



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO. 8122 OF 2022**

Vikrant Happy Homes Private Limited and others ... Petitioners
vs.
Union of India, Through Principal Secretary,
Ministry of Rural Development, and others ... Respondents

Mr. Pralhad Paranjape a/w. Mr. Rahul Punjabi, Ms. Shweta More and Mr. Ishan Shroff for petitioners.

Ms. Shehnaz V. Bharucha a/w. Mr. Ashutosh Mishra, i/b. Adv A. A. Ansari for respondent No.1-UIO (Central Government)

Ms. M. S. Bane, AGP for respondent Nos.2 to 4-State authorities.

Mr. Rakesh Singh, i/b. M. V. Kini & Co. for respondent No.5-NHAI.

**CORAM : MANISH PITALE &
SHREERAM V. SHIRSAT, JJ**
RESERVED ON: 29th JANUARY, 2026
PRONOUNCED ON: 02nd FEBRUARY, 2026

JUDGMENT: *(Per Justice Manish Pitale):*

. Rule. Rule made returnable forthwith and with the consent of the learned counsel for parties, heard finally.

2. The question that arises for consideration in this petition is, as to whether the notification and Government Resolutions (hereinafter referred to as the GRs), issued by the respondent No.3-State Government, pertaining to applicability of multiplier factor of 1.00, can apply to acquisition proceedings undertaken in pursuance of notification issued by the respondent No.1-Union of India (hereinafter referred to as the Central Government), under Section 3-A(1) of the National Highways Act, 1956 (hereinafter referred to as the National Highways Act), for national highway project

implemented by the respondent No.5-National Highways Authority of India (hereinafter referred to as NHAI). Particularly when the Central Government, by notification issued under Section 30(2) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (hereinafter referred to as the Act of 2013), had specifically notified the multiplier factor to be 2.00. In other words, the petitioners object to respondent No.3-State Government effectively reducing the multiplier factor from 2.00 to 1.00, although the acquisition of the subject lands is at the instance of respondent No.1-Central Government for the NHAI to construct/widen the national highway. In this judgment, the expression 'multiplier' is being used in respect of the factor by which the market value of the acquired property, is to be multiplied.

3. The petitioners are the owners of land situated in *Gat* No.138 and 143 pt. in Village Odha, District Nashik. On 01.11.2021, by exercising power under Section 3-A(1) of the National Highways Act, the respondent No.1-Central Government issued notifications for acquisition of lands, including the land belonging to the petitioners, for public purpose of Surat-Nashik-Ahmednagar Greenfield Section of the national highway in Nashik district. The said notification specifically invited objections from interested persons under Section 3-C of the National Highways Act.

4. On 02.12.2021, the petitioners submitted a detailed representation/objection under Section 3-C of the National Highways Act, raising a specific contention with regard to the applicability of the multiplier factor concerning the said acquisition. The said representation/objection was submitted in the backdrop of the fact

that despite notification dated 09.02.2016 issued by the respondent No.1-Central Government exercising power under Section 30(2) of the Act of 2013, specifying the multiplier factor as 2.00, the respondent No.3-State Government had issued notification purportedly exercising power under the very same Act, specifying the multiplier factor as 1.00 for land being acquired for national or State highways and for Development Plan area and Regional Plan area.

5. The respondent No.3-State Government had also issued GR dated 06.10.2021, again specifying the multiplier factor as 1.00, even with regard to acquisition pertaining to national highways. This was reiterated by subsequent GR dated 14.01.2022, in which the said respondent had specifically referred to acquisitions undertaken in pursuance of notification issued under Section 3-A(1) of the National Highways Act. According to the petitioners, the said respondent could not have issued the said notification and GRs, which are in the teeth of the power already exercised by the respondent No.1-Central Government, being the appropriate Government, for issuing notification in the context of land acquired for the NHAI.

6. In the context of the aforesaid objections raised by the petitioners, they were called for hearing on 27.01.2022 and 28.01.2022 and after hearing the petitioners, the respondent No.4-Competent Authority, Deputy Collector (Land Acquisition), National Highways Project, rejected the objection and held that multiplier factor of 1.00 shall apply. It is at this stage that the petitioners filed the instant writ petition in the year 2022, initially praying for a direction to the respondents to ensure that notification dated 09.02.2016, issued by the respondent No.1-Central Government specifying multiplier factor of 2.00, shall apply. The petitioners also

prayed for quashing of notification dated 05.10.2021 and GRs dated 06.10.2021 and 14.01.2022 issued by respondent No.3-State Government, to the extent that they were made applicable to the acquisition of lands for the projects of the national highways undertaken by respondent No.5-NHAI.

