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AA-8-2025

IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE

BEFORE

HON'BLE SHRI JUSTICE PAVAN KUMAR DWIVEDI

ARBITRATION APPEAL No. 8 of 2025

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Versus

COLLECTOR AND OTHERS

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Appearance:

*Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot,
learned counsel for the appellant.*

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.
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WITH

ARBITRATION APPEAL No. 9 of 2025

DEC. BAPU THROUGH LRS. RAJUBAI AND OTHERS

Versus

THE STATE OF MADHYA PRADESH AND OTHERS

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Appearance:

*Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned
counsel for the appellants.*

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.
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ARBITRATION APPEAL No. 10 of 2025

MADANLAL

Versus

COLLECTOR AND OTHERS

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Appearance:

*Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned
counsel for the appellant.*

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.
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AA-8-2025

ARBITRATION APPEAL No. 11 of 2025*NOOR MOHAMMAD**Versus**THE STATE OF MADHYA PRADESH AND OTHERS*

Appearance:

Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned counsel for the appellant.

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.

ARBITRATION APPEAL No. 13 of 2025*MOHANLAL**Versus**THE STATE OF MADHYA PRADESH AND OTHERS*

Appearance:

Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned counsel for the appellant.

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.

ARBITRATION APPEAL No. 14 of 2025*SHER MOHAMMAD**Versus**THE STATE OF MADHYA PRADESH AND OTHERS*

Appearance:

Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned counsel for the appellant.

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.

ARBITRATION APPEAL No. 16 of 2025*DECD. KANCHAN BAI THROUGH LRS. BHERU AND OTHERS**Versus**THE STATE OF MADHYA PRADESH AND OTHERS*

Appearance:

Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned



counsel for the appellants.

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.

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ARBITRATION APPEAL No. 17 of 2025

DECD. KANCHAN BAI THROUGH LRS. BHERU AND OTHERS

Versus

THE STATE OF MADHYA PRADESH AND OTHERS

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Appearance:

Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned counsel for the appellants.

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.

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ARBITRATION APPEAL No. 18 of 2025

RAMBHAU AND OTHERS

Versus

THE STATE OF MADHYA PRADESH AND OTHERS

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Appearance:

Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned counsel for the appellants.

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.

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ARBITRATION APPEAL No. 19 of 2025

DECD. KANCHAN BAI THROUGH LRS. BHERU AND OTHERS

Versus

THE STATE OF MADHYA PRADESH AND OTHERS

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Appearance:

Shri Ravindra Kumar Trivedi, Advocate with Shri Ajay Kumar Mimrot, learned counsel for the appellants.

Shri Mitesh Jain, learned counsel for the NHAI.

Shri Anand Bhatt, learned Government Advocate for the respondent / State.

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ORDER

Heard on : 20.08.2025



Pronounced on : 03.11.2025

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The present bunch of cases is being decided by this common order as the controversy involved is similar in all the matters.

2. These appeals have been filed under Section 37 of the Arbitration and Conciliation Act, 1996 by the appellant being aggrieved by the award dated 09.11.2024 passed in MJV-AV No.39/2024 and other connected cases by the IV District Judge, Dewas.

3. All the appeals have similar facts and raises identical issues. For the convenience the facts are taken from AA No.8/2025.

4. The brief facts of the case are that for the purposes of up-gradation, widening / four lane of the road, land from 11 villages namely Bangar, Singwada, Bairagarh, Purvalda, Rupakhedi, Marethi, Barodpiplya, Hawankhedi, Gadaishapiplya, Tumni and Loharpiplya was sought to be acquired. The road was designated as part of the National Highway Connectivity, Dewas Bypass Section. In furtherance of the same, the Central Government authorised the concerned Sub-Divisional Officer (Revenue) Dewas as the competent authority for the purposes of Section 3A of the National Highways Act, 1956. In line with the said objective, a notice was published under Section 3A of the NH Act on 16.01.2020 declaring the intention to acquire the land. Objections were invited under Section 3C of the Act through a notice dated 25.01.2020 upon which 35 objections were filed. After resolution of the objections, a notification under Section 3D of the National Highways Act was published on 26.08.2020 thereby declaring the acquisition of the land in question.

4.1 The land of the appellant in Appeal No. 8/2025 situated in Survey No.147 was also acquired in the aforementioned process. The competent authority



passed award dated 15.10.2020 with respect to the land acquired in the process including the land of the appellant. Being aggrieved by the award dated 15.10.2020, the appellant raised a dispute before the designated arbitrator that is the Collector, District Dewas in terms of Section 3G(5) of the National Highways Act, 1956. The Collector after considering the rival submissions and the record of the case, passed order dated 20.09.2023, whereby the award dated 15.10.2020 was modified by enhancing compensation by Rs.1,35,000/-.

4.2 The appellant being aggrieved by the order of the arbitrator filed an application under Section 34(2) of the Arbitration and Conciliation Act, 1966 before the learned District Judge, Dewas.

