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Supreme Court of India clarifies scope of re-determination under Section 28-A of the Land Acquisition Act, 1894

In an important decision on the interpretation of Section 28-A¹ of the Land Acquisition Act, 1894 (“**LA Act**”), the Hon’ble Supreme Court of India (“**Supreme Court**”), in *Andanayyaa and Ors. vs. Deputy Chief Engineer and Ors.*², has clarified that: (a) the expression ‘Court’ under Section 28-A of the LA Act includes appellate courts such as the High Court and the Supreme Court; and (b) re-determination of compensation can be sought on the basis of the final appellate award.

The Supreme Court further held that a subsequent application under Section 28-A of the LA Act based on an enhanced award by the appellate court is maintainable, particularly in light of the doctrine of merger and the beneficial object of the LA Act.

Brief facts

1. Lands belonging to the appellants were acquired under the LA Act for a railway project. The Land Acquisition Officer (“**LAO**”) awarded compensation at INR 40,000 (Indian Rupees forty thousand) per acre.
2. Certain landowners sought a reference under Section 18³ of the LA Act, resulting in enhancement of compensation by the reference court to INR 2,00,000 (Indian Rupees two lakh) per acre.
3. The appellants, who had not sought reference, filed an application under Section 28-A of the LA Act seeking re-determination based on the reference court’s award. The same was allowed.
4. Subsequently, the High Court, in appeals filed by other landowners, further enhanced compensation to INR 3,50,000 (Indian Rupees three lakh fifty thousand) per acre.
5. The appellants thereafter filed a second application under Section 28-A of the LA Act seeking parity with the enhanced compensation granted by the High Court.
6. The second application was rejected by the LAO and such rejection was ultimately upheld by the High Court, leading to the appeal before the Supreme Court.

¹ Section 28-A allows landowners who did not challenge the original compensation to seek the same enhanced compensation later, if another landowner covered by the same acquisition notification succeeds in getting a higher amount from a court.

² SLP(C) No. 2587-2593 of 2021 (decided on March 25, 2026)

³ Section 18 of the LA Act allows a landowner, who is dissatisfied with the compensation fixed by the Government, to approach a civil court to seek higher compensation.

Issues

1. Whether re-determination under Section 28-A of the LA Act can be based on an appellate court's award (High Court/Supreme Court)?
2. Whether a second application under Section 28-A of the LA Act is maintainable after an earlier re-determination?
3. Whether the doctrine of merger applies to compensation awards under the LA Act?

Findings and analysis

In the present case, the Supreme Court had initially indicated that the issues involved may warrant reference to a Constitution Bench in view of the divergence in the decisions of 3 (three) judge benches. However, upon an examination of the statutory scheme, prior precedents, and the doctrine of merger, the Supreme Court found that no real conflict exists between the earlier decisions. Accordingly, it declined to refer the matter to a Constitution Bench and proceeded to settle the legal position through a purposive interpretation of Section 28-A.

Issue 1: Scope of 'Court' under Section 28-A of the LA Act

The Supreme Court undertook a purposive interpretation of Section 28-A of the LA Act and held that the term 'Court' cannot be restricted only to the reference court. On a conjoint reading of Sections 3(d)⁴, 28-A, and 54⁵ of the LA Act, appellate courts (High Court and Supreme Court) are also covered within its ambit.

Any contrary interpretation would defeat the object of Section 28-A, which is to ensure parity among similarly situated landowners. Further, since the LA Act contemplates passing of one acquisition award, the term 'Court', as used in Section 28-A, includes appellate courts as well.

The Supreme Court emphasised that once an appellate court enhances compensation, the earlier award ceases to exist.

Issue 2: Maintainability of second application under Section 28-A of the LA Act

The Supreme Court rejected the narrow interpretation that only 1 (one) application under Section 28-A of the LA Act is permissible. The Supreme Court held that the provision must be interpreted in light of its beneficial object. Where compensation is further enhanced by an appellate court, denying similarly situated landowners the benefit would lead to unjust discrimination.

Accordingly, a second application based on the appellate award is maintainable.

The Supreme Court distinguished earlier precedents that limited multiple applications and clarified that such interpretation cannot override the statutory purpose.

Issue 3: Applicability of doctrine of merger

The Supreme Court applied the doctrine of merger and held that once an appellate court passes an order, the original award merges into the appellate decree. There cannot be multiple operative awards governing the same subject matter at the same time. Therefore, the 'award of the Court' under Section 28-A of the LA Act must be understood as the final adjudicated award, including determination by the appellate court.

The Supreme Court relied on settled law that the appellate decree alone attains finality and enforceability.

⁴ Section 3(d) of the LA Act defines 'Court' to mean the main civil court of original jurisdiction (i.e., the first court that hears such disputes), unless a special judicial officer is appointed.

⁵ Section 54 of the LA Act provides for appeals against awards made by the reference court, first to the High Court and thereafter to the Supreme Court.

Issue 4: Earlier judgments

The Supreme Court also addressed the contention that certain earlier judgments (particularly *Ramsingbhai Jerambhai vs. State of Gujarat*⁶ restrict the scope of Section 28-A of the LA Act and bar subsequent applications.

The Supreme Court clarified that such reliance is misplaced. The Supreme Court notes that *Ramsingbhai* judgment (supra) failed to consider the earlier 3 (three) judge bench decision in *Union of India vs. Pradeep Kumari*⁷. Since the coordinate bench failed to consider a binding precedent, the judgment in *Ramsingbhai* (supra) is *per incuriam*.

Conclusion

This judgment expands the scope of Section 28-A of the LA Act by recognising awards of appellate courts as valid ground for re-determination and by allowing subsequent applications to ensure parity among landowners.

The ruling reiterates the principle that the law of compensation under the LA Act must prioritise equity and uniformity over procedural rigidity.

The LA Act has dual nature, expropriatory and beneficial. This decision is a marked shift towards a beneficial and rights-oriented interpretation of Section 28-A. It resolves ambiguity on whether enhancements by appellate courts can result in re-determination.

However, the ruling also raise concerns regarding finality and administrative burden. From a practical standpoint, the land authorities will now need to await appellate and final outcome before concluding Section 28-A proceedings. There may be an increase in re-determination, particularly in large scale legacy acquisitions where the landowners keep challenging the acquisition through years.

⁶ (2018) 16 SCC 445 (decided on April 24, 2018)

⁷ (1995) 2 SCC 736 (decided on September 12, 2002)

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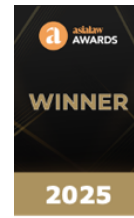
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