



2026:AHC:56616

HIGH COURT OF JUDICATURE AT ALLAHABAD

FIRST APPEAL No. - 254 of 2026

Moradabad Development Authority

.....Appellant(s)

Versus

Omprakash(Deceased)8 Others

.....Respondent(s)

Counsel for Appellant(s)	:	Abhinava Krishna Srivastava
Counsel for Respondent(s)	:	

Court No. - 38

HON'BLE SANDEEP JAIN, J.

1. First Appeal No.254 of 2026 has been filed by the appellant- Moradabad Development Authority for reduction of compensation under Section 54 of the Land Acquisition Act, 1894 against the impugned judgment and award dated 10.09.2024 passed by the Presiding Officer, Land Acquisition Rehabilitation and Resettlement Authority, Moradabad in Land Acquisition Reference No.101 of 1990 (Omprakash and others vs. State of U.P. and others), whereby for the acquired land situated in village Majhhola, District Moradabad, a compensation @ Rs.237.91 per square meter has been awarded to the land owners.

2. First Appeal No.256 of 2026 has been filed by the appellant- Moradabad Development Authority for reduction of compensation under Section 54 of the Land Acquisition Act, 1894 against the impugned judgment and award dated 20.07.2024 passed by the Presiding Officer, Land Acquisition Rehabilitation and Resettlement Authority, Moradabad in Land Acquisition Reference No.155 of 1990 (Ganga Ram and others vs. State of U.P. and others), whereby for the acquired land situated in village Majhhola, District Moradabad, a compensation @ Rs.237.91 per square meter has been awarded to the land owners.

3. Learned counsel for the appellant- Moradabad Development Authority submitted that the Reference Court has awarded excessive amount of compensation to the land owners, which was not at all warranted in the facts and circumstances of the case. It was further submitted that the acquired land was not situated in an urban area, as such, the Reference Court has erred by awarding compensation on that basis. It was further submitted that the Reference Court has further erred in granting an yearly escalation @ 12% from the year 1982 to the year 1987, which was not at all warranted in the facts and circumstances of the cases. With these submissions, it was prayed that the appeals be admitted for hearing.

4. Per contra, Shri Deep Chandra Joshi, learned counsel for the respondent land owners in First Appeal No.254 of 2026 has submitted that the Reference Court has

awarded right amount of compensation to the land owners, which does not warrant any reduction by this Court, in exercise of its appellate jurisdiction.

5. I have heard learned counsel for both the sides, perused the impugned judgments and documents submitted with the appeals and the record of the lower court.

6. It is apparent that in the instant appeal, the matter relates to acquisition of land of village Majhhola, Tehsil and District Moradabad, which was acquired by notification under Section 4(1) of the Act, dated 04.04.1987, regarding which the award of Collector was made on 30.06.1989, whereby for the kachiyana land, compensation @ Rs.1,51,074.51 per acre, domat avval land Rs.85,206 per acre, domat doyam land Rs.64,746 per acre, for domat soyam land Rs.43,164.14 per acre and for water logged land Rs.67,830/- per acre was determined. Besides that, solatium @ 30% and additional compensation @ 12% per annum was also awarded to the land owners. The above award of the Collector was challenged by the land owners by filing reference, which was allowed, whereby enhanced compensation @ Rs.235, 235, 150 and 175/- per square meter respectively was awarded to the land owners, which was challenged by the Authority by filing First Appeal No.376 of 2015 (Moradabad Development Authority vs. Kalloo Singh and others), which was decided along with 20 other first appeals on 16.05.2016 and the matter was remanded to the Reference Court for deciding it afresh in the light of observations made by this Court in First Appeal No.896 of 1991 (U.P. Awas Evam Vikas Parishad vs. Jagdish and others), which was decided on 29.04.1999, keeping in view the belting system. It is further apparent that the judgment of this Court dated 29.04.1999 was further challenged by the U.P. Awas Evam Vikas Parishad and the land owners by filing Civil Appeal No.4866 of 1999 (U.P. Awas Evam Vikas Parishad vs. Jagdish Chandra) and Civil Appeal No.6092 of 1999 (Savitri Cairai vs. U.P. Awas Evam Vikas Parishad), which was disposed by the Apex Court by order dated 01.05.2003, whereby the order dated 29.04.1999 of this Court was affirmed.