4.3 Learned District Judge after considering the rival submissions affirmed the order of the Collector dated 20.09.2023, consequently dismissing the application of the appellant filed under Section 34 of the said Arbitration Conciliation Act, 1966. Being aggrieved by the impugned order dated 09.11.2024, the present appeals have been filled.

5. Learned counsel for the appellant submits that the learned District Judge while considering their application under Section 34 of the Act did not advert to the facts of the case in their proper perspective. The determination of the rate was not appropriate, an issue which was duly raised by the appellant before the learned District Judge; however, no heed was paid to the same. It has been argued that the assessment of rates of the land in the proceedings before the competent authority was illegal and arbitrary. The area initially notified for acquisition was subsequently reduced, which could not have been done. In the notification issued under Section 3A(1), the area was larger than that specified in the proclamation notification issued under Section 3D of the National Highways Act; thus, the



entire exercise has become illegal and for this reason, the impugned order is not sustainable.

5.1. It has further been argued that the private land of the appellant was acquired for the purpose of construction of national highways. Therefore, the multiplier factor for the calculation of compensation should be applied as per the schedule, notification issued by the Central Government, i.e. factor 2, which has been confirmed by this Court in similar matters and has not been stayed by the Hon'ble Apex Court in the SLP.

5.2 However, the authorities have applied a multiplier factor of one, which is not only erroneous but also illegal. It has further been contended that in terms of provisions of Section 26 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Settlement Act, 2013, the Collector / Arbitrator was required to determine the market value of the land proposed to be acquired by adopting the criteria laid down in Sub-section (2) of Section 26 of the Act. After determining the market value, the factor of two should have been applied. However, nothing of this sort has been done and in an arbitrary manner, a factor of one has been applied merely on the basis of guidelines issued by the Collector, which cannot serve as the sole basis for determining the rate of the land. The Collector was duty-bound to collect the material as mandated by Section 26 of the Act for determination of the rate, which has not been done.

5.3 It has also been stated that the appellants are being discriminated against as in some cases the District Judge has remanded the matter back for assessment, whereas in the case of the appellant, the award has been upheld by dismissing their application filed under Section 34 of the Act. Thus, the action is discriminatory and for this reason alone, the impugned order is not sustainable. The appellant therefore prays for the remand of the matter to the arbitrator for the



limited purpose of assessing the proper value of the land and applying a factor of two for calculating the correct compensation in their case.

6. *Per contra*, learned counsel for the respondents referred to the provisions of Section 34 of the Arbitration and Conciliation Act, 1996 and submits that there cannot be any modification of the award, the only power available to the Court is to set aside the award. As such, the learned District Judge was correct in declining interference once he was satisfied that the award has been passed following due procedure.

6.1 He further submits that the remand made in the case of Annexure A-5 was for completely different reasons, which has not only been clarified by the appellant before this Court but the very reasons mentioned in the order Annexure A-4 also show that it was a completely different case. The respondents' counsel has further stated that the District Judge has not committed any error of fact or law, since the Court is vested with power under Section 34(2) of the Arbitration and Conciliation Act, 1966 only to set aside the award and not to amend the same. Thus, the application was rightly dismissed.

6.2 It has also been stated that as regards the issue of applying factor one or factor two, this matter is pending consideration before the Hon'ble Apex Court in the case of *National Highways Authority of India and Another vs Badrilal and Others* in *SLP(C) Nos.4081-4082 of 2023*. In the said matter, an interim order was passed on 13.03.2023, whereby it was mentioned that the State may continue dispensing compensation on the basis of factor one, subject to the final outcome of the cases. He thus contends that the Hon'ble Apex Court has permitted the State to apply factor one; hence there is no illegality in applying factor one while assessing compensation in the case of the present appellant.

6.3 Learned counsel further submits that the authority has rightly followed



the procedure for the determination of compensation in the case of the appellant. He in this behalf places reliance on the judgment of this Court rendered in the case of *M.P. Road Development Corporation vs. Mohd. Shahbuddin and Others (2022) 3 MPLJ 674* and submits that it has already been held by this Court that the market value referred to in Section 26 of the Act of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Settlement Act, 2013, is the correct basis for determination of compensation. The Collector guidelines are the best basis, which have now been given statutory status in terms of Section 26 of the said Act. He thus submits that there is no infirmity in relying on the Collector guidelines for determination of compensation in the case of the appellants. For all the above reasons, learned counsel prays for dismissal of the appeal.

7. In rejoinder to the submissions, learned counsel for the appellant placed reliance on the judgment of the Hon'ble Apex Court in the case of *Gyatri Balaswamy vs. M/s. ISG Novasoft Technologies Limited in Civil Appeal @ SLP(C) Nos.15336-15337 of 2021* and submitted that the Hon'ble Apex Court has already held that the award can be modified by the District Court in an application filed under Section 34 of the Arbitration and Conciliation Act.

