

2025:PHHC:101258



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

RFA-2249-1998 (O&M)

Decided on:-06.08.2025

M/s Mukand Ltd. a Jt. Stock Company and anr. ..Appellants...

vs.

State of Haryana thr. LAC, Faridabad ...Respondent.

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Adarsh Jain, Advocate with
Ms. Amandeep Kaur, Advocate,
for the appellants.

Mr. Abhinash Jain, DAG, Haryana.

HARKESH MANUJA J. (Oral)

1. By way of present appeal, challenge has been laid to an award dated 12.05.1998 passed by the Reference Court-cum-Additional District Judge, Faridabad, whereby, appellants-landowners having invoked Section 18 of the Land Acquisition Act, 1894 (*for brevity, "1894 Act"*), were held entitled for compensation at the rate of Rs.377.30 per eucalyptus (*safeda*) tree, numbering 41980 in total, found on their acquired land.

2. Briefly stating, certain land owned by the appellants falling within the revenue estate of Village Jharsentli, District Faridabad, came to be acquired vide notifications dated 10.06.1988 and 07.06.1989 issued under Sections 4 and 6, respectively of the 1894 Act for the purpose of development of Sector 59, Faridabad. The Land Acquisition Collector in

exercise of powers under Section 11 of the 1894 Act passed award No.9 dated 20.03.1991, thereby assessing the market value for the acquired land, followed by another award dated 12.05.1998 for determination of compensation with respect to 41980 eucalyptus (*safeda*) trees found on the acquired land.

3. Being dissatisfied with the award, appellants-landowners preferred two separate reference petitions. The present appeal arises out of an award dated 12.05.1998 passed by learned Additional District Judge, Faridabad, in relation to the reference preferred at the instance of appellants-landowners regarding the trees only.

4. Impugning the Reference Court award, learned counsel for the appellants submits that the Reference Court while assessing the market value of eucalyptus (*safeda*) trees at the rate of Rs.377.30 per tree went on to rely upon a previous judgment of this Court passed in RFA-1844 of 1986, decided on 29.09.1989 in case titled as "***Sukhdev Singh vs. State of Punjab and another***", reported as ***1990(1) RRR 2***.

4.1 Learned counsel further points out that in case of ***Sukhdev Singh's*** case (supra), the acquisition proceedings commenced vide notification dated 13/14.12.1982, whereas, in the present case, the notification under Section 4 of the 1894 Act was issued on 10.06.1988 and thus, suitable increase at the rate of 9% per year should have been awarded on the price of eucalyptus (*safeda*) tree assessed @ Rs.377.30 per tree for the period between 13/14.12.1982 till 10.06.1988. In this regard, learned counsel for the appellants placed reliance upon a decision dated 31.08.2012 rendered by this Court in ***RFA-2402-1997 (O&M)*** and other connected cases, titled as "***Jasmat vs. State of Haryana and others***". He further

submits that the aforesaid increase should have been assessed by applying compound/cumulative increase method. For the said purpose, he relies upon decision dated 31.07.2008 rendered by the Hon'ble Supreme Court in case ***"The General Manager, Oil & Natural Gas Corporation Ltd. v. Rameshbhai Jivanbhai Patel and another"***, reported as ***2008 (4) SCC 745***.

5. On the other hand, learned counsel for the respondents vehemently opposes the claim set-up by the appellants while submitting that there was no reliable evidence available on record for the purposes of assessment of market value of the eucalyptus (*safeda*) trees found on the land under acquisition. He also submits that no documents were produced on record on behalf of the appellants so as to show any kind of appreciation towards the value of the trees between 1982 to 1988 and thus, the determination made by learned Reference Court calls for no interference and the present appeal was therefore, liable to be dismissed.

6. I have heard learned counsel for the parties and gone through the paper book. I find substance in the submissions made on behalf of the appellants.

7. In the present case, the Reference Court after evaluating the record available on the file has went on to record that the total number of eucalyptus (*safeda*) trees found over the land under acquisition in the case in hand were 41980 and the same bearing age of more than 7 years. This finding of fact recorded by the Reference Court was never assailed at the instance of respondents either by filing separate appeal or even by way of filing cross-objections in the present appeal filed by landowners and thus, the same have become final between the parties.

7.1 For the purpose of assessment of compensation at the rate of

Rs.377.30 per eucalyptus (*safeda*) tree, the learned Reference Court placed reliance upon decision made in case of **Sukhdev Singh** (supra). Admittedly, the acquisition proceedings in case of **Sukhdev Singh's** case (supra) commenced in December 1982, whereas in the present case, notification under Section 4 of the 1894 Act was issued on 10.06.1988 and as such, relying upon the decision made by this Court in case of **Jasmat's** (supra), an increase at the rate of 6% per year from December 1982 to June 1988 needs to be awarded in favour of landowners especially when the land under acquisition in both the cases i.e. situated within the same District of Faridabad and there is not much difference in the age of trees in both cases. Relevant para 5 from the decision in case of **Jasmat's (supra)** is reproduced hereunder:-

*“RFA No.2286-1998 addresses the issued relating to assessment of compensation for value of trees. The reference Court admitted the valuation as given in a judgment of this Court in **Sukhdev Singh v. State of Punjab and another, 1990 (1) RRF 2** where 10 years old safeda were assessed of Rs.377/- per tree. The same valuation was adopted by the reference Court. The learned counsel states that the assessment of Rs.377/- for 10 years old safeda was in reference to land acquired in the year 1982 through a notification and the Court must take judicial notice of the increase of value of the timber also over a period of time from 1982 to 1987 when the notification under Section 4 was made in the instant case. I have no scientific material to assess the actual rate of increase per year for a tree. I a prepare to assume that there ought to have been an increase in value of timber in the same manner as the value of land itself between 1980 to 1990. This Court has accepted an increase of 9% per year and the Supreme Court in a decision in **ONGC Ltd. v. Sendhabhai Vastram Patel (2008) 14 SCC 745** has held that the assessment*

for rate of increase for value of land in urban areas ought to be provided differently from the valuation in rural areas. The acquisition has been in relation to a property in village Badkhal, District Faridabad, I would provide for an increase @ 6% per year from 1982 to 1987 and take the value to be Rs.487/- per tree.”

7.2 Furthermore, in the absence of any specific evidence been available on records about any substantial increase in the value of trees in the vicinity, in the present circumstances wherein, the appreciation is being awarded over and above the price of trees fixed in December 1982, it would be appropriate to award similar increase of 6% per annum as has been awarded in *Jasmat's* case (supra), rather than, granting compound increase.

8. Accordingly, in view of the aforesaid discussion, after applying 6% increase per year from December 1982 to June 1988, the value per eucalyptus (*safeda*) tree in the present case would come to Rs.513.12. As such, the present appeal is partly allowed and the market value per eucalyptus (*safeda*) tree is fixed at the rate of Rs.513.12 for 41980 number of eucalyptus (*safeda*) trees found over the land under acquisition. The appellants shall also be entitled for interest provided under Section 28 of the 1894 Act.

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

10. LCR, if requisitioned, be returned.

06.08.2025

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(HARKESH MANUJA)
JUDGE

Whether speaking/reasoned:
Whether reportable:

Yes/No
Yes/ No