IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO. 2976 OF 2026

Majibullah Azgarali Shaikh and another … Petitioners

vs.

Union of India, Through Principal Secretary, Railway Ministry and others … Respondents

Mr. J. D. Khairnar a/w. Mr. Mufeez Ansari, i/b. Mr. Vikas Chivarkar for petitioners.

Mr. T. J. Pandian a/w. Ms. Vaishali Barot, Mr. Gautam M. and Ms. Aarti Gupta for respondent Nos.1 and 2 – railway authorities.

Ms. Neha S. Bhide, GP a/w. Ms. G. R. Raghuwanshi, AGP for respondent No.3-State.

Mr. Anurag R. Kulkarni a/w. Mr. Aniruddha P. Mandlik for respondent No.4.

CORAM : MANISH PITALE &
SHREERAM V. SHIRSAT, JJ

DATE : 15th OCTOBER, 2026

P.C. :

. The petitioners are aggrieved by an order dated 30.12.2025 passed by respondent No.3 – Competent Authority and Sub-divisional Officer, Kalyan, District Thane (SDO), whereby an objection raised by the petitioners with regard to the entitlement of compensation pertaining to the structures in the subject lands, has been partly allowed and specific directions have been issued with regard to monetary compensation of the structures being distributed between the petitioners and respondent No.4.

2. Respondent No.3 – SDO has proceeded to pass the said impugned order by purportedly exercising power under Section 20-H(3) of the Railways Act, 1989 (the said Act).

3. The learned counsel appearing for respondent No.2 – railway authority submits that the entire compensation was deposited with respondent No.3 – SDO and therefore, no relief can be claimed against the said respondent.

PRIYA KAMBLI Digitally signed by PRIYA KAMBLI Date: 2026.10.15 17:56:10 +0530

4. Having heard the learned counsel for the petitioners and the contesting respondent No.4, we find that it is an admitted position about the compensation pertaining to the land having been disbursed to the parties. There is no dispute about the entitlement of compensation for acquisition of land. The dispute is restricted to the entitlement of the rival parties to the structures existing on the subject land.

5. A bare perusal of the impugned order shows that respondent No.3 – SDO has gone into great detail about the rival claims made with regard to the structures existing on the subject land. A reference is made to a report submitted by the Deputy Superintendent of Land Records to eventually reach conclusions, while partly allowing the objections raised by the petitioners and issuing specific directions, with regard to the manner in which the compensation with respect of the structures is to be distributed between the petitioner and the contesting respondent No.4.

6. We are of the opinion that, considering the nature of dispute existing between the petitioners and the contesting respondent No.4, respondent No.3 – SDO ought to have invoked Section 20-H(4) of the said Act, to refer such dispute to the competent Court. In this context, it would be appropriate to refer to the relevant portion of Section 20-H of the aforesaid Act, which reads as follows:

> "**20-H. Deposit and payment of amount**
>
> (3) Where several persons claim to be interest in the amount deposited under sub-section (1), the competent authority shall determine the persons who in its opinion are entitled to receive the amount payable to each of them.
>
> (4) If any dispute arises as to the apportionment of the amount or any part thereof or to any person to whom the same or any part thereof is payable, the competent authority shall refer the dispute to the decision of the principal Civil Court of original

> jurisdiction within the limites of whose jurisdiction the land is situated."

7. We are of the opinion that the nature of dispute between the parties, in the light of the rival stands taken on their behalf, clearly indicates that this was a fit case for respondent No.3 – SDO to treat it as a 'dispute' under Section 20-H(4) of the aforesaid Act, as the same essentially pertains to apportionment of compensation payable for the structures existing on the subject land.

8. Hence, we find that respondent No.3 – SDO erred in exercising power under Section 20-H(3) of the aforesaid Act, while issuing the impugned directions. On this ground, the impugned order is liable to be set aside.

9. Accordingly, the writ petition is partly allowed. The impugned order is quashed and set aside.

10. Respondent No.3 – SDO is directed to refer the dispute between the petitioners and respondent No.4 to the principal Civil Court of original jurisdiction, within whose limits the said property is located. Consequential action shall be taken within a period of two weeks from today.

11. Respondent No.3 – SDO shall, within two weeks from today, transfer the compensation amount payable for the structures to the said Court to which the dispute is referred. The said amount shall be invested by the said Court, as per standard practice.

12. Writ petition is disposed of.

13. It is made clear that this Court is not expressing any opinion on the rival claims of the petitioners and respondent No.4. All rights and contentions of the parties in that regard are kept open.

(SHREERAM V. SHIRSAT, J.) (MANISH PITALE, J.)