Case Citation: (2026) ibclaw.in 6190 HC

IN THE HIGH COURT OF MADHYA PRADESH AT JABALPUR

BEFORE

HON'BLE SHRI JUSTICE DEEPAK KHOT

ON THE 7th OF OCTOBER, 2026

FIRST APPEAL No. 1428 of 2024

CNR No.: MPHC010405642024

DEPUTY CHIEF ENGINEER CONSTRUCTION

Versus

RAJ KUMAR GUPTA AND OTHERS

Appearance:

Shri Sunil Kumar Gupta - Advocate for the petitioner.

Shri Rohit Pathak - Advocate for the respondent.

Ku. K.C.V. Rao - Panel Lawyer for the respondent.

JUDGMENT

The present appeal has been filed under section 74 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, assailing the order dated 20.04.2023 passed by I District Judge, Panna in M.C.C.No.44/2021, whereby while deciding reference, the learned court below has directed to pay compensation of Rs.63,16,111/- within a period of two months from the date of the award.

2.The brief facts of the case are that the respondent Nos. 1 and 2 owned land measuring 0.015 hectare, bearing Khasra No. 62/1/k/3/4, situated at Village Jankapur, District Panna, which was acquired by the Land Acquisition Officer for construction of a new railway line between Satna and Panna. The Land Acquisition Officer passed an award dated 09.10.2019, determining compensation of Rs.11,16,900/- for the acquired land. Being

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dissatisfied with the amount of compensation, respondent Nos. 1 and 2 sought a reference under Section 64 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. The First District Judge, Panna, vide order dated 20.04.2023 passed in MJC No.44/2021, enhanced the compensation to Rs.63,16,111/- by treating the acquired land as commercial land. Aggrieved by the aforesaid order, the appellant, Deputy Chief Engineer (Construction), West Central Railway, Jabalpur, has preferred the present appeal under Section 74 of the Arbitration and Conciliation Act, 1996, challenging the enhancement of compensation on the grounds that the valuation was contrary to the applicable guidelines and the provisions of the 2013 Act.

3. It is averred in the appeal that the learned Reference court has no jurisdiction to enhance the compensation. 0.015 hectare (150 sqmt.) land was acquired and as per the guidelines of the year 2015-16, the valuation of diverted agriculture land of Vishista Gram (special village) is to be done as per rate prescribed in Proforma 1 for the land ad measuring upto 300 sqmt. while the learned court below wrongly applied multiplying factor of 2 and 100% solacium charges over the calculated amount. On these grounds, it is prayed that the impugned order dated 20.04.2023 be set aside. However, it is submitted by counsel for the appellant that sole question which is involved in the present appeal is application of factor 2 and confined his arguments to address on multiplying factor.

4. Per contra, learned counsel for the respondents opposed the submissions made by counsel for the appellant and submitted that the

impugned judgment is just and proper and does not call for any interference.

5. Heard learned counsel for the parties and perused the record.

6. The aforesaid issue is no more *resintegra* and has already been decided by a coordinate Bench of this Court in **F.A. No. 1373/2023 (Deputy Chief Engineer (Construction) Vs. Sajruddin Ali and others,** in the following terms:-

> *"This appeal, under Section 74 of the Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act, 2013 (for short "Act of 2013"), has been filed against the Award dated 31.03.2023 passed by Principal District Judge, Sheopur (M.P.) in Land Acquisition Case No. MJC/37/2022.*
> *2. Facts necessary for disposal of this appeal, in short, are that certain lands have been acquired for the purpose of laying down Meter Gauge in place of Narrow Gauge Railway Line. The lands, under the ownership of various persons situated in villages Bardhabujurg, Raipura & Dantarda Khurd, have been acquired. From village Dantarda Khurd around 2.200 hectares, from village Raipura 2.394 hectares and from village Bardhaburjurg about 17.555 hectares, in total 28.689 hectares of land was acquired under the Act of 2013. The Award was passed by Land Acquisition Officer on 08.10.2021. The matter was agitated under Section 64 of the Act of 2013 and Reference Court has applied the factor of "2", whereas according to appellant Reference Court should have applied the factor of "1", as notified by the State Government.*
> *3. In the present appeal, solitary ground has been raised by appellant that in place of factor of "2", factor of "1" should have been applied. By referring to Section 26 of the Act of 2013, it is submitted by counsel for appellant that guidelines have been provided under the aforesaid Section for determination of market value of land by Collector. It is submitted that as per Section 26(2) of the Act of 2013, the market value calculated as per sub-section (1) shall be multiplied by a factor to be specified in the first schedule. By referring to Section 3(e) of the Act of 2013, it is submitted that since the land which has been acquired is situated in the territory of State of Madhya Pradesh, therefore, Section 3(e)(i) would apply and thus it is submitted that notification issued by the State Government providing the factor "1" for multiplier as per Section 26(2) of the Act of 2013, would apply. Thus, it is submitted that Reference Court has wrongly applied the multiplier of "2" by treating the factor as "2" as notified by the Central Government.*
> *4. Per contra, appeal is vehemently opposed by counsel for claimants. It is submitted that since lands were acquired for the*

purpose of Union of India, therefore, Section 3(e)(v) would apply and thus, the notification issued by the Central Government would apply according to which multiplier/factor of "2" is applicable.