7. During the pendency of the petition, the acquisition proceedings continued and culminated into an award dated 13.01.2023, which the petitioners claim to have received on 05.10.2023, wherein the multiplier factor of 1.00 was applied. Consequently, the petitioners amended the writ petition, to incorporate a challenge to the said award, to the extent of failure in granting multiplier factor of 2.00 in terms of notification dated 09.02.2016 issued by the respondent No.1-Central Government.

8. The respondent Nos.2 to 4-State authorities filed reply affidavit in the petition.

9. Mr. Pralhad Paranjape, learned counsel appearing for the petitioners submitted that since the acquisition of lands in the present case, pertained to national highway project and it was initiated in terms of notification issued by the respondent No.1-Central Government, under Section 3-A(1) of the National Highways Act, the notification dated 09.02.2016 issued under Section 30(2) of the Act of 2013 by the said respondent, applied. It was submitted that as per Section 3(e)(v) of the Act of 2013, the appropriate Government in the present case, concerning the national highway project, is only respondent No.1-Central Government and not respondent No.3-State Government. Therefore, respondent No.1-Central Government correctly exercised power under Section 30(2)

of the Act of 2013, to issue the notification dated 09.02.2016, specifying the multiplier factor as 2.00.

10. It was submitted that since the acquisition of land was not for the State Government or its projects, it could not have issued the impugned notification dated 05.10.2021 and the GRs dated 06.10.2021 as also 14.01.2022, for specifying the multiplier factor in respect of projects concerning respondent No.1-Central Government, including the national highway project. It was submitted that to the extent that the said notification and GRs issued by respondent No.3-State Government, included lands acquired for national highways, they were rendered bad in law and unsustainable. Reliance was place on entry No.23 to List I (Union list) in the Seventh Schedule to the Constitution of India. It was submitted that as per the said entry, respondent No.1-Central Government had exclusive jurisdiction to exercise power in relation to national highways and therefore, the said notification and GRs issued by respondent No.3-State Government were clearly rendered unconstitutional and bad in law.

11. It was submitted that since the impugned award was passed during the pendency of the writ petition, a specific challenge has been raised in the present petition to the said award, praying for quashing and setting aside of the same, due to the fact that respondent No.4-competent authority wrongly applied the multiplier factor of 1.00. It was submitted that this Court may quash the impugned award and hold that the notification and GRs issued by respondent No.3-State Government do not apply to the national highway projects. It was submitted that the said respondent ought to be directed to pass a fresh award by applying the multiplier factor of 2.00, as per notification dated 09.02.2016 issued by the respondent

No.1-Central Government. It was further submitted that this Court may also reserve liberty for the petitioners to raise challenge to such fresh award, if any, on grounds other than the said question of applicability of multiplier factor of 2.00 to the acquisition proceedings.

12. Ms. Shehnaz Bharucha, learned counsel appeared for respondent No.1-Central Government.

13. Ms. M. S. Bane, learned AGP appearing for the respondent Nos.2 to 4-State authorities relied upon the reply affidavit on record, justifying the multiplier factor of 1.00 being applied, claiming that the aforesaid notification dated 05.10.2021 and GRs dated 06.10.2021 and 14.01.2022, issued by respondent No.3-State Government, applied to all such national highway projects undertaken by respondent No.5-NHAI. It was submitted that if the multiplier factor of 2.00 is applied, the acquisition cost would be doubled and therefore, respondent No.3-State was justified in relying upon the said notification and GRs. It was submitted that if the petitioners were dissatisfied with the compensation calculated and granted in the impugned award, they were free to take recourse to the remedy available under Section 3-G(5) of the National Highways Act. On this basis, it was submitted that the writ petition deserved to be dismissed.

14. Mr. Rakesh Singh, learned counsel appearing for respondent No.5-NHAI, supported the contentions raised by the learned AGP and submitted that the remedy was indeed available for the petitioners under Section 3-G(5) of the National Highways Act, to raise their grievance. On this basis, it was submitted that the writ petition deserved to be dismissed.

15. We have considered the rival submissions, in the light of the provisions of the National Highways Act, as also the Act of 2013. There is an obvious conflict between the multiplier factor specified by the respondent No.1-Central Government on the one hand and respondent No.3-State Government on the other. While respondent No.3-State had specified the multiplier factor of 1.00 even for national highway projects, respondent No.1-Central Government had specified the same to be 2.00. This obviously has an effect on determination of compensation under the land acquisition proceeding.

16. In order to appreciate the rival submissions, it would be necessary to refer to the relevant provisions of both the statutes. Section 3(e) of the Act of 2013 defines 'appropriate Government', while Section 30 thereof pertaining to award of solatium, in sub-section (2) specifies that the Collector is required to issue individual awards, detailing the particulars of compensation payable and the details of payment of compensation shall be as specified in the First Schedule.

