



126 (04 cases)

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

(1) **RFA No. 2055 of 2005 (O&M)**
Date of Decision: 08.10.2025

Gurbachan Singh and others
...Appellants

Versus

Union Territory, Chandigarh
...Respondent

(2) **RFA No. 2056 of 2005 (O&M)**

Shri Som Nath and another
...Appellants

Versus

Union Territory, Chandigarh
...Respondent

(3) **RFA No. 2057 of 2005 (O&M)**

Gurdev Singh
...Appellant

Versus

Union Territory, Chandigarh
...Respondent

AND

(4) **RFA No. 4170 of 2006 (O&M)**

Darshna alias Sudershna Devi and others
...Appellants

Versus

Union Territory, Chandigarh
...Respondent

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Ms. Ekta Thakur, Advocate and
Ms. Shikha, Advocate
for the appellants-landowners.

Mr. Jaivir S. Chandail, Additional Standing Counsel, U.T., Chandigarh with
Mr. Rohit Kaushik, Advocate
for the respondent(s)-Union Territory, Chandigarh.

HARKESH MANUJA, J. (ORAL)

This order shall dispose off the present four (04) appeals bearing RFA Nos. 2055, 2056 & 2057 of 2005 and 4170 of 2006. In all these appeals, the appellants-landowners are seeking further enhancement of compensation for the acquired land.

[2] In these present appeals, a challenge has been made to the Award dated 14.03.2005 passed by the learned Additional District Judge, Chandigarh (**hereinafter to be referred as "Reference Court"**), whereby the reference petition(s) filed by the appellant(s)-landowner(s) were accepted, while awarding compensation at the rate of Rs. 9.54 lakhs per acre for the acquired land alongwith all other statutory benefits.

FACTS

[3] Briefly, the facts are that in pursuance of Chandigarh Administration Notification under Section 4 of the Land Acquisition Act, 1894 (**for brevity "1894 Act"**) issued on 02.12.1997, followed by Notification dated 16.06.1998 under Section 6 thereof, certain land of the appellants, situated within the revenue estate of Village Behlana, Union Territory, Chandigarh was acquired. The total land acquired was measuring 14 Kanals 3 Marlas. The acquisition was made for public purpose, namely, "Defence Purpose in Chandigarh". The Land Acquisition Collector, Union Territory, Chandigarh (**for short "LAC"**) vide Award No. 532 dated 01.05.2000, awarded compensation at the rate of Rs. 3,85,094/- per acre for all kinds of land.

[4] Dissatisfied with the aforesaid Award, landowners / interested persons filed objections under Section 18 of the Act of 1894, which were decided vide award dated 14.03.2005 by the

learned Reference Court, whereby market value of the acquired land was assessed / enhanced at the rate of Rs. 9,54,000/- per acre alongwith other statutory benefits.

CONTENTIONS:

ON BEHALF OF APPELLANTS-LANDOWNERS

[5] Impugning the aforementioned award dated 14.03.2005, the short point raised in the present appeals on behalf of the appellants-landowners is that while relying upon Ex. P-28 which happens to be a decision dated 12.01.2001 passed in **RFA-350-1996**, titled "**Kulwant Singh etc. Versus Union Territory, Chandigarh**" relating to the notification dated 13.10.1989 issued under Section 4 of 1894 Act, whereby also land situated within the revenue estate of Village Behlana was acquired for the installation of Indo-Tibetan Border Police Force (Camps) at Chandigarh and the market value was assessed @ Rs. 4.5 lakh per acre besides award of other benefits, rather than applying appreciation at the simple rate of 12% per annum by the learned Reference Court, it should have been compounded. Learned counsel for the appellants submits that the land under acquisition is situated within the periphery of Chandigarh, though outside the sectoral grid, as such the land being adjacent to the boundary of Chandigarh City, the appreciation at compound rate should have been applied by the learned Reference Court while making the assessment of market value.

In the light of above contention(s), learned counsel for the appellants thus prays for modification of the award passed by the learned Reference Court.

