



2026 INSC 1095

NON-REPORTABLE

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO. _____ OF 2026
[ARISING OUT OF SLP (C) NO. 21774 OF 2025]**

M/S JK PAPER LTD

...PETITIONER

VS.

**BIPINCHANDRA NATWARLAL SHAH
& ORS.**

...RESPONDENTS

WITH

**CIVIL APPEAL NOS. _____ OF 2026
[ARISING OUT OF SLP (C) NOS. 23751-52 OF 2025]**

**BIPINCHANDRA NATWARLAL SHAH
& ORS.**

...PETITIONERS

VS.

M/S JK PAPER LTD & ANR.

...RESPONDENTS

ORDER

DIPANKAR DATTA, J.

1. Leave granted.

2. These appeals, one preferred by M/s JK Paper Ltd¹ and the other by Bipinchandra Natwarlal Shah (along with two other landowners)², challenge a common order dated 30th June, 2025³ of the High Court of Gujarat at Ahmedabad⁴ in Civil Application No.1 of 2023 (for stay) in First Appeal No. 2489 of 2023 with Civil Application No.1 of 2025 (for stay) in First Appeal No.2489 of 2023.
3. The brief facts, necessary for the purposes of this order, are these. Proceedings for the acquisition of land bearing Block No.207 of Village Gunsada ad-measuring 1,40,504 square meters⁵ (i.e. approx. 34.72 acres) were initiated under the erstwhile Land Acquisition Act, 1894 for the benefit of the company. While the Special Land Acquisition Officer⁶ assessed the value of the land at the rate of Rs. 124/- per square meter, the Reference Court, on an application filed by the landowners, *vide* an award dated 23rd February, 2023⁷, enhanced the valuation to Rs. 950/- per square meter together with, *inter alia*, a 12% escalation in price, solatium at the rate of 30%, interest at the rate of 9% for the first year and 15% for the subsequent period from the date of receipt of possession of the land.
4. Dissatisfied with the award of the Reference Court, the company as well as the landowners instituted appeals, i.e., First Appeal No.2489

¹ company

² landowners

³ impugned order

⁴ High Court

⁵ subject land

⁶ SLAO

⁷ impugned award

of 2023 and First Appeal No.1653 of 2023, respectively, before the High Court. In their appeal, the landowners claim additional compensation at the rate of Rs.1500/- per square meter while the company, in its appeal, has challenged the valuation of Rs. 950/- per square meter made by the Reference Court. The company having filed Civil Application No.1 of 2023 (for stay) in First Appeal No. 2489 of 2023 prayed, *inter alia*, for stay of the impugned award during the pendency of the said appeal. Both appeals remain pending, as on the date of this order.

5. Subsequently, during the pendency of the appeals, the landowners preferred a petition before the Executing Court and *vide* order dated 23rd May, 2025, a warrant was issued for recovering Rs.67,48,34,981.00 from the company and for depositing the amount recovered with the Executing Court, subject to the outcome of the first appeals before the High Court. In this backdrop, the company also preferred Civil Application No.1 of 2025 (for stay) in First Appeal No.2489 of 2023 seeking, *inter alia*, stay of the execution proceedings.
6. *Vide* the common impugned order, the High Court stayed the implementation of the impugned award as well as the execution proceedings. Relevant portions of the impugned order are extracted below:

24. The Court at the stage of hearing of Civil Application is inclined to consider the valuation of the land as is held by the Reference Court i.e. Rs.950/- per square meter. Accordingly, the figure for additional

compensation at the rate of Rs.826/- (less Rs.124 already paid) would come as under:

LAR No.	Block No.	Area in Square meters	Additional Comp. Awarded per Square meter	Additional Compensation	30 % solatium	12 % rise	Total Basic Compensation	9% Interest from 21-04-2005 to 20-04-2006	15% interest from 21-04-2006 to 19-11-2024	Total amount with interest
A	B	C	D	E	F	G	H	I	J	K
-	-	-	-	(Cx D)	(Ex 30%)	(Ex 12%)	E+F+ G+H	(Hx9%)	(Hx15%) x (6787/365)	(H+I+J)
78 of 2012	207	140504	826	11,60,56,304	3,48,16,891	1,39,26,756.48	16,47,99,952	1,48,31,996	45,96,56,413	63,92,88,361

25. Though an argument is advanced by the appellant regarding the interest component and that the appellant cannot be saddled with the liability of the interest for the period during which the respondent land owner was litigating and where the status-quo was granted preventing the appellant from enjoying the possession of land. The same is a highly disputed question of fact, for which there is no evidence on the record as on date to arrive at a definite finding about the fact regarding the "Status-quo".

26. In the opinion of the Court, the interest of justice will be served at this stage by passing following order:-

I) Stay the implementation and operation of the impugned judgment and award dated 23-02-2023 by Reference Court on the condition of depositing 50% of the awarded additional compensation and with 30% solatium, 12% price rise and the rate of interest specified in Para 5 of the impugned award. Upon such deposit being made, it will be open for the respondent claimant or land owner to withdraw the same to the extent of 50% of the sum deposited by providing appropriate security subject to the satisfaction of the Reference Court. The balance 50% be deposited in Fixed Deposit with cumulative interest to be renewed every three years till final disposal of the Appeal. The 50% amount to be deposited is inclusive of all the amount which have been deposited from time to time.

II) The appellant is given time of 2 months to make such deposit with the Reference Court.

27. Civil Application (For Stay) No.1 of 2023 stands disposed of in aforesaid terms.

28. In view of the order passed herein, no separate order is required to be passed in Civil Application (For Stay) No.1 of 2025. Accordingly, **Civil Application (For Stay) No.1 of 2025 stands disposed of.**

(emphasis in original)

- 7.** The company has informed this Court that it has deposited an amount of Rs.9,33,33,744/- till date.