17. The First Schedule of the Act of 2013, at entry at Sr. No.2, specifies that the factor by which the market value is to be multiplied in the case of rural areas, shall be 1.00 to 2.00, as may be notified by the appropriate Government. The relevant provisions referred to hereinabove read as follows:

- ‘3. **Definition**—In this Act, unless the context otherwise requires,
- (a) xxx
 - (b) xxx
 - (c) xxx
 - (d) 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;

30. Award of solatium.—

- (1) The Collector having determined the total compensation to be paid, shall, to arrive at the final award, impose a “Solatium” amount equivalent to one hundred per cent of the compensation amount.

Explanation.—For the removal of doubts it is hereby declared that solatium amount shall be in addition to the compensation payable to any person whose land has been acquired.

- (2) The Collector shall issue individual awards detailing the particulars of compensation payable and the details of payment of the compensation as specified in the First Schedule.
- (3) In addition to the market value of the land provided under section 26, the Collector shall, in every case, award an amount calculated at the rate of twelve per cent per annum on such market value for the

period commencing on and from the date of the publication of the notification of the Social Impact Assessment study under sub-section (2) of section 4, in respect of such land, till the date of the award of the Collector or the date of taking possession of the land, whichever is earlier.’

THE FIRST SCHEDULE COMPENSATION FOR LAND OWNERS

The following components shall constitute the minimum compensation package to be given to those whose land is acquired and to tenants referred to in clause (c) of section 3 in a proportion to be decided by the appropriate Government.

Sr. No	Component of compensation package in respect of land acquired under the Act	Manner of determination of value	Date of determination of value
(1)	(2)	(3)	(4)
1.	xxxx	xxxx	xxxx
2.	Factor by which the market value is to be multiplied in the case of rural areas	1.00 (One) to 2.00 (Two) based on the distance of project from urban area, as may be notified by the appropriate Government.	

18. It is also relevant to note that entry No.23 of List I (Union list) of the Seventh Schedule, as per Article 246 of the Constitution of India, specifies highways declared by or under law made by Parliament to be national highways. Thus, respondent No.1-Central Government has exclusive power in the context of national highways. We find that a conjoint reading of definition of ‘appropriate Government’, as per Section 3(e)(v) of the Act of 2013, which pertains to acquisition of land for the purpose of the Union, as may

be specified by the Central Government; Section 30(2) read with First Schedule thereof and entry No.23 in List I of Seventh Schedule of the Constitution of India, shows that as regards national highways, the exclusive power and jurisdiction vests with the Central Government.

19. In the present case, respondent No.1-Central Government exercised power under Section 30(2) read with First Schedule of the Act of 2013, to issue notification dated 09.02.2016, notifying that in case of rural areas, the factor by which market value is to be multiplied i.e. the multiplier factor shall be 2.00. It is also crucial to take note of the fact that, as regards acquisition of the subject land for Surat-Nashik-Ahmednagar Greenfield Section of the national highway in Nashik district, on 01.11.2021, the said respondent issued notification under Section 3-A(1) of the National Highways Act. The acquisition concerned building, widening, maintenance, management and operation of the national highway or part thereof, which was exclusively within the domain of the respondent-Central Government.

20. Yet, respondent No.4-Competent Authority, Deputy Collector (Land Acquisition), National Highways Project, being the authority of the State Government, intended to apply the multiplier factor of 1.00, relying upon the notification dated 05.10.2021 and subsequent GRs dated 06.10.2021 and 14.01.2022 issued respondent No.3-State. A perusal of the said notification and GRs shows that apart from specifying the multiplier factor of 1.00 for State highways and lands in Development Plan area and Regional Plan area, reference was made to lands acquired for national highways.

21. In fact, GR dated 06.10.2021 referred to compensation payable for acquisition for national highways specifying the multiplier factor as 1.00. Subsequent GR dated 14.01.2022 went a step further, specifying that the multiplier factor of 1.00 shall apply to acquisition of lands undertaken pursuant to notification issued under Section 3-A(1) of the National Highways Act. In this regard, reference to Section 3-A of the National Highways Act is necessary, which reads as follows:

‘3-A. Power to acquire land, etc.

- (1) Where the Central Government is satisfied that for a public purpose any land is required for the building, maintenance, management or operation of a national highway or part thereof, it may, by notification in the Official Gazette, declare its intention to acquire such land.
- (2) Every notification under sub-section (1) shall give a brief description of the land.
- (3) The competent authority shall cause the substance of the notification to be published in two local newspapers, one of which will be in a vernacular language.’

22. It is clear from the perusal of Section 3-A(1) that it is only the Central Government that can issue a notification, expressing its satisfaction that the land is required for the public purpose of building, maintenance, management or operation of national highways or part thereof. The State Government has absolutely no power under the said provision to issue any notification with regard to acquisition of land for the purpose of national highways.

