2026 INSC 291

REPORTABLE

IN THE SUPREME COURT OF INDIA

INHERENT/CIVIL APPELLATE JURISDICTION

Review Petition (Civil) No. 2528 / 2025
in

Miscellaneous Application No. 1773 / 2021
in

Civil Appeal No. 7064 / 2019

National Highways Authority of India ...Appellant(s)

versus

Tarsem Singh and others ...Respondent(s)

with

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. _____ / 2026)
(Arising out of Diary No. 67885 / 2025)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. _____ / 2026)
(Arising out of Diary No. 68010 / 2025)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 2507 / 2026)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 36306 / 2025)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 37094 / 2025)

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Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 2425 / 2026)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 38641 / 2025)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 52 / 2026)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 37666 / 2025)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 38674 / 2025)

Civil Appeal No. _____ / 2026
(Arising out of Special Leave Petition (Civil) No. 41 / 2026)

JUDGEMENT

SURYA KANT, CJI.

1. The instant Review Petition has been filed by the National Highways Authority of India (**NHAI**) for recalling our order dated 04.02.2025, passed in Miscellaneous Application No. 1773/2021 (**Tarsem Singh-II**).[1] *Vide* that order, this Court had dismissed NHAI's application seeking clarification whether the judgement dated 19.09.2019 passed by

a Coordinate Bench of this Court in ***Union of India and another v. Tarsem Singh and others*** (**Tarsem Singh-I**)[2] would apply prospectively.

2. Notably, several Special Leave Petitions preferred by the NHAI/its Project Director are also tagged with the instant Review Petition,

1 *Union of India and another v. Tarsem Singh and others*, 2025 SCC OnLine SC 235.

2 (2019) 9 SCC 304.

challenging different orders passed by the High Courts of Bombay and Chhattisgarh.

3. The High Courts, *vide* those orders, have, *inter alia*, directed NHAI and its officers to pay ***(i)*** interest, ***(ii)*** solatium, ***(iii)*** and interest on the solatium, along with the statutory compensation, for acquisition of lands under the National Highways Act, 1956 (**NH Act**) in terms of ***Tarsem Singh-I*** and ***Tarsem Singh-II*** in a time-bound manner. NHAI's grievance in these Special Leave Petitions appears to be that such directions ought not to have been issued in view of the pendency of the Review Petition against ***Tarsem Singh-II*** before this Court.

4. Be that as it may, since the survival of the claims raised in the adjoining Special Leave Petitions hinges on the outcome of this Review Petition, we shall first turn to adjudicate the latter on its merits.

A. ***BACKGROUND***

5. To that end, given that this Review Petition constitutes the third round of litigation on the limited issue of various landowners' entitlement to 'solatium' and 'interest' as part of the compensation for land acquisition initiated by the NHAI, we do not deem it appropriate to delve into the entire legislative and judicial history of the matter. Suffice it would be to notice certain salient events:

5.1. In 1997, a fresh, comprehensive land acquisition framework was introduced into the NH Act. Included in this Amendment was Section 3-J, stipulating that the Land Acquisition Act, 1894 (**1894 Act**) *in toto*

would not apply to acquisitions under the NH Act. A necessary by-product of this amendment was that the provisions of the 1894 Act granting 'solatium' and 'interest' to land-losers would not apply to acquisitions initiated under the NH Act.

5.2. Section 3-J held the field until the purported dissonance between the land acquisition compensatory schemes contemplated under the NH Act and the 1894 Act was agitated as being *ex-facie* illegal and *ultra vires* the Constitution of India before various High Courts.

5.3. A learned Single Judge of the High Court of Karnataka in ***Lalita v. Union of India, New Delhi***,[3] struck down Section 3-J of the NH Act, holding it to be unconstitutional for perpetuating an arbitrary distinction, in opposition to the strict contours of Article 14 of the Constitution of India. That ruling, however, was stayed by a Division Bench of the same High Court on 10.02.2003, while it was seized of the intra-court appeal preferred by the Union of India. The stay continued to operate till 15.10.2019, when the Writ Appeal was eventually dismissed by the High Court in terms of this Court's judgement in ***Tarsem Singh-I***, which is elaborated upon later.