7. It is further apparent that in First Appeal No.896 of 1991, which was decided on 29.04.1999, the compensation for the acquired land situated in village Majhhola and Majhholi, District Moradabad was determined as per belting system whereby the land was divided into three categories and the land belonging to the first belt was valued at Rs.200/- per square meter and after making deduction of development charges of 20%, the compensation payable was arrived at Rs.160/- per square meter. Similarly, for the second belt, the land of which was situated away from the National Highway, its value was taken at Rs.150/- per square meter, after making a deduction of 15% compensation was determined at Rs.127.50 per square meter and for the third belt, which was situated far away from the National Highway its value was taken at Rs.100/- per square meter, a deduction of 10% was made and accordingly, compensation @ Rs.90/- per square meter was determined for the land belonging to the third belt. The Reference Court, after the matter was remanded has considered the

situation of the acquired land and has recorded a finding that the acquired land is situated at some distance from the National Highway and has accordingly, determined it to be falling in the second belt and has taken its value at Rs.150/- per square meter and after effecting deduction of 10% towards development charges has arrived at a figure of Rs.135/- per square meter. The Reference Court has duly considered that since the land falling in the first belt was situated in proximity of the Delhi Moradabad Highway, as such, a compensation @ Rs.200/- per square meter, which comes to Rs.160/- per square meter after effecting deduction of 20% development charges, was awarded for that land. The Reference Court has considered that since the acquired land was situated at quite some distance from the National Highway, as such, it falls into second category.

8. The Reference Court has also considered that in First Appeal No.896 of 1991, the acquisition was made in the year 1982 and notification under Section 4 was issued on 02.10.1982 whereas in the instant case, the notification has been issued on 03.04.1987. The Reference Court concluded that there was a gap of five years between two acquisitions and has accordingly granted an yearly increase of 12% per annum, which cannot be termed to be erroneous in the facts and circumstances of the case.

9. The Apex Court in the case of ***The Central Warehousing Corporation v. Thakur Dwara Kalan Ul-Maruf Baraglan Wala (Dead) & Others (2024) 13 SCC 805***, while considering the issue of yearly increase in the value of land and after examining various precedents of the Apex Court, has held as under:-

"16. The law on the point of annual increase whether on cumulative basis or non-cumulative basis and the rate of annual increase to be applied are thus to be considered. Based upon the same a balance and equitable compensation needs to be determined in the present case.

17. The following cases have been relied upon by the parties with respect to determining the just compensation:

(i) ONGC Ltd. v. Rameshbhai Jivanbhai Patel (2008) 14 SCC 745,

(ii) Ashrafi v. State of Haryana (2013) 5 SCC 527 : (2013) 3 SCC (Civ) 169,

(iii) Narbadi Devi v. State of Haryana 2014 SCC OnLine SC 1891,

(iv) Ramrao Shankar Tapase v. Maharashtra IDC (2022) 7 SCC 563 : (2022) 3 SCC (Civ) 802,

(v) State of Haryana v. Subhash Chander (2023) 5 SCC 435 : (2023) 3 SCC (Civ) 186.

18. The case which was referred to by the High Court was Rameshbhai Jivanbhai Patel (supra) . It no doubt referred to determining compensation on the basis of annual increase with cumulative effect, but at the same time it had put a caution that

such annual increase can be taken only for 4-5 years as beyond that it would be unsafe to uniformly apply the same rate for increase and that too with cumulative effect. Para 15 of the said judgment may be reproduced here which mentions the reasons where the gap is of several years, such standards may not be reliable rather the same may be unsafe: (SCC p. 751)

"15. Normally, recourse is taken to the mode of determining the market value by providing appropriate escalation over the proved market value of nearby lands in previous years (as evidenced by sale transactions or acquisitions), where there is no evidence of any contemporaneous sale transactions or acquisitions of comparable lands in the neighbourhood. The said method is reasonably safe where the relied-on sale transactions/acquisitions precede the subject acquisition by only a few years, that is, up to four to five years. Beyond that it may be unsafe, even if it relates to a neighbouring land. What may be a reliable standard if the gap is of only a few years, may become unsafe and unreliable standard where the gap is larger. For example, for determining the market value of a land acquired in 1992, adopting the annual increase method with reference to a sale or acquisition in 1970 or 1980 may have many pitfalls. This is because, over the course of years, the "rate" of annual increase may itself undergo drastic change apart from the likelihood of occurrence of varying periods of stagnation in prices or sudden spurts in prices affecting the very standard of increase."