23. Thus, we find that respondent No.3-State Government could not have issued notification dated 05.10.2021 and GRs dated 06.10.2021 and 14.01.2022 for specifying the multiplier factor of 1.00, as regards acquisition of lands pertaining to national highways.

To that extent, the said notification and GRs trench upon the power of the respondent No.1-Central Government and hence, to that extent, they deserve to be quashed.

24. We find that respondent No.1-Central Government being the appropriate Government, even under Section 3(e)(v) of the Act of 2013 and Section 30(2) read with the First Schedule thereof, has the exclusive power to issue notification with regard to the multiplier factor to be applied concerning acquisitions of lands for national highways. The petitioners had raised specific objection in this regard under Section 3-C of the National Highways Act, which was wrongly rejected by respondent No.4-competent authority. During the pendency of the challenge in this writ petition, the acquisition proceeding continued, culminating in the impugned award dated 13.01.2023.

25. A perusal of the said award shows that respondent No.4-competent authority wrongly applied the multiplier factor of 1.00 by relying upon the aforesaid notification and GRs of respondent No.3-State Government, despite issuance of notification dated 09.02.2016 by respondent No.1-Central Government under Section 30(2) read with First Schedule of the Act of 2013, specifying the multiplier factor at 2.00. On this ground itself, we are inclined to quash the impugned award dated 13.01.2023.

26. We do not find any substance in the contention raised on behalf of respondent Nos.2 to 4 - the State authorities that if the multiplier factor of 2.00 was applied, the cost of acquisition would be doubled. It cannot lie in the mouth of the said respondents to raise such contention, when it clearly has no power to specify the

multiplier factor in terms of the observations made hereinabove and in the light of the fact that respondent No.1-Central Government has exclusive power to do so. Even otherwise, payment of compensation is the responsibility and liability of respondent No.5-NHAI, which is an agency and instrumentality of respondent No.1-Central Government. If at all respondent No.5-NHAI had any grievance regarding the multiplier factor, it could have raised the same before respondent No.1-Central Government. But respondent Nos.2 to 4-State authorities clearly had no power/authority to go into the question of specifying the multiplier factor for lands being acquired in terms of notification issued by respondent No.1-Central Government, by exercising power under Section 3-A(1) of the National Highways Act, for building, widening, maintenance, management and operation of the national highway or part thereof. Therefore, the stand taken by respondent Nos.2 to 4-State authorities is rejected.

27. We are conscious of the fact that upon the impugned award being quashed, the respondent No.4-competent authority will have to issue a fresh award by applying the multiplier factor of 2.00. But, the petitioners are justified in contending that even after the fresh award is issued, the remedy under Section 3-G(5) of the National Highways Act, ought to be kept open for the petitioners, as regards the quantum of compensation and various grounds that may be available to them to challenge the same.

28. We find that the argument pertaining to alternative remedy under Section 3-G(5) of the National Highways Act being available to the petitioners, with regard to the multiplier factor, cannot be accepted, because the statutory arbitrator, who is a State

Government functionary under Section 3-G(5) of the National Highways Act, would not have the power to decide as to whether the notification issued by respondent No.1-Central Government would prevail or the notification and GRs issued by respondent No.3-State Government would prevail. It is for this reason that we have entertained the present petition and we intend to allow the same.

29. Hence, the following order:

- (i) It is held that respondent No.1-Central Government has exclusive jurisdiction to issue notification, as the 'appropriate Government' under Section 30(2) of the Act of 2013, with regard to the multiplier factor in respect of lands under acquisition, as per notification issued by the said respondent under Section 3-A(1) of the National Highways Act and that in that regard, the respondent No.3-State Government has no power to specify the multiplier factor.
- (ii) Notification dated 05.10.2021 as well as GRs dated 06.10.2021 and 14.01.2022 are quashed, to the extent that they purport to apply to lands acquired for national highways.
- (iii) The impugned award dated 13.01.2023 passed by respondent No.4-competent authority, which applies the multiplier factor of 1.00, on the basis of the said notification dated 05.10.2021 and GRs dated 06.10.2021 and 14.01.2022, issued by respondent No.3-State Government, is quashed.
- (iv) Respondent No.4-competent authority shall now issue a fresh award, by applying the multiplier factor of 2.00, as per the notification dated 09.02.2016 issued by respondent No.1-Central Government. The said exercise shall be completed within six weeks.

(v) It is made clear that upon the fresh award being issued by respondent No.4-competent authority, if the petitioners have any grievance with regard to the quantum of compensation determined, it would be open for them to take recourse to remedy available under Section 3-G(5) of the National Highways Act. This Court has expressed no opinion on the said aspect of the matter.

30. Rule is made absolute in above terms. Pending applications, if any, also stand disposed of.

(SHREERAM V. SHIRSAT, J.)

(MANISH PITALE, J.)

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