5.4. As stated earlier, similar challenges were made before other High Courts as well, resulting in two noteworthy decisions:

3 2002 SCC OnLine Kar 569.

(i) Judgement dated 28.03.2008 passed by a Division Bench of the High Court of Punjab and Haryana, titled ***Golden Iron and Steel Forging v. Union of India***;[4] and

(ii) Order dated 04.03.2011 passed by a learned Single Judge of the High Court of Judicature at Madras, titled ***T. Chakrapani v. Union of India***.[5]

5.5. These decisions assume significance for the reason that, rather than striking down Section 3-J of the NH Act in its entirety, the High Courts adopted a calibrated approach. While preserving the distinct acquisition framework under the NH Act, they held the statutory scheme to be unconstitutional to the limited extent that it denied land-losers the benefit of 'solatium' and 'interest'. In effect, Sections 3-G and 3-J of the NH Act were read down to align with the compensatory principles embodied in Section 23(1-A) and Section 23(2) of the 1894 Act. The result was that, notwithstanding the separate statutory regime, landowners under the NH Act were also held entitled to 'solatium' and 'interest' on parity with acquisitions under the 1894 Act. These decisions, along with similar pronouncements by other High Courts, were subsequently carried in appeal before this Court.

5.6. While the aforesaid appeals were pending consideration, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (**2013 Act**) came into force

4 2008 SCC OnLine P&H 498.

5 2011 SCC OnLine Mad 2881

with effect from 01.01.2014, replacing the 1894 Act. Thereafter, by way of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2014 (**2014 Ordinance**), the compensation framework under the 2013 Act was extended to acquisitions under the NH Act, with effect from 01.01.2015. Although the said Ordinance subsequently lapsed, the Union of India, in exercise of its powers under Section 113 read with Section 105 of the 2013 Act, issued a notification dated 28.08.2015, thereby continuing the applicability of the compensation provisions of the 2013 Act to acquisitions under the NH Act.

5.7. The net effect of this entire rigamarole was that a distinct class of land-losers came to be excluded from the benefit of 'solatium' and 'interest'. To be specific, the acquisitions undertaken under the NH Act during the *interregnum*, namely, after the insertion of Section 3-J in 1997 and till the beneficial compensation regime of the 2013 Act was made applicable to the NH Act w.e.f. 01.01.2015, remained outside the fold of entitlement to 'solatium' and 'interest'. This resulted in an anomalous situation, where similarly situated landowners, differing only in the timing or statutory route of acquisition, were subjected to materially unequal compensatory frameworks.

5.8. As a consequence of the statutory rights accorded through the 2014 Ordinance and the notification dated 28.08.2015, the appeal arising from ***T. Chakrapani (supra)*** was disposed of by this Court with the statement of the then Solicitor General of India being recorded that

solatium in terms of the order of the Madras High Court would be granted in that case.[6]

5.9. Similarly, in ***Sunita Mehra v. Union of India***,[7] a two-Judge Bench of this Court, disposed of the NHAI's appeals against other comparable judgements of the High Court of Punjab and Haryana, with the directions that the benefit of 'solatium' and 'interest' shall be available to land-losers in all such cases where the proceedings for computation of compensation were pending as on 28.03.2008. In doing so, this Court clarified that while future acquisitions would be covered by the 2013 Act and its benefits, those cases which had been decided prior to the said date and, thus, stood concluded ought not to be reopened. Here, it may be noted for clarity that this cut-off date was derived from the date on which the judgement in ***Golden Iron and Steel (supra)*** was pronounced by the High Court of Punjab and Haryana.

5.10. Following the aforesaid developments, the NHAI chose to withdraw its appeals pending before this Court in which the judgement of the High Court of Punjab and Haryana in ***Golden Iron and Steel (supra)*** was under challenge.[8]

5.11. It is in this backdrop that a two-Judge Bench of this Court, including one of us (Surya Kant, J., as he then was), in ***Tarsem Singh-I*** held that the benefit of 'solatium' and 'interest' must be extended to landowners

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6 Civil Appeal Nos. 129-159/2014.

7 (2019) 17 SCC 672.

