



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

ARBITRATION APPEAL NO. 14 OF 2021

NATIONAL HIGHWAYS AUTHORITY OF INDIA PROJECT
IMPLEMENTATION UNIT THRU ITS PROJECT DIRECTOR DHULE

VERSUS

KAZI FAYAZODDIN ALLAUDDIN AND ANOTHER

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Advocate for Appellant : Mr. Deepak Manorkar

AGP for Respondents-State : Mr. B. B. Bhise

Advocate for Respondent No. 1 : Mr. N. L. Chaudhari

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WITH

CIVIL APPLICATION NO. 1376 OF 2022

IN ARBA/14/2021

WITH

CIVIL APPLICATION NO. 9221 OF 2022

IN ARBA/14/2021

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CORAM : ROHIT W. JOSHI, J.

Dated : July 2, 2025

PER COURT :-

1. The land of the respondents was acquired under the The National Highways Act, 1956. The respondents had invoked Arbitration contemplated under the said Act seeking enhancement in the amount of compensation.

2. The Arbitral Tribunal granted enhancement in the amount of compensation vide award dated 17.03.2011. The

respondents - Land Owners were not satisfied with the enhancement granted and therefore, filed an objection as contemplated under Section 34 of the Arbitration and Conciliation Act, 1996, which came to be registered as Civil M. A. No. 111 of 2014. The learned Principal District Judge, Dhule has allowed the application filed by the respondents - Land Owners and has granted further enhancement in the amount of compensation vide judgment and order dated 29.07.2020.

3. The appellant – Acquiring Body has challenged the said judgment and order contending that the learned Principal District Judge, while exercising jurisdiction under Section 34 of the Arbitration and Conciliation Act, had no authority to grant enhancement in the amount of compensation. This according to the learned Advocate for the appellant will amount to modification of the Arbitral Award which is impermissible. The issue is squarely covered by the Hon'ble Supreme Court in the case of **The Project Director National Highways Vs. M. Hakeem and Anr. (AIR 2021 SC 3471)**.

4. In view of the aforesaid, the judgment and order passed by the learned Principal District Judge is unsustainable and is liable to be quashed and set aside. Having regard to the limited jurisdiction

available under Section 34 of the Act, the only course available to the learned Judge was to remit the matter back to the learned Arbitral Tribunal for reconsideration of the matter afresh.

5. In that view of the matter, the appeal is **partly allowed**. The judgment and order dated 29.07.2020 passed by the learned Principal District Judge, Dhule in Civil M. A. No. 111 of 2014 is quashed and set aside. Resultantly, pending civil applications also stand disposed of.

6. The matter is remitted back to the Arbitral Tribunal to decide the amount of compensation afresh in the light of observations made by the learned Principal District Judge, Dhule in the judgment. Parties to bear their own costs.

7. In view of the fact that the appeal is allowed, the appellant is permitted to withdraw the amount deposited with this Court alongwith accrued interest.

(ROHIT W. JOSHI, J.)

Omkar Joshi