



IN THE HIGH COURT OF JUDICATURE AT BOMBAY,
BENCH AT AURANGABAD

ARBITRATION APPEAL NO. 32 OF 2022
WITH
CIVIL APPLICATION NO. 3654 OF 2024
IN ARBA/32/2022
WITH
CIVIL APPLICATION NO. 11909 OF 2022
IN ARBA/32/2022

National Highways Authority of India,
Project Implementation Unit,
Dhule, Represented by its
Project Director 'Mangal', Plot No. 14 to 16,
Mansaram Nagar Sakri Road, at Dhule.

..Appellant

VERSUS

- 1) Prabhavati Pandharinath Marathe
Age: 75 years
R/o. Bhadne
Tq. Sakri, & Dist. Dhule. (Original Claimant)
- 2) Union of India
Through, Deputy Secretary,
Ministry of Shipping, Road Transport
And Highways, New Delhi.
- 3) The State of Maharashtra,
Through, Collector, Dhule
- 4) The Collector, Dhule
Collector Office, Dhule
- 5) The Competent Authority, National Highway
Tribunal and Deputy Collector Land Acquisition
(General) Dhule, Collector Office, Dhule. ..Respondents

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Advocate for Appellant : Mr. Manorkar Deepak S

AGP for Respondent/State : Mr. V.M. Chate

Advocate for Respondent No.1 : Mr. Girish V. Wani h/f Mr. K.M. More

Advocate for Respondent Nos.2 & 5 : Mr. R.B. Bhosle

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CORAM : ROHIT W. JOSHI, J.
DATE : 22nd AUGUST, 2025

ORAL JUDGMENT :

1. The land of respondents was acquired by the appellant under the provisions of the National Highways Act, 1956. Dissatisfied with the award, the respondents/land owners took recourse to arbitration as contemplated under the Act. The amount of compensation awarded by the Competent Authority (CALA) was enhanced by the learned Arbitrator/Collector. The land owners challenged the award by filing proceeding under Section 34 of the Arbitration and Conciliation Act, 1996 seeking further enhancement in the amount of compensation. The learned Reference Court vide judgment and order enhanced the amount of compensation further. The acquiring body/NHAI has challenged the said judgment and award principally on the ground that by granting further enhancement, the Reference Court has modified the award passed by the learned Arbitrator/Collector, which is beyond the scope of jurisdiction under Section 34. Reliance in support of this contention is placed on the judgment of Hon'ble Apex Court in the case of *Project Director, National Highways... Vs. M. Hakeem* reported in *AIR 2021 SC 3471*.

2. Learned advocate for respondents/land owners contend that enhancement is rightly granted in view of available evidence on record.

3. Having heard the rival submissions, following points arise for consideration in the present appeal :

Sr. No.	Points	Findings
1	Whether the learned District Court has jurisdiction to enhance the amount of compensation awarded in proceeding under Section 34 of the Arbitration and Conciliation Act, 1996?	

4. In the considered opinion of this Court, the issue is no longer *res integra* and is squarely covered by the judgment of Hon'ble Apex Court in the matter of **M. Hakeem** (supra). It is categorically held that modification of award in a proceeding under Section 34 of the Arbitration and Conciliation Act is not permissible and therefore granting enhanced compensation is beyond the jurisdiction of Court.

5. In view of the above, the appeal is allowed as under :

(i) Judgment and order dated 06.04.2021 passed by the Principal District Judge, Dhule in Civil M.A. No.213 of 2018 is quashed and set aside.

(ii) The matter is remanded back for fresh consideration before the Arbitral Tribunal comprising of Collector, Dhule (Respondent No.4) for consideration of matter afresh having due regard to the reasons recorded by the learned Principal District Judge, Dhule in the judgment dated 06.04.2021 in

Civil M.A. No.213 of 2018.

(iii) Parties shall appear before respondent no.4 on 15.09.2025. Parties to note that separate notice for appearance shall not be issued.

(iv) Respondent no.4/Collector is directed to decide the matter as early as possible and in any case before 31.03.2026.

6. In view of the fact that appeal is allowed, the appellant is permitted to withdraw the amount deposited with this Court in compliance of order granting stay to the execution of judgment and order passed by the learned Principal District Judge with accrued interest, if any.

7. Pending civil applications stand disposed of.

[ROHIT W. JOSHI J.]