19. In the said case, after laying down the caution, this Court awarded cumulative annual increase @ 7.5% for a period of five years.

20. In Ashrafi (supra) , this Court amongst many issues, considered the issue of applying annual increase cumulatively for determining just compensation. It also considered the law laid down in Rameshbhai Jivanbhai Patel (supra) and many other judgments on the said point. It applied formula of 12% annual increase cumulatively for a period of five years. The base rate being of the year 1987 whereas the acquisition in question being of 1993.

21. We will also refer to the order dated 22-8-2014 in Narbadi Devi (supra) which relied upon the judgment in Ashrafi (supra) and accepted the annual increase of 12% cumulatively. The High Court in the said case had although followed the dictum in the judgment of Ashrafi (supra), however, the annual increase of 12% was granted at a flat rate by the High Court and not cumulatively. This Court accordingly had modified the order of the High Court to the aforesaid extent that 12% annual increase would be cumulative.

22. Recently, in the year 2022, this Court in Ramrao Shankar Tapase (supra) citing the judgment in Rameshbhai Jivanbhai Patel (supra) and other similar matters, awarded annual increase cumulatively @ 12% for a period of three years. The High Court in the said case had applied annual increase cumulatively @ 10%.

23. *The latest judgment is of 2023 in Subhash Chander(supra) . In this case, the Court held that rate of annual increase could vary from 8% to 15% per year. However, considering the facts of the said case, this Court had awarded 10% annual increase cumulatively for a period of two years only.*

24. *From the above, we notice that the consistent view taken by this Court for awarding annual increase to determine the just compensation varies from case to case and the period to be applied is a major factor to be considered. In the present case, the period is 11 years which is pretty large as compared to the time period considered in the cases referred to above.*

25. *Taking an overall view in the matter and the consistent view of this Court, the fair and reasonable compensation in the present case would be best determined if we apply 8% annual increase with cumulative effect. This is for the reason that the gap is huge i.e. 11 years. For shorter period of 3-5 years, it could have been 10% or 12%. But in no case 15% would be justified for a period of 11 years as awarded by the High Court in the impugned order [Dwara Kalan Ul-Maruf Baraglan Wala v. State of Haryana, 2016 SCC OnLine P&H 19818] . In the present case, given the 11 years' gap, 8% would be considered just and proper."*

10. It is apparent that the Apex Court, in the case of ***The Central Warehousing Corporation*** (supra), after considering the earlier precedents, has held that the annual rate of increase in land value may vary from 8% to 15% per annum. The Apex Court concluded that the rate of annual increase depends upon the facts of each case and that the period for which such increase is to be applied is a significant factor. It was further held that for a shorter period of 3-5 years, a yearly increase of 10% or 12% may be appropriate, whereas for a longer period of about 11 years, an annual increase of 8% would be just and proper.

11. In the said case, for a duration of 11 years, the High Court had awarded a 15% yearly increase, which was modified by the Apex Court to 8%.

12. In the instant case, the acquired land is situated within the urban area and in the heart of the city. Accordingly, the Reference Court has awarded a 12% yearly increase for 5 years, which is fully justified in view of the parameters laid down by the Apex Court in the aforesaid case.

13. It is also evident that the Reference Court has duly applied the principles laid down by the Division Bench of this Court in U.P. Avas Evam Vikas Parishad vs. Jagdish and others, 1999 (3) AWC 2363, and, after considering the belting system, the prevailing rates, and granting a reasonable yearly increase, has awarded compensation at the rate of Rs.237.91 per square metre. The said determination does not warrant any interference by this Court in exercise of its appellate jurisdiction.

14. In view of the above, the instant appeals are devoid of merit and are liable to be

dismissed at the admission stage.

15. Accordingly, the instant appeals are dismissed at the admission stage. Consequently, the impugned judgment and award of the Reference Court dated 10.09.2024 and 20.07.2024 are affirmed.

March 19, 2026
Himanshu

(Sandeep Jain,J.)