5. Heard learned counsel for the parties.

6. Section 26 of the Act of 2013 reads as under:-

> *26. Determination of market value of land by Collector.*
>
> *(1) The Collector shall adopt the following criteria in assessing and determining the market value of the land, namely:-*
>
> > *(a) the market value, if any, specified in the Indian Stamp Act, 1899 (2 of 1899) for the registration of sale deeds or agreements to sell, as the case may be, in the area, where the land is situated; or*
> >
> > *(b) the average sale price for similar type of land situated in the nearest village or nearest vicinity area; or*
> >
> > *(c) consented amount of compensation as agreed upon under sub-section (2) of section 2 in case of acquisition of lands for private companies or for public private partnership projects, whichever is higher:*
>
> *Provided that the date for determination of market value shall be the date on which the notification has been issued under section 11.*
>
> *Explanation 1. - The average sale price referred to in clause (b) shall be determined taking into account the sale deeds or the agreements to sell registered for similar type of area in the near village or near vicinity area during immediately preceding three years of the year in which such acquisition of land is proposed to be made.*
>
> *Explanation 2. - For determining the average sale price referred to in Explanation 1, one-half of the total number of sale deeds or the agreements to sell in which the highest sale price has been mentioned shall be taken into account.*
>
> *Explanation 3. - While determining the market value under this section and the average sale price referred to in Explanation 1 or Explanation 2, any price paid as compensation for land acquired under the provisions of this Act on an earlier occasion in the district shall not be taken into consideration.*
>
> *Explanation 4. - While determining the market value under this section and the average sale price referred to in Explanation 1 or Explanation 2, any price paid, which in the opinion of the Collector is not indicative of actual prevailing market value may be discounted for the purposes of calculating market value.*
>
> *(2) The market value calculated as per sub-section (1) shall be multiplied by a factor to be specified in the First Schedule.*

(3) Where the market value under sub-section (1) or sub-section (2) cannot be determined for the reason that-

(a) the land is situated in such area where the transactions in land are restricted by or under any other law for the time being in force in that area; or

(b) the registered sale deeds or agreements to sell as mentioned in clause (a) of sub-section (1) for similar land are not available for the immediately preceding three years; or

(c) the market value has not been specified under the Indian Stamp Act, 1899 (2 of 1899) by the appropriate authority, the State Government concerned shall specify the floor price or minimum price per unit area of the said land based on the price calculated in the manner specified in sub-section (1) in respect of similar types of land situated in the immediate adjoining areas:

Provided that in a case where the Requiring Body offers its shares to the owners of the lands (whose lands have been acquired) as a part compensation, for acquisition of land, such shares in no case shall exceed twenty-five per cent. of the value so calculated under sub-section (1) or sub-section (2) or sub-section (3) as the case may be:

Provided further that the Requiring Body shall in no case compel any owner of the land (whose land has been acquired) to take its shares, the value of which is deductible in the value of the land calculated under sub-section (1):

Provided also that the Collector shall, before initiation of any land acquisition proceedings in any area, take all necessary steps to revise and update the market value of the land on the basis of the prevalent market rate in that area:

Provided also that the appropriate Government shall ensure that the market value determined for acquisition of any land or property of an educational institution established and administered by a religious or linguistic minority shall be such as would not restrict or abrogate the right to establish and administer educational institutions of their choice.

Section 3(e) of the Act of 2013 reads as under:

3. Definitions.

- In this Act, unless the context otherwise requires,-

(a) to (d) xxx xxx xxx

(e) "appropriate Government" means,-

(i) in relation to acquisition of land situated within the territory of, a State, the State Government;

(ii) in relation to acquisition of land situated within a Union territory (except Puducherry), the Central Government;

(iii) in relation to acquisition of land situated within the Union territory of Puducherry, the Government of Union territory of Puducherry;

(iv) in relation to acquisition of land for public purpose

in more than one State, the Central Government, in consultation with the concerned State Governments or Union territories; and
(v) in relation to the acquisition of land for the purpose of the Union as may be specified by notification, the Central Government:
Provided that in respect of a public purpose in a District for an area not exceeding such as may be notified by the appropriate Government, the Collector of such District shall be deemed to be the appropriate Government; .....

