2026 INSC 86

Non-Reportable

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

Civil Appeal No.....of 2026
(@ Special Leave Petition (C) No.7061 of 2025)

Niraj Jain

....Appellant

Versus

Competent Authority-cum-Additional Collector, Jagdalpur & Ors.

....Respondents

J U D G M E N T

K. VINOD CHANDRAN, J.

Leave granted.

2. Whether the setting aside of an award of compensation for land acquisition, on grounds of it being excessive and resulting in unjust enrichment of some land owners, acting in collusion with the competent authority and the revenue officials, who acted in colourable exercise of powers would *ipso facto* result in the entire award with respect to the acquisition being set aside is the question arising in this appeal.

3. Two sets of litigation arose with respect to the acquisition of land in the State of Chhattisgarh for a Special Rail Project, notified on

31.08.2017 from Rowghat-Jagdalpur (140 km) between Dallirajhara-Jagdalpur (235 km).

4. After the award was passed, certain persons also approached the Arbitrator constituted under the Land Acquisition (Special Railway Projects) Rules, 2016[1] for the purpose of sub-section (6) of Section 20-F of the Railways Act, 1989 in which an enhancement was granted.

5. An inquiry was initiated, alleging excessive amounts having been awarded far greater to the actual land value. Based on the inquiry report of the Collector, an FIR was also registered against the Competent Authority, the Arbitrator as also other revenue officials and the persons who derived such unjust enrichment. The accused in the said crime approached the High Court of Chhattisgarh with separate writ petitions, challenging the inquiry report, the order of freezing of their accounts and resisting the criminal case registered against them. Bastar Railways Private Limited, a Joint Venture Company through its Executive Director, filed a writ petition impleading the State and its officers and party respondent Nos.6 to 10, land owners, who were alleged to be the beneficiaries of such

[1] for short, the Rules of 2016

colourable exercise of powers by the revenue authorities, carried on in collusion with them. The said writ petition was allowed as is seen from Annexure P-8, judgment dated 10.01.2022, setting aside the award dated 12.02.2018 passed by the competent authority and the arbitral award by the Commissioner, Jagdalpur dated 11.07.2019. The judgment was a common judgment in the writ petitions filed by the beneficiary land owners, the government officials and the Railways. The Competent Authority was directed to recalculate the compensation after considering the applicable circulars and guidelines and also evaluating the factual matrix. The land owners/petitioners were directed to refund the amount of compensation received by them, subject to their entitlement and quantum, being determined by the competent authority afresh. The government officers were granted protection from coercive steps, on condition of marking their presence before the Station House Officer, Jagdalpur every month till the award is passed afresh. A batch of appeals filed stood dismissed by Annexure P-11 order dated 28.06.2022.

6. While so, the appellant herein, another land owner in a different village was also granted compensation by the award of the

Competent Authority on 12.02.2018, however, the quantum not at the extent it was granted to certain land owners, against whom the respondent Railways had proceeded specifically before the High Court. The appellant not being satisfied with the award approached the Arbitrator who by an order dated 28.06.2019 allowed enhancement. Immediately thereafter, noticing the inquiry report of the Collector, by Annexure P-7 order dated 02.08.2019 the determination of additional compensation, solatium & interest as also its disbursement was kept in abeyance. The arbitral award and the initial award were then set aside by Annexure P-9 order dated 21.02.2022 following Annexure P-8, the judgment dated 10.01.2022 of the learned Single Judge of the High Court. The appellant was before the High Court with a writ petition which stood dismissed from which an appeal was filed, the order rejecting which, is impugned herein.

7. We heard Mr. Shoeb Alam, learned Senior Counsel for the appellant, Mr. Brijender Chahar, learned Additional Solicitor General, Mr. Nachiketa Joshi, learned Senior Counsel and Mr. Tushar Mehta, Deputy Advocate General for the respondents. The appellant asserts that there is neither identity of allegations nor is there any

taint alleged, with respect to the award passed in favour of the appellant herein, who was also not proceeded against by the Railways. Based on the inquiry report proceedings were taken only with respect to five people to invalidate the arbitral award as against them. There was a total of 550 land owners who were the beneficiaries of the award. But for the named individuals against whom allegations were raised and proceedings were taken, both by putting into motion the criminal law and the writ petition filed for setting aside the award, the award remained undisturbed. The award and its cancellation was in the writ petition of the Railways in which the appellant or the numerous other land owners/beneficiaries were not made parties.

8. For the Railways, it is contended that the impugned order confirming the judgment in the writ petition, setting aside the initial award and the arbitral award has been challenged by the affected parties, the land owners, before this Court in a Special Leave Petition (SLP) and, hence, the consideration of the present SLP be kept in abeyance till the other SLP is heard.