8 Civil Appeal No. 10695/2011.

even in respect of acquisitions made during the period between 1997, when Section 3-J was introduced into the NH Act, and 2015, when the compensation scheme of the 2013 Act was made applicable to the acquisitions under the NH Act. With this in mind, Section 3-J was declared unconstitutional to the extent that it denied solatium and interest, and landowners were held entitled to such benefits in terms of Section 23(1-A) and Section 23(2), along with interest under the *proviso* to Section 28 of the 1894 Act.

5.12. Aggrieved thereby, the NHAI moved Miscellaneous Application No. 1773/2021, seeking a clarification that the directions in ***Tarsem Singh-I*** would operate only prospectively. That prayer was declined by this Court in ***Tarsem Singh-II***, wherein it was held that the entitlement to 'solatium' and 'interest' inheres in the right to just compensation, and that the grant of such benefits does not amount to reopening of cases that have attained finality.

5.13. It must be mentioned that in those proceedings, this Court also rejected a specific argument of the NHAI *apropos* the financial burden that would have to be borne by the public exchequer for payment of such solatium and interest to the landowners. The relevant para is reproduced below:

> "***23.*** *In all fairness,* ***the only defense that may perhaps seem appealing is the claim of a financial burden amounting to Rupees 100 crores. However, this argument does not persuade us for several reasons****:* First, *if this burden has been borne by the NHAI in the case of thousands of other landowners, it stands to reason that it should also be shared by the NHAI in this instance, in order to eliminate*

discrimination. Second, *the financial burden of acquiring land cannot be justified in the light of the Constitutional mandate of Article 300A.* Third, *since most National Highways are being developed under the Public Private Partnership model, the financial burden will ultimately be passed on to the relevant Project Proponent.* Fourth, *even the Project Proponent would not have to bear the compensation costs out of pocket, as it is the commuters who will bear the actual brunt of this cost. Ultimately, the burden is likely to be saddled onto the middle or upper-middle-class segment of society, particularly those who can afford private vehicles or operate commercial ventures. We are thus not inclined to entertain the plea for prospectivity on this limited tenet.*"

[Emphasis supplied]

5.14. While dismissing the Miscellaneous Application, this Court also alluded to the decision in ***Sunita Mehra (supra)*** and underlined that it stood appropriately addressed and clarified in ***Tarsem Singh-I***.

B. SCOPE OF THE REVIEW

6. The NHAI has filed the present Review Petition *inter alia* contending that the financial burden projected to this Court in the course of arguments in ***Tarsem Singh-II*** was based on a clerical error. It is submitted that the actual liability towards payment of solatium and interest to all landowners is not Rs. 100 crores, as is recorded in the extract reproduced hereinabove, but is in fact amounting to approximately Rs. 29,000 crores. On this basis, it is urged that an error apparent on the face of the record has crept into the order, warranting reconsideration thereof.

7. At the outset, it must be clarified that while the corrected estimate of the monetary costs is taken on record, the same does not persuade us to revisit the merits of the earlier adjudication. This Court had

unequivocally held that the fiscal implications of granting solatium and interest cannot override the substantive entitlement of land-losers. There is no gainsaying that the constitutional guarantee of just compensation cannot be rendered contingent upon the magnitude of the financial burden. Consequently, a mere escalation in the projected liability, howsoever significant, does not constitute, *per se*, a valid ground for review or modification of the judgement.

8. There is, consequentially, no occasion for us to reconsider our decision in ***Tarsem Singh-II*** on the above-noted ground.

9. Regardless thereto and upon a careful consideration of the submissions advanced on behalf of the NHAI, it appears that certain aspects of the judgements rendered in ***Tarsem Singh-I*** and ***Tarsem Singh-II*** warrant limited clarification. The necessity for such clarification arises not from any error in principle, but to ensure a consistent and equitable understanding of the scope and effect of those decisions. The instant proceedings, therefore, are confined strictly to that limited exercise.

