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

(1)

**RFA No. 588 of 1998 (O&M)
Date of Decision: 19.08.2025**

Om Parkash

...Appellant

Versus

The State of Haryana and others

...Respondents

AND

(2)

RFA No. 1231 of 1998 (O&M)

Ishwar and others

...Appellants

Versus

State of Haryana and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Kulvir Narwal, Advocate
for the appellant(s) / landowner(s).

Mr. Abhinash Jain, Deputy Advocate General, Haryana
for the respondents.

HARKESH MANUJA, J. (ORAL)

This order shall dispose off present two appeals bearing RFA Nos. 588 & 1231 of 1998 as the same arise out of common acquisition / award.

[2] The appellants-landowners, by instituting the aforementioned appeals preferred under Section 54 of the Land Acquisition Act, 1894 (**for short "1894 Act"**), are seeking

modification of the award dated 07.10.1997 passed by learned Additional District Judge, Rohtak (**hereinafter to be referred as “Reference Court”**) for enhancement of compensation amount.

FACTS

[3] Briefly, the facts are that in pursuance of Haryana Govt. Notification under Section 4 of the 1894 Act issued on 01.01.1988, followed by Notification dated 24.03.1988 under Section 6 thereof, the land measuring 3.16 acres, including the land of appellants, situated in the revenue estates of Village **Bahu Jamalpur, Tehsil Rohtak, District Rohtak**, was acquired. The public purpose for acquisition of the land was stated to be for construction of a road from Bahu Jamalpur to Singhpura. The Land Acquisition Collector, Rohtak (**for short “LAC”**) vide Award No. 18, dated 20.02.1990, assessed the market value of acquired land @ Rs. 50,000/- per acre for Nehri land; Rs. 40,000/- per acre for Barani land; and Rs. 30,000/- per acre of Banzar land.

[4] Dissatisfied with the aforesaid Award, landowners / interested persons filed references under Section 18 of the 1894 Act, which were dismissed vide award dated 07.10.1997 by Reference Court, while affirming the market value of acquired land as assessed by the LAC.

[5] Aggrieved thereof, the appellants preferred the present appeals seeking enhancement of compensation amount, which stood admitted vide respective orders dated 30.03.1998 & 23.07.1998 by this Court.

CONTENTIONS:

ON BEHALF OF APPELLANT(S)

[6] Impugning the aforementioned award dated 07.10.1997, learned counsel for the appellant(s) submits that the Reference Court failed to take into consideration the sale transaction dated 18.10.1988 (Ex. P-1) of 11 marlas of land for Rs. 18,000/-, which related to the same revenue estate, i.e. Village Bahu Jamalpur and thus, the market value was required to be assessed while taking into account the same being the suitable and reliable sale exemplar.

ON BEHALF OF STATE OF HARYANA

[7] On the other hand, learned State Counsel points that the sale deed (Ex. P-1) is dated 18.10.1988, i.e. post notification under Section 4 of the 1894 Act issued on 01.01.1988 and as such, the same was rightly discarded by the Reference Court, especially when it related to small parcel of land measuring 11 marlas. He also submits that no interference was called for in the Award passed by the learned Reference Court as the market value was rightly assessed by the LAC and the same was clearly traceable from the sale consideration of Ex. R-2 and R-3 as well which were relating to big chunk of land and were even prior to notification under Section 4 of the 1894 Act.

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

[9] In the considered opinion of this Court, no merits can be found in the submission(s) made on behalf of learned State Counsel, whereby he has placed reliance upon the sale deeds (Ex. R-2 & R-3)

which were even discarded by the Reference Court. Furthermore, a perusal of site plan (Ex. R-1) reflects that the sale instances (Ex. R-2 & Ex. R-3) are pertaining to land located at a distance of around 500 meters to 1500 meters and thus, could not be treated as exemplar sale instance.

[10] Considering the fact that the total acquisition of land in Village Bahu Jamalpur, Tehsil Rohtak, District Rohtak, relates to 3.16 acres of land; thus, the sale deed dated 18.10.1988 (Ex.P-1) which pertains to 11 marlas of land can very well be relied upon as a comparable sale exemplar even though the same relates to the period post notification, especially when the land forming part of it is of similar nature as the acquired land and it also pertains to the same revenue estate. Further, in the absence of any evidence having been led by the respondents on the aspect, there is doubt regarding the *bona fide* and genuineness of the transaction involved in the sale exemplar (Ex. P-1). Moreover, the land forming part of sale instance (Ex. P-1) i.e. just 2 to 3 acres away from the land under acquisition.

[11] Even the Hon'ble Supreme Court in case of ***Ram Kishan (since deceased) through his LRs etc. Versus State of Haryana & Ors.***, reported as **2025 INSC 441**, has been pleased to discuss and deliberate upon the principle of de-escalation and escalation on the sale exemplars for re-determination of the market value of the acquired land. Relevant para-25 thereof is extracted hereunder:-

RELEVANT LEGAL PRINCIPLES

(i) PRINCIPLE OF DE-ESCALATION AND ESCALATION

25. *In Peerappa Hanmantha Harijan (Dead) by Legal Representatives and Others vs. State of Karnataka and Another, (2015) 10 SCC 469, finding that lands which were*

acquired by a later notification in 1988 were adjacent to the lands acquired in the case in question in 1981, this Court applied the principle of de-escalation. The relevant parts of the judgment are set out hereunder:

77. Further, the land which has been covered under notification in 1988 is also adjacent to the residential sites which were formed. The landowners in that case produced the sale deeds of the years 1986 and 1988 respectively, which was 2 years and 2 months earlier respectively to the notification issued in the year 1988 and some of which were two to three years earlier. Taking the said relevant facts into consideration, the High Court of Karnataka redetermined the compensation at Rs 7.5 per square feet of land bearing Survey No. 389 covered in award passed in MFA No. 3796 of 2005 and Cross-Objection No. 213 of 2005 after giving deduction towards the developmental charges, de-escalation and conversion charges. The same method should be applied in the case on hand.