9. After hearing the arguments addressed and looking at the records, we are not convinced that the pendency of the SLP filed

against Annexure P-8 and P-9 orders, has any bearing on the contentions alleged by the appellant herein. Admittedly, the report of the Collector against the award, resulted in the freezing of accounts of named land owners who were disbursed with excessive amounts and FIRs were lodged against the government officers, who acted in abuse of their powers and the land owners, who were alleged to have obtained such unjust enrichment in collusion with the revenue officials. The appellant herein was not a land owner who was proceeded against based on the inquiry report, either for the purpose of freezing of account or arrayed as an accused in the FIR lodged. When the affected government officers and the land owners filed writ petitions against; the inquiry report, the freezing order and the criminal proceedings, the respondent-Railways also filed a writ petition impleading the officers of the government in their official capacity and the party respondent Nos.6 to 10, who were alleged to have obtained the excessive award amounts. None of the other land owners were impleaded, which even as per the records indicates that the acquisition was from a total of 550 land owners. Only five were impleaded in the writ petition from amongst the 550 and the tabular column, as indicated in the Annexure P-8 judgment, as projected by

the respondent Railways in their writ petition, showed seven persons of which six had obtained compensation in excess of the actual land value. Two persons who were shown in the table to have obtained excessive compensation were not impleaded in the writ petition and one person who even as per the inquiry report had obtained less than that actual dues to her, was also impleaded. We are not concerned with the said parties since, as rightly submitted, their challenge is pending in the SLP. Since the appellant herein had not been proceeded against for refund or by a prosecution launched, the result of the SLP filed by the others who were specifically proceeded against by the Railways would be of no consequence in the present case.

10. In this context, we specifically notice the contention of the respondent Railways recorded by the Division Bench in Annexure P-9, the judgment in the other set of cases, wherein it has been categorically stated that, *"the award passed by the competent authority is null and void with respect to the respondents Bali Nagwanshi and Neelima Belsariya and others, as the award was illegally determined against the provisions of law, against the guidelines for market price for the year 2017-18 and that the*

determination of the compensation in favour of the respective parties, who have been illegally benefited is the result of commission of offences regarding which, F.I.R. has been lodged" (*sic* para 37 of Annexure P-11). There was also no averment that the respondents 6 to 10 impleaded there in, were so impleaded in a representative capacity nor could such a plea be taken since the individual beneficiaries cannot be represented by a few of them.

11. Hence, the claim of excessive compensation having been awarded and disbursed, even according to the Railways is confined to the party respondents in the earlier proceedings and the result of the SLP filed against the writ appeal judgment is of no legal or lethal consequence in the present case. We cannot but observe that while the arbitral award and the initial award were set aside the learned Single Judge ought to have noticed that the challenge is only against the five respondents impleaded therein and the setting aside, can affect only them.

12. Insofar as the appellant is concerned, we find absolutely no such claim having been raised at that point of time. Even the order keeping in abeyance the determination and disbursement of the enhanced amounts or the later order, recalling the enhancement

does not factually refer to any such allegations having been raised in the inquiry report of the Collector against the award, *qua the appellant* herein. Nor has it found any identity of cause or similarity in quantum or an unjust enrichment based on the prevailing market value, insofar as the appellant is concerned.

13. We cannot but notice that the Railways also have not challenged the arbitral award dated 28.06.2019 passed in favour of the appellant which could have been done even when it was kept in abeyance. Pertinent also is the fact that the Railways Act of 1989 does not confer any power to review, on the Competent Authority authorized by the Central Government or the Arbitrator appointed under the Rules of 2016.

14. We find the High Court to have egregiously erred in not interfering with the impugned orders. The judgment in writ appeal and that in the writ petition impugned herein are set aside. Annexure P-7 order, keeping in abeyance the enhanced compensation, as awarded by the Arbitrator and Annexure P-9 order issued by the Commissioner, Bastar Division, cancelling the earlier award and concluding the proceedings are both set aside. The initial award as on 12.02.2018 passed in favour of the appellant and the enhancement

granted by the Arbitrator on 28.02.2019 stands restored. The entire award amounts, deducting what has already been granted, with interest and solatium as applicable till the date of disbursement, shall be disbursed within a period of three months.

15. The appeal stands allowed.

16. Pending applications, if any, shall also stand disposed of.

..... J.
(SANJAY KUMAR)

..... J.
(K. VINOD CHANDRAN)

NEW DELHI;
JANUARY 27, 2026.