section 18 of the 1894 Act. They sought an enhancement of compensation. However, the learned Reference Court dismissed these petitions vide its award dated 15.11.1999.

5. Feeling dissatisfied with the decision passed by the learned Reference Court, the appellants-landowners preferred the aforementioned appeals.

6. The learned counsel for the appellants-landowners submitted

that the Reference Court erred in rejecting the appellants' claim of enhancement based merely on the ground that some landowners were offered alternative shops. He argued that the Reference Court should have relied on the decision dated 15.09.1989 (Ex.P-18) of this Hon'ble Court, which assessed the value of the land acquired for the new Sabji Mandi under Scheme No. 37, Nehru Palace, Karnal to be Rs. 1336/- per square yard. He emphasises that the land in question was situated directly opposite the site of the new Sabji Mandi. The notification for the acquisition of the new Sabji Mandi site was issued on 07.09.1973, while the land in question was acquired in furtherance of the notification dated 23.04.1985, which was issued nearly 11½ years later. Therefore, he contended that to re-assess the market value of the land, an appreciation of 12% per annum should be applied for the period between the previous notification (07.09.1973) and the present notification (23.04.1985). Based on the evidence available, the learned counsel concluded that the Reference Court was obligated to grant an enhancement of the market value in favour of the appellants-landowners.

7. On the other hand, learned counsel for the respondent-State submitted that once the landowners were offered shops in Ramesh Nagar under Scheme No.23 Part-II at a reserved price, the appellants-landowners were not entitled to any enhancement in market value. He further contended that in light of the law laid down by the Hon'ble Apex Court in the case of ***Manoj Kumar vs. State of Haryana, 2018, Vol.13 (SCC) {page 96}***, it would not be safe to award appreciation in favour of the appellants-landowners based on the determination made in relation to the acquisition, which commenced long back vide notification dated 07.09.1973. Relevant

paras No. 11 to 16 of Manoj Kumar's case (supra) are reproduced hereunder:-

*"11. In our opinion, the High Court could not have placed an outright reliance on the decision of Swaran Singh's case, without considering the nature of transaction relied upon in the said decision. The decision could not have been applied ipso facto to the facts of the instant case. In such cases, where such judgments/awards are relied on as evidence, though they are relevant, but cannot be said to be binding with respect to the determination of the price, that has to depend on the evidence adduced in the case. However, in the instant case, it appears that the land in Swaran Singh's case was situated just across the road as observed by the High Court as such it is relevant evidence but not binding. As such it could have been taken into consideration due to the nearness of the area, but at the same time what was the nature of the transaction relied upon in the said case was also required to be looked into in an objective manner. Such decisions in other cases cannot be adopted without examining the basis for determining compensation whether sale transaction referred to therein can be relied upon or not and what was the distance, size and also bonafide nature of transaction before such judgments/awards are relied on for deciding the subsequent cases. It is not open to accepting determination in a mechanical manner without considering the merit. Such determination cannot be said to be binding.*

*12. We have come across several decisions where the High Court is adopting the previous decisions as binding. The determination of compensation in each case depends upon the nature of land and what is the evidence adduced in each case, may be that better evidence has been adduced in later case regarding the actual value of property and subsequent sale deeds after the award and before preliminary notification under section 4 are also to be considered, if filed. It is not proper to ignore the*

*evidence adduced in the case at hand. The compensation cannot be determined by blindly following the previous award/judgment. It has to be considered only a piece of evidence not beyond that. Court has to apply the judicial mind and is supposed not to follow the previous awards without due consideration of the facts and circumstances and evidence adduced in the case in question. The current value reflected 13 by comparable sale deeds is more reliable and binding for determination of compensation in such cases award/judgment relating to an acquisition made before 5 to 10 years cannot form the safe basis for determining compensation.*

13. *The awards and judgment in the cases of others not being inter parties are not binding as precedents. Recently, we have seen the trend of the courts to follow them blindly probably under the misconception of the concept of equality and fair treatment. The courts are being swayed away and this approach in the absence of and similar nature and situation of land is causing more injustice and tantamount to giving equal treatment in the case of unequal's. As per situation of a village, nature of land its value differ from the distance to distance even two to three-kilometer distance may also make the material difference in value. Land abutting Highway may fetch higher value but not land situated in interior villages.*

14. *The previous awards/judgments are the only piece of evidence at par with comparative sale transactions. The similarity of the land covered by previous judgment/award is required to be proved like any other comparative exemplar. In case previous award/judgment is based on exemplar, which is not similar or acceptable, previous award/judgment of court cannot be said to be binding. Such determination has to be out rightly rejected. In case some mistake has been done in 14 awarding compensation, it cannot be followed on the ground of parity an illegality cannot be perpetuated. Such award/judgment would be wholly irrelevant.*

15. *There is yet another serious infirmity seen in following the judgment or award passed in acquisition made before 10 to 12*

*years and price is being determined on that basis by giving either flat increase or cumulative increase as per the choice of individual Judge without going into the factual scenario. The said method of determining compensation is available only when there is absence of sale transaction before issuance of notification under section 4 of the Act and for giving annual increase, evidence should reflect that price of land had appreciated regularly and did not remain static. The Recent trend for last several years indicates that price of land is more or less static if it has not gone down. At present, there is no appreciation of value. Thus, in our opinion, it is not a very safe method of determining compensation.*

*16. To base determination of compensation on a previous award/ judgment, the evidence considered in the previous judgment/ award and its acceptability on judicial parameters has to be necessarily gone into, otherwise, /gross injustice may be caused to any of the parties. In case some gross mistake or illegality has been committed in previous award/judgment of not making deduction etc. and/or sufficient 15 evidence had not been adduced and better evidence is adduced in case at hand, previous award/judgment being not inter-parties cannot be followed and if land is not similar in nature in all aspects it has to be out-rightly rejected as done in the case of comparative exemplars. Sale deeds are at par for evidentiary value with such awards of the court as court bases its conclusions on such transaction only, to ultimately determine the value of the property.”*

8. I have heard learned counsel for the parties and reviewed the paper book. I find substance in the submissions made on behalf of the appellants-landowners.