ON BEHALF OF RESPONDENT(S)-UNION TERRITORY, CHANDIGARH

[6] On the other hand, learned Additional Standing Counsel, Union Territory, Chandigarh, submits that the land formed part of the controlled area under the provisions of The Punjab New Capital (Periphery) Control Act, 1952 (**for short "1952 Act"**) and the user thereof was regulated in terms of the provisions of the said Act. He further submits that there was no much appreciation towards the value of land, its user being strictly regulated. He thus submits that the present appeal is liable to be dismissed.

DISCUSSION AND REASONING

[7] 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).

[8] Based on the evidence available on record, the learned Reference Court failed to recognize the potential advantage of the land under present acquisition. It was situated adjacent to the Indo-Tibetan Border Police Force (Camps) at Chandigarh and even abutted the road leading from Chandigarh to Zirakpur. Consequently, the acquired land situated on the outskirts of the Chandigarh City was having potential advantage on account of its geographical location. In such circumstances, instead of applying a simple appreciation rate of 12%, the learned Reference Court should have considered the benefit of 12% compounded appreciation. The fact that the land was within the controlled area and as per the 1952 Act, did not even negate the potential advantage held due to its proximity to the already developed area. Moreover, the declaration of a controller area only regulated

the user of the land under the provisions of the 1952 Act, without imposing any absolute restrictions.

[8.1] In the light of above discussion and considering the fact that the acquired land is situated on the outskirts of the Chandigarh City thus having potential advantage on account of its geographical location, an appreciation @ 12% per annum at compound rate needs to be applied on the market value as assessed in RFA-350-1996, i.e. Rs. 4,50,000/- per acre for a period of around eight years and one & half month (97½ months), i.e. for the period between date of notification dated 13.10.1989 issued under Section 4 of 1894 Act in RFA-350-1996 till the date of notification issued under Section 4 of 1894 Act in the present case, i.e. 02.12.1997. The corresponding sale price as on 02.12.1997, therefore, comes to **Rs.11,30,896/- per acre** and the same is, therefore, granted in favour of the appellant(s)-landowner(s) besides other statutory benefits / interest as provided in the 1894 Act, as per the calculation below:-

Description	Amount per acre (in Rs.)
Market Value of the acquired land (as per notification dated 13.10.1989 issued under Section 4 of 1894 Act in RFA-350-1996)	4,50,000.00
Add: Interest 12% per annum (Rs.4,50,000 x 12/100) (from 13.10.1989 to 12.10.1990)	54,000.00
	5,04,000.00
Add: Interest 12% per annum (Rs.5,04,000 x 12/100) (from 13.10.1990 to 12.10.1991)	60,480.00
	5,64,480.00
Add: Interest 12% per annum (Rs.5,64,480 x 12/100) (from 13.10.1991 to 12.10.1992)	67,737.60
	6,32,217.60
Add: Interest 12% per annum (Rs.6,32,217.60 x 12/100) (from 13.10.1992 to 12.10.1993)	75,866.112

	7,08,083.712
Add: Interest 12% per annum (Rs. 7,08,083.712 x 12/100) (from 13.10.1993 to 12.10.1994)	84,970.045
	7,93,053.757
Add: Interest 12% per annum (Rs. 7,93,053.757 x 12/100) (from 13.10.1994 to 12.10.1995)	95,166.450
	8,88,220.207
Add: Interest 12% per annum (Rs. 8,88,220.207 x 12/100) (from 13.10.1995 to 12.10.1996)	1,06,586.424
	9,94,806.631
Add: Interest 12% per annum (Rs. 9,94,806.631 x 12/100) (from 13.10.1996 to 12.10.1997)	1,19,376.795
	11,14,183.426
Add: Interest 12% per annum (Rs. 11,14,183.426 x 12/100 x 1½ /12) (from 13.10.1997 to 02.12.1997)	16,712.751
	11,30,896.177
Net Compensation	11,30,896.00 (Round off)

DECISION

[9] In the light of above, Award dated 14.03.2005 passed by the Reference Court is hereby modified. The appellant(s)-landowner(s) are held entitled to the market value as assessed above alongwith consequential / statutory benefits and interest as provided in the Act of 1894 (as amended up-to-date).

[10] Further, in case of unfortunate demise of any of the appellants/landowners, if the legal heirs/legal representatives have not been brought on record, they shall be entitled to file execution 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.

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

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

October 08, 2025

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**(HARKESH MANUJA)
JUDGE**

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