78. Further, the High Court ought to have taken into consideration the relevant fact that though the final notification for the land covered in MFA No. 3796 of 2005 and Cross-Objection No. 213 of 2005 was in the year 1988, it was for industrial development and the said land was also leased in favour of the allottee Company by KIADB to be used for the industrial development. The land along with the other lands covered in the 1981 notification was also acquired by the State Government for the purpose of the industrial development and allotted to the Company for the development of the industrial estate. Therefore, apart from the fact that there was a gap of 7 years in which the lands of the appellants were notified for acquisition to the land covered in MFA No. 3796 of 2005 and Cross-Objection No. 213 of 2005, it is an admitted fact that there is similarity in the nature of the land and the purpose for which they were acquired.

80. As per the survey conducted by the State Government, it is an undisputed fact that mineral is available in the land and the Company is extracting the same to be used as raw material for the manufacture of cement in its factory. Therefore, though the land in the

present case is a short distance away from the lands covered in MFA No. 3796 of 2005 and Cross-Objection No. 213 of 2005, both have been acquired for the purpose of industrial development and sought to be used for the same purpose by the Company. The land of the appellants herein along with other lands that was acquired vide notification in 1981 has been allotted in favour of the Company for the purpose of extracting the mineral of limestone which is the raw material used for the purpose of manufacturing the cement used for the commercial purpose. Therefore, the land of the appellants is acquired for the non-agricultural potentiality and the same is used for commercial purpose. Therefore, determining deductions towards de-escalation at 5% per year for 7 years and 10% towards waiting and other incidental charges would justify the redetermination of the market value of the land of the appellants.”

[12] Applying the above principle upon the facts and circumstances of the present case, wherein the acquisition proceedings commenced vide Notification dated 01.01.1988 issued under Section 4 of the Act of 1894, whereas the sale exemplar (Ex. P-1) is dated 18.10.1988, in terms of the ratio of law laid down in case of **Ram Kishan (supra)**, it would be appropriate to apply a deduction of 10% for the period of difference of 09 months over the sale price in relation to the sale deed (Ex. P-1).

[13] Further, considering the fact that the total area pertaining to the acquisition in case of Village **Bahu Jamalpur** is relatively small i.e. 3.16 acre and the sale exemplar (Ex. P-1) relates to an area measuring 11 marlas (around) besides, the acquisition in the case in hand being for construction of road, it may be appropriate to apply cut of one-third ($1/3^{\text{rd}}$) over the sale price of Ex. P-1.

[14] Moreover, in the humble opinion of this Court, in the given facts and circumstances, wherein the acquisition proceedings were carried out for the purpose of construction of a road from Bahu Jamalpur to Singhpura; as such, there was no loss of land / cost towards providing of any additional infrastructural development at the hands of respondent(s); one-third cut over the sale exemplar (Ex. P-1) would be appropriate and justified for the purposes of determination of fair and just compensation to the appellants-landowners.

[15] Thus, in view of the detailed discussion made hereinabove, considering the time gap between the Notification under Section 4 of the 1894 Act i.e. 01.01.1988 and the sale exemplar dated 18.10.1988 (Ex. P-1) which comes to more than nine months, by applying the law laid down by the Hon'ble the Supreme Court in case **Ram Kishan (supra)**, deduction / de-escalation @ 10% per year for nine months, and thereafter, applying one-third development cut over the sale price per acre, the market value as on the date of notification under Section 4 of the Act in the present case would come to around **Rs.1,61,455/- per acre** for all kinds of lands alongwith other statutory benefits / interest as provided in the Act of 1894, as per the calculation below:-

		Amount per acre (in Rs.)
Market Value of the acquired land (as per exemplar sale deed dated 18.10.1988 (Ex. P-1) qua 11 marlas land)	18,000 / 11 x 160	2,61,818.00.00
Less: 10% De-escalation charges per year (for nine months)	Rs.2,61,818 x 10/100 x 9/12	19,636.00
Total		2,42,182.00
Less: 1/3 rd Development Cut	Rs. 2,42,182 x 1/3 = 79,418/-	80,727.00
Final Compensation		1,61,455.00

DECISION

[16] In the light of above, Award(s) dated 07.10.1997 passed by the Reference Court is hereby set aside. The appellant(s)-landowner(s) are held entitled to the enhanced / modified compensation as assessed i.e. **Rs.1,61,455/- per acre** for all kind of lands alongwith consequential / statutory benefits and interest as provided in the Act of 1894.

[17] Both the appeals are **disposed off** accordingly.

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

August 19, 2025

'dk kamra'

**(HARKESH MANUJA)
JUDGE**

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