9. In the given facts and circumstances, the learned Reference Court erred in holding that once the landowners of the present acquisition were offered an alternate site in Ramesh Nagar under Scheme Number 23

Part II, they were not entitled to any enhancement in market value. This reasoning completely contradicts the *intent and spirit* of the provisions of the 1894 Act. The right to avail remedy with respect to re-determination of market value is derived by any landowner under the provisions of 1894 Act and it cannot be curtailed merely by offering additional advantages like the allotment of an alternate site etc., which clearly and exclusively forms part of government policy decisions. Therefore, no benefit from alternate allotment can prevent landowners from claiming re-assessment of market value under the statutory scheme of the 1894 Act, which is essentially derived from Article 300-A of the Constitution of India. The only exception to this rule can be, in case, the determination of market value against the acquisition of land is based on an agreement or compromise between the landowners or the authorities concerned, for whose benefit the land was acquired. No evidence to support this claim has been presented or proven by the respondents. Consequently, the findings of the learned Reference Court regarding this fact, which are contrary to the statutory mandate, are hereby set aside.

9.1 In the present case, from the material available on record, a positive finding of fact has been recorded by the learned Reference Court. The court has determined that the land under acquisition has both locational and potential value besides having residential and commercial potential as it is surrounded by an already developed area with all the necessary amenities. The respondents have never challenged these findings in any cross-appeal. The relevant para-No.15 from the impugned award with respect to the potentiality attached to the land under acquisition is reproduced hereunder:

*“As per statements of PW4 Ramesh Chander and PW5 Harjit Singh acquired land was situated just opposite to new Sabzi Mandi across the Kunjpura road, which was developed by the Improvement Trust in the year which was 1974-75 under scheme number 37. Nehru Palace which was developed by the Improvement Trust in the year 1994 was at a distance of 100 yards, Municipal Office was at a distance of 150 yards, bus stand was at a distance of 250 yards, Head Post Office was at a distance of 100 yards and Karan Gate was at a distance of 100 yards from the acquired land. Site plan Exx.P-15 to P-17 also indicate that in the vicinity of the acquired land, markets were developed and the Municipal Office and bus stand were not at far off distance from the same. Even RW1 Shiv Charan Sharma, Trust Engineer, Karnal admitted that scheme number 21 of Ghanta Ghar, was a commercial one and was situated near Committee Chowk at a distance of 1000 feet. The respondents have not rebutted the evidence of the claimants regarding distance of the acquired land from Nehru Palace, New Sabzi Mandi, Karan Gate, Municipal Office, Head Post Office and the bus stand. Thus, there can be no doubt about the fact that the acquired land was having residential and commercial potentiality.”*

10. Keeping in mind the aforementioned finding, wherein, it has been recorded that the land acquired was situated just opposite the newly developed Sabji Mandi by the Improvement Trust, Karnal, under Scheme No.37, Nehru Palace, Karnal, it is prudent and necessary to rely upon the decision passed by this Court on 15.09.1989. In that decision, the market value of the land under the notification dated 07.09.1973 for the acquisition of the New Sabji Mandi under Scheme No.37 Nehru Palace, Karnal, was assessed at Rs.1336/- per square yard. In the humble opinion of this Court in the given facts and circumstances, once it was held that the land under

acquisition carried residential and commercial potentiality, which was just situated opposite the land of previous acquisition and no cross-appeal to challenge the said finding was preferred at the instance of respondents, thus, award No.15 (Ex.P-18) needs to be relied upon. The mere fact that there is a difference of approximately 11½ years between the two notifications dated 07.09.1973 and 23.04.1985 would not diminish the evidentiary value of the determination made with respect to the notification dated 07.09.1973. The respondents have not produced or proved any sale deeds or other material to either support the market value awarded by the Land Acquisition Commission (LAC) or to contest the determination made with respect to the acquisition carried out under the notification dated 07.09.1973. Considering the findings recorded by the learned Reference Court in para 15 of the impugned award regarding the locational and potential value of the land under acquisition, and the fact that the land in the vicinity has been repeatedly acquired for various public purposes over time, it goes without saying that the market value in the abutting and surrounding area appreciated.

11. Considering the above discussion, even though a conscious approach is being taken, the market value needs to be reassessed. This involves applying an appreciation rate of 6% per annum for the period between 07.09.1973 and 23.04.1995, which differs from the determination made in the notification dated 07.09.1973. Consequently, the market value of the present acquisition, as per the notification under Section 4 of the 1894 Act dated 23.04.1985 is Rs. 2257.84/- per square yard, which is rounded off to Rs. 2257/- per square yard. Additionally, the landowners shall be entitled

to all other statutory benefits, including the benefit of interest on the solatium.

12. In view of the aforesaid discussion, the appeals filed at the instance of landowners are partly allowed.

13. Further, in case of unfortunate demise of any of the appellants-landowners, if the legal heirs-legal representative(s) have not been brought on record, they shall be entitled for filing exemption applications in their own names being legal heirs or legal representatives of the deceased-landowners; subject of course to any testamentary document created by the deceased.

14. Pending application, if any, also stands disposed of

09.10.2025

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**(HARKESH MANUJA)  
JUDGE**

Whether speaking/reasoned:

Yes/No

Whether reportable:

Yes/ No