

2025:PHHC:132215



111 (11 cases)

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

**RFA No. 353 of 2000 (O&M) and
"10" connected cases
Date of Decision: 23.09.2025**

Jagjit Singh and another

...Appellants

Versus

State of Punjab and another

...Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. C.M. Munjal, Advocate
for the appellant(s) / landowner(s).

Mr. Gunjan Mehta, Additional Advocate General, Punjab
for the respondent(s)-State of Punjab.

HARKESH MANUJA, J. (ORAL)

CM-4245-CI-2001 in RFA-2011-2001

Prayer in the present application, moved on behalf of the applicants, is for impleading them as legal representatives of Hardeep Singh, who died on 16.08.1999.

Notice of the application.

Learned State Counsel accepts notice and raises no objection against the prayer made in the application.

In view of the above as well as contents of the application, duly supported by the affidavit, the same is allowed and the persons mentioned in para-2 of the application are ordered to be brought on record as legal representatives of Hardeep Singh so as to pursue the appeal.

CM-4246-CI-2001 in RFA-2011-2001

Application is **allowed** as prayed for subject to all just exceptions. Exemption from filing the certified copy of award dated 22.10.1999 passed by the Court of Additional District Judge, Ferozpur, is granted.

MAIN APPEAL(S)

This order shall dispose off a batch of *11 number of appeals (detail whereof is on the foot of the judgment), filed under Section 54 of the Land Acquisition Act, 1894 (**for short, the 'Act of 1894'**). In all the appeals, the appellants-landowners are seeking further enhancement of compensation for the acquired land.

[2] In present appeals, challenge has been made to Award dated 22.10.1999 passed by the learned Additional District Judge, Ferozpur (**hereinafter to be referred as "Reference Court"**), whereby the reference petition(s) filed by the appellant(s)-landowner(s) were partly accepted, while granting benefit of 50% on account of severance, besides it, they were held entitled to interest for the first year @ 9% per annum and thereafter @ 15% per annum till the date of actual payment from the date of dispossession i.e. 01.03.1988.

FACTS

[3] Briefly, the facts are that in pursuance of Punjab Govt. Notification under Section 4 of the Act of 1894 issued on 06.01.1990, followed by Notification dated 12.09.1990 under Section 6 thereof, certain land owned by the appellants situated within the revenue estate of **Village Bhangar, District Ferozpur**, was acquired. The public purpose for acquisition was stated to be "construction of

Bhanger Shakur Minor (Drainage Department). The LAC, vide Award No. 2, dated 23.09.1992, assessed the market value of acquired land @ Rs.45,000/- per acre for Chahi/Nehri land falling in Village Bhanger.

[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 22.10.1999 by the Reference Court, whereby market value of the acquired land was though not enhanced, but the appellants were held to be entitled for compensation to the extent of 50% of the market value on account of severance charges.

CONTENTIONS:

ON BEHALF OF APPELLANTS-LANDOWNERS

[5] Impugning the aforementioned award dated 22.10.1999, learned counsel for the appellant(s) submits that the learned Reference Court went wrong having failed to ignore the sale instances dated 22.06.1992 & 05.02.1992, which were proved on record as Exhibits A-4 & A-5 respectively. He contends that both the aforementioned sale instances were pertaining to the same revenue estate i.e. Village Bhanger, District Ferozepur, of which the present acquisition relates. The details of the two sale instances relied upon by learned counsel for the appellants(s) are extracted hereunder:-

Exhibits Sale Deed	Date of Execution	Area	Sale Consideration (in Rs.)	
A-4	22.06.1992	16 Kanal	@ 98,000/- per killa	1,96,000/-
A-5	05.02.1992	12 Kanal	@ 98,000/- per killa	1,47,000/-

[5.1] Learned counsel for the appellant(s) further emphasizes that though the sale instances Ex. A-4 & A-5 were post notification under Section 4 of the Act of 1894, however, by applying the doctrine of de-escalation, the same were required to be relied upon for the purpose of re-assessment of compensation. He also argues that the possession of acquired land was taken over by the respondents on 01.03.1988 and this fact was even proved on record. As such, he prayed that the appellants-landowners were required to be awarded damages from the date of taking over of the possession of land till the date of passing of the award.