C. CLARIFICATION RE: DELAYED AND BARRED CLAIMS

10. The undisputed position of law, settled by successive judgements of the High Courts and this Court, is that the landowners who suffer acquisition of their land under the NH Act are entitled to interest, solatium, and interest on solatium as part of their compensation. In ***Tarsem Singh-I***, this Court recognised "***that the Government itself is of the view that solatium and interest should be granted even in***

cases that arise between 1997 and 2015." It is also not in question that such benefits shall be payable in line with those granted in the 1894 Act or the 2013 Act, as the case may be.

11. However, as a matter of caution, we deem it appropriate to clarify that each claim for this entitlement cannot be treated in the same way. We say so for the reason that, in many cases, the landowners have chosen to approach the different authorities, like the Competent Authority, the Arbitrators, or the Courts, for the grant of 'solatium' and 'interest' decades after the cases regarding the quantum of the land acquisition compensation for their lands stood closed.

12. This Court is conscious of the legal necessity of giving *quietus* to decided matters. Once a judgement or an order passed by a court in a particular case has attained finality and is not the subject matter of further challenge before a prescribed forum, a subsequent change in the judicial interpretation would not entail a reversal of such decision *inter-se* the parties to that case. In fact, a three-Judge Bench of this Court, including both of us, in ***State (NCT of Delhi) v. K.L. Rathi Steels Ltd.***[9] has observed that such overturning of the principle of law cannot sustain even a formal review of the original decision once the same has attained finality. As such, we find that while, as a matter of legal principle, the landowners may be entitled to solatium and interest, they cannot be permitted to reopen old, stale claims which have been decided conclusively by a court of law.

9 (2024) 7 SCC 315.

13. However, where final remedy has not been exhausted and statutory appeals or applications have been filed after inordinate delay, claiming the benefit of 'interest', 'solatium', or 'interest on solatium', a balance must be struck between the entitlement of the landowners and the equities operating against their delay. A similar balancing exercise is usually undertaken by this Court while considering cases for enhancement of land acquisition compensation in a belated appeal. The notable method used in such cases is the denial of 'interest' payable on the enhanced amount of compensation for the period of delay. A similar exercise must be undertaken for the land acquisition cases arising from the NH Act in the matter of grant of 'solatium', 'interest', and 'interest on solatium'.

D. ***CONCLUSION AND DIRECTIONS***

14. Considering the facts and circumstances explained in the instant proceedings along with the various submissions placed on record and with a view to balancing the equities regarding delay and the entitlements of the landowners, we issue the following directions:

(i) All landowners whose claims re: the quantum and/or components of compensation for their lands acquired under the NH Act were alive on or after 28.03.2008, i.e., they were pending before one of the prescribed fora, shall be entitled to seek addition of 'interest', 'solatium', and 'interest on the solatium' to their compensation claim;

(ii) In the cases where compensation claims are alive on the aforesaid date, but the landowner has claimed 'interest', 'solatium', and 'interest on solatium' after 28.03.2008, no interest on both components shall be payable for the period of delay. Such landowner shall be entitled to 'interest' and 'interest on solatium' only from the date on which such claims were raised; and

(iii) If the claims of the landowners stood concluded prior to 28.03.2008, with no further appeal, Writ Petition, Special Leave Petition, etc., then such landowners are not entitled to seek reopening, review, or modification of the said decision for the purpose of claiming 'solatium' or 'interest'.

15. The instant Review Petition, along with all pending applications, stand disposed of accordingly.

16. Delay is condoned and leave is granted in the tagged Special Leave Petitions, and while setting aside the impugned judgements of the High Courts, the matters are remanded to the concerned High Courts with a request to recalculate the 'interest', 'solatium', and 'interest on solatium' payable to the landowners. Such computation shall be strictly in accordance with the directions issued hereinabove. If the landowners are held to fall within the category of Paragraph 14(ii) then the payment has to be made accordingly. Similarly, in the cases of landowners who are covered by Paragraph 14(iii), no such benefit shall be granted.

17. As a matter of abundant caution, however, it is clarified that these directions do not entitle the NHAI or the Union of India to seek refund or recovery of the solatium or interest already paid to the landowners.

18. Ordered accordingly.

.....CJI
(SURYA KANT)

.....J.
(UJJAL BHUYAN)

NEW DELHI;
MARCH 25, 2026