- 8.** We have heard Mr. Gopal Sankaranarayanan, learned senior counsel representing the company, Mr. Maninder Singh, learned senior counsel representing the landowners, and Ms. Deepanwita Priyanka, learned counsel appearing on behalf of the State of Gujarat.
- 9.** In view of the fact that a common interim order in pending appeals is under challenge before us, and having regard to the ultimate order we propose to pass while disposing of these appeals, we need not examine all the contentions raised by the parties in any great detail except those referred to and dealt with hereunder.
- 10.** At an initial stage of hearing of these appeals, it was represented before this Court that the company had not been put in possession of approx. 24.77 acres of the subject land. Directions were issued by this Court in its order dated 4th November, 2025 for ensuring delivery of possession thereof in favour of the company.
- 11.** Subsequent thereto, and pursuant to an order of this Court dated 22nd September 2026, the State of Gujarat, on affidavit, has stated that in compliance with the said order of 4th November, 2025, as on 10th November, 2025, the remaining approx. 24.77 acres out of the entire approx. area of 34.72 acres of the subject land has been handed over by the Mamlatdar to the company which, till then, purportedly possessed only 9.95 acres thereof. It, therefore, appears that as on date, possession of the entirety of the subject land has been handed over to the company.

12. One of the contentions raised on behalf of the company by Mr. Sankarnarayanan in course of hearing of its appeal needs to be dealt with at the outset, lest the issue is raised once again before the High Court. The company asserted before this Court that there was a gorge (nala) running through the subject land which caused waterlogging, and the presence of such a gorge (nala) reduced the amount of useful land available to the company. Having perused the materials on record including the letter dated 6th July, 2026 of the company addressed to the Mamlatdar, we have no hesitation to reject the said assertion of the company. It appears that ever since the proceedings for acquisition of the subject land were initiated, the company had knowledge of the gorge (nala), the associated waterlogging and the other encumbrances. It is too late in the day for the company to claim that the gorge (nala) and the other encumbrances reduced the amount of useful land available to it, particularly when the land acquisition proceedings for the subject land were initiated as far back as 2005 for the benefit of the company. The company, therefore, shall not be entitled to raise any such issue before the High Court.

13. Based on further perusal of the affidavits and the materials placed on record, we also find that there are several other disputed questions of fact, including, as to when the company initially came into possession of the subject land and/or part thereof and to what extent possession came to be made over to it. These disputed questions of fact need to be examined by the High Court in the pending appeals

and would, in the process, impact the final compensation payable by the company.

- 14.** The power of the first appellate court in determining questions of fact has been succinctly captured by this Court in ***Malluru Mallappa (Dead) v. Kuruvathappa & Ors.***⁸. The relevant passage from this decision reads as follows:

13. It is a settled position of law that an appeal is a continuation of the proceedings of the original court. Ordinarily, the appellate jurisdiction involves a rehearing on law as well as on fact and is invoked by an aggrieved person. The first appeal is a valuable right of the appellant and therein all questions of fact and law decided by the trial court are open for reconsideration. Therefore, the first appellate court is required to address itself to all the issues and decide the case by giving reasons. The court of first appeal must record its findings only after dealing with all issues of law as well as fact and with the evidence, oral as well as documentary, led by the parties. The judgment of the first appellate court must display conscious application of mind and record findings supported by reasons on all issues and contentions [see : Santosh Hazari v. Purushottam Tiwari : (2001) 3 SCC 179, Madhukar v. Sangram : (2001) 4 SCC 756, B.M. Narayana Gowda v. Shanthamma : (2011) 15 SCC 476, H.K.N. Swami v. Irshad Basith : (2005) 10 SCC 243 and Sri Raja Lakshmi Dyeing Works v. Rangaswamy Chettiar : (1980) 4 SCC 259].

(emphasis ours)

- 15.** Given that the first appeals preferred by the company and the landowners are still pending before the High Court which, as the first appellate court, remains the most appropriate forum to examine such disputed questions of facts and to conclusively determine the *lis* therein, this Court would be loath to exercise its jurisdiction under Article 136 to wade into the waters of a fact-finding court or tribunal to determine any disputed questions of fact.

⁸ (2020) 4 SCC 313

16. The order of stay passed by the High Court shall presently continue for a period of 2 (two) months. However, given the substantial quantum of compensation involved, we are of the considered opinion that interests of justice would be sufficiently served if the company is required to deposit an additional amount of Rs.15 crore with the Registrar General of the High Court within 2 (two) months from this date. Such deposit will be without prejudice to the rights and contentions of the company and the landowners in the pending first appeals before the High Court. In case of any failure to deposit the aforementioned amount with the Registrar General, the order of the High Court staying the award as well as the execution proceedings shall stand revoked and the landowners will be at liberty to pursue their claim before the Executing Court. Should the deposit be made, the interim order of stay shall continue till further orders to the contrary are passed by the High Court. Meanwhile, the Registrar General shall invest the said amount of Rs.15 crore in a short-term interest bearing Fixed Deposit account of a nationalised bank on an auto renewal basis.

17. Since the land acquisition proceedings date back to 2005, the High Court is requested to expedite its decision on the said first appeals in accordance with law bearing in mind that delivery of approx. 24.77 acres of the subject land has been made over to the company on 10th November, 2025 in terms of the order dated 4th November, 2025 and also that, except the limited point decided in paragraph 12 (*supra*),

all other points are left open for being decided by it on their own merits.

18. The appeals stand disposed of on the aforesaid terms.

19. Pending applications, if any, are closed.

.....J.
(DIPANKAR DATTA)

.....J.
(SHEEL NAGU)

**NEW DELHI;
OCTOBER 07, 2026.**