8. Heard learned counsel for the respective parties and perused the record.

9. As regards the reduction in the area of land, it is seen that *vide* notification issued under Section 3A(1) of the NH Act, the area was mentioned as 0.2099 hectares. However, while issuing the notification under Section 3D of the said Act, the area was notified as 0.1560 hectares and the competent authority while passing the award dated 15.10.2020 has taken this area of 0.1560 hectares into consideration for awarding compensation. As such, there is no infirmity in



the award on this ground. Merely reduction of the area in the proclamation will not render the award illegal. It is not the case of the appellants that the State has acquired more land and given compensation for lesser area of land. Thus on this ground no interference is warranted.

10. As regards the valuation of the property, the contention of the learned counsel that the sale deed was not considered is without merit. It is seen from the findings recorded by the learned District Judge in para 21 that the reasoning is well founded. This Court is also of the opinion that a singular sale deed pertaining to a small area of 200 sq. meters cannot be made the basis for challenging the market value. The Division Bench of this Court while considering this aspect in the case of *Mohd. Shahbuddin (Supra)* has held in paras 27 and 33 as under :

"27. In view of aforesaid principle, in our view, the new expression employed in section 26 (1)(a) of Act, 2013 must be given full meaning and effect. We are unable to hold that the expression, the market value, if any, specified in the Indian Stamp Act is such a dull and lifeless expression which can be ignored. Apart from this, clause (a) aforesaid talks about the area where land is situated. These factors are of utmost importance for determination of market value of land by Collector.

33. The Collector guidelines dated 3-3-2014 shows that the same are issued under section 47-A read with section 75 of Stamp Act and as per the Guidelines Rules aforesaid. Thus, Collector guidelines, in our view, provides determining factors for calculation of market value of land and compensation as per section 26(1)(a) of the Act."

In this view of the matter, on this question also, no interference is warranted.

11. As regards the plea of discrimination, it is seen from the findings recorded by the learned District Judge in the case of Kanhaiyalal (Annexure A-5) that the facts of that case were different from those involved in the present bunch of appeals. Hence, no interference is warranted on this ground also.



12. As regards the application of factor, whether the multiplying factor of 1 or 2 would apply, it has to be noted that the Division Bench of this Court in the case of *Badrilal Dhakad and Ors. vs Union of India and Ors. in W.P. No.16808/2019* while deciding a bunch of petitions vide order dated 27.01.2022 has held in para 14 as under :

"14. 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."



12.1 It is thus clear that the Division Bench considered that the acquisition of land by the NHAI was for the purposes of a national highway and that the NHAI is an instrumentality of the Central Government. Accordingly, the appropriate Government in the said case would be the Central Government by virtue of the provisions of Section 3(e)(v).

13. In the present case also, it is undisputed that the land is being acquired by the NHAI for the purpose of construction of a national highway. It is also not under dispute that the area where the land is being acquired falls under the category of rural area.

14. In the case of *State of Madhya Pradesh vs. Madholal Meena and Ors.* in *F.A.No.1400/2023*, a co-ordinate Bench of this Court while passing the order dated 05.02.2025 has also held that the of factor two would be applicable where the Central Government is the appropriate Government, in vies of the fact that the notification issued by the Central Government, prescribes that for rural areas the factor of two would apply. In this view of the matter, interference in the impugned order on this count is warranted. However, it has also to be kept in mind that the Hon'ble Apex Court in the case of *Badrilal (supra)* has passed interim order dated 13.03.2023 as under :

"We make it clear that the pendency of these special leave petitions will not stand in the way of the petitioners dispensing compensation computed on the basis of factor of one. This will be subject to the final outcome of the cases."

15. The learned District Judge in para 25 of the impugned order has observed as under :

"25. It is suffice to state that the question of applicability of multiplier one or two in respect of land situated at rural areas in acquisition proceedings of Central Government is pending before Hon'ble Supreme Court. Hon'ble Supreme Court vide order dated 13.03.2023 (Supra) has directed to release compensation by using multiplier-1. Therefore, the award of arbitrator cannot be disturbed on this ground as



if multiplier factor 2 is decided by Hon'ble Supreme Court, applicant shall also be entitled to enhance compensation in accordance with Section 73 of the RFCTLARR Act."

16. In view of the conclusions drawn herein above as well as the observation of the Hon'ble Apex Court in the interim order, the conclusion of the learned District Judge, as recorded in para 25 of the order, is hereby modified to the extent that the appellants shall be entitled to receive compensation by applying a multiplier factor of two, in case the Hon'ble Apex Court holds that factor of two will be applicable in terms of the notification issued by the Central Government in the pending case of *National Highways Authority of India and Another vs Badrilal and Others* in *SLP(C) Nos.4081-4082 of 2023* for which no separate application under Section 73 of the Act for re-determination of the compensation will be required to be filed by the appellants. The concerned authority shall redetermine the compensation by applying factor of two in case the Hon'ble Apex Court affirms the order passed by the Division Bench of this Court in the case of *Badrilal (Supra)*, within a period of three months from the date of order of the Hon'ble Apex Court. In the meanwhile the respondents shall disburse the amount as calculated by them as per the application of factor of one, if not already disbursed.

17. With the aforesaid, all the appeals stand disposed of.

Certified copy as per rules.

(PAVAN KUMAR DWIVEDI)
JUDGE