7. The only controversy involved in the present case is that which is the "appropriate Government", whether State Government or Central Government?
8. The undisputed fact is that the entire land is situated within the State of Madhya Pradesh and entire land has been acquired for the benefit of Railways which is Union of India. It is clear from Section 3(e)(i) that if the land is situated within the territory of the State of Madhya Pradesh, then notification issued by the State Government would apply. However, in the present case, although the land is situated within the State of Madhya Pradesh but it has been acquired for the purposes of Union. Therefore, as per Section 3(e)(v) of Act of 2013, notification issued by the Central Government would apply. It is not the case of appellant that Central Government has not notified the multiplier of "2". Furthermore, Division Bench of this Court in the case of Badrilal Dhakad and Others Versus Union of India and Others reported in 2022 SCC Online MP 280 has held as under:-

16. As per the definition under section 2(b) of the Act of 2013 the State Government would be the appropriate Government in relation to the acquisition of land situated within the territory of State. The Central Government would be the appropriate government in relation of acquisition of land situated within Union territory except for Pondichery and in relation to acquisition of land for the public purpose in more than one State, the Central Government shall consult with the concerned State Government or the Union territory and under section 2(e)(v) of the Act of 2013 in relation to the acquisition of land for the purpose of the Union, as may be specified by notification, the appropriate Government would be the Central Government. Since the land of the petitioners is situated within the State Government, therefore, the respondents are treating State Government as appropriate Government and applying the notification dated 29.9.2014 under section 26(2) of Act of 2013 which gave a cause of action to

the petitioners to challenge the validity of the said notification but if it is held that in this acquisition the appropriate Government is the Central Government then the notification issued by the Central Government dated 9.2.2016 would apply in which the multiplier is 2.00 (two) for the rural area. As per 1st Schedule, the following components provided in the table shall constitute the minimum compensation package to be given to the landowners whose land is acquired. Serial no. 2 is the factor by which the market value is to be multiplied in the case of rural areas and for which the appropriate government is required to notify the factor based on the distance of the project from the urban area. The Central Government has issued a notification prescribing the factor 2.00(two) whereas State of M.P. by way of impugned notification dated 29.9.2014 has fixed the multiplier 1.00(one) but the NHAI which is the instrumentality of the Central Government, therefore, by virtue of 2(e)(v) of Act of 2013 the Central Government shall be the appropriate Government, hence the notification dated 9.2.2016 issued by the Central Government would apply. In such a situation, the validity of the notification issued by the State Government is not required to be examined or adjudicated because the same is not applicable in the case of the petitioners. Since the petitioners have already preferred appeals before the Arbitrator u/s 3G(5), therefore, it is for the Arbitrator to consider and decide the multiplier in view of the findings given hereinabove instead of setting aside the award and remanding the matter to the competent authority.

9. Under these circumstances, this Court is of considered opinion that Reference Court did not commit any mistake by applying the multiplier of "2" as notified by the Central Government. No other argument is advanced by counsel for appellant.

10. It is not out of place to mention here that the claimants have also filed appeals for enhancement of compensation amount. Since the question of factor is covered in all the appeals and the claimants are satisfied with the factor of "2' which has been applied by Reference Court and this Court has also come to a conclusion that factor of "2" would apply for multiplier as provided under Section 26(2) of Act of 2013, therefore, by

keeping the question of determination of market value, as provided under Section 26(1) of the Act of 2013 as challenged by the claimants, open, the Award dated 31.03.2023 passed by Principal District Judge, Sheopur (M.P.) in Land Acquisition Case No. MJC/37/2022 is hereby affirmed so far as it relates to application of factor "2" for multiplier as required under Section 26(2) of the Act of 2013.

11. With aforesaid observations, appeal fails and is hereby dismissed."

7. The present appeal also raises the same and similar issue of application of multiplying factor of 2.0 for land which has been acquired for the purposes of Union. It has been held by the coordinate Bench that as per Section 3(e)(v) of the Act of 2013, appropriate government in relation to acquisition of land for the purpose of Union shall be Central Government and it has been held by coordinate Bench of this court in the aforesaid judgement that even if acquisition is made by the State but once the acquisition is made for the purposes of railways, then the multiplying factor of 2.0 would be applicable.

8. In view of the aforesaid, no grounds are made out to take any different view in the present case also.

9. Accordingly, the appeal stand ***dismissed*** with no order as to cost.

(DEEPAK KHOT)
JUDGE

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