ON BEHALF OF RESPONDENT-STATE OF PUNJAB

[6] On the other hand, learned State Counsel submits that the sale instances-Ex. A-4 & A-5 were not to be taken into account as the sale exemplars for the reasons that the comparative location of the land forming part of Ex. A-4 & A-5 in relation to the land under acquisition was never established on record. He also contends that even the two sale instances (Ex. A-4 & A-5) were post notification under Section 4 of the Act of 1894, and thus were rightly discarded by the learned Reference Court. He argued that in the absence of there being specific pleadings made by the landowners in their reference petition(s), no damages were to be granted in their favour for the period between taking over of the possession till the passing of the award. He also emphasizes that the learned Reference Court rightly did not award any enhancement towards the market value as the landowners were suitably compensated by way of enhancement towards severance charges and thus, prays that the impugned award calls for no interference.

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] In the present case, the sale instances dated 22.06.1992 & 05.02.1992 (Ex. A-4 & A-5 respectively) are relating to the same revenue estate i.e. Village Bhangar, District Ferozepur. The same even pertain to large chunk of land measuring 16 kanal and 12 kanal respectively. In the absence of any other reliable evidence available on record, the sale instances which are though post notification but pertain to the same revenue estate, can be relied upon as the sale exemplars, unless it is established on record from the other side that such sale transactions are neither *bona fide* nor genuine.

[9] 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 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."

[9.1] Applying the above-mentioned legal position upon the facts and circumstances of the present case, wherein the acquisition proceedings commenced vide Notification dated 06.01.1990 issued under Section 4 of the Act of 1894 and the latest sale exemplar (Ex. A-4) is dated 22.06.1992, applying the ratio of law laid down in case of **Ram Kishan (supra)**, it would be appropriate to make deduction of 15% for the period of difference of two years and six months over the sale price in relation to the sale instance (Ex. A-4).

[10] Thus, in view of the above discussion, considering the time gap between the Notification under Section 4 of the 1894 Act i.e. 06.01.1990 and the sale instances dated 22.06.1992 & 05.02.1992 (Ex. A-4 & A-5 respectively), which comes to around two years and six months, i.e. 30 months and by applying the ratio of law laid down by the Hon'ble the Supreme Court in case of **Ram Kishan (supra)**, making deduction / de-escalation @ 15% per year for two years and six months, the market value as on the date of notification under Section 4 of the Act in the present case would come to **Rs.61,250/- 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 22.06.1992 (Ex. A-4) qua 16 kanals land)		98,000.00
Less: 15% De-escalation charges per year (for thirty months)	Rs.98,000 x 15/100 x 30/12	36,750.00
Net Value		61,250.00

[11] With respect to the another plea raised on behalf of the appellant(s) regarding award of damages, it may be pointed out here that the learned Reference Court in para-10 of its award went on to record a categoric finding that the possession of the acquired land was taken over from the landowners by the respondents on 01.03.1988; whereas notification under Section 4 of the Act of 1894 was issued on 06.01.1990. In such circumstances, the appellants-landowners were deprived of use and enjoyment of their land w.e.f. 01.03.1988 and thus, they were entitled for award of damages @ 12% w.e.f. 01.03.1988 till the passing of the award by the LAC and the same are thus granted accordingly.

DECISION

[12] In the light of above, Award(s) dated 22.10.1999 passed by the Reference Court is hereby modified. The appellant(s)-landowner(s) are held entitled to the market value as assessed above with regard to Village Bhangar, District Ferozepur alongwith consequential / statutory benefits and interest as provided in the Act of 1894 (as amended up-to-date).

[13] 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 for filing exemption

applications in their own names being legal heirs or legal representatives of the deceased-landowners; subject to, of course, any testamentary document created by the deceased.

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

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

September 23, 2025

'dk kamra'

**(HARKESH MANUJA)
JUDGE**

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

Sr. No.	Case No.	Case Title
*1.	RFA-353-2000 (Main Case)	JAGJIT SINGH AND ANOTHER <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
2.	RFA-354-2000	SURJIT KAUR AND OTHERS <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
3.	RFA-531-2000	GURDIP SINGH <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
4.	RFA-532-2000	MELA SINGH <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
5.	RFA-533-2000	SULAKHAN SINGH AND OTHERS <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
6.	RFA-534-2000	NARINDER SINGH <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
7.	RFA-535-2000	GURDEEP SINGH <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
8.	RFA-536-2000	MOHINDER SINGH AND OTHERS <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
9.	RFA-537-2000	HARDIAL SINGH AND ANOTHER <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
10.	RFA-98-2001	HARBANS SINGH AND ANOTHER <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER
11.	RFA-2011-2001	JASPAL SINGH AND OTHERS <u>VERSUS</u> STATE OF PUNJAB AND ANOTHER