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Arbitration Appeal No.4 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.01.2025

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

Arbitration Appeal No.4 of 2025

And

C.M.P.No.1042 of 2025

The Project Director,
National Highways Authority of India,
'SRI Towers'
3rd Floor, DP-34 (SP) Industrial Estate,
Guindy, Chennai – 600 032.

... Appellant

Vs.

1.Competent Authority and
Special District Revenue Officer (LA)
National Highways,
Kancheepuram and Tiruvallur Districts
At Kancheepuram now at Poonamallee,
Chennai – 56.

2.The Arbitrator (NH) and Senior District Collector,
Tiruvallur District at Tiruvallur.

3.T.C.Rajalakshmi

... Respondents

Prayer:

Arbitration Appeal filed under Section 37 of the Arbitration and Conciliation Act, 1996 (as amended), to set aside the order of the Hon'ble Principal District Judge, Tiruvallur in the Arbitration OP.95 of 2008 dated 24.08.2023 remit the case to the Arbitrator cum District Collector, Tiruvallur.



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Arbitration Appeal No.4 of 2025

For Appellant : Mrs.S.R.Sumathy
For Respondents : Mr.D.Gopal for R1 and R2
Government Advocate
Mr.M.V.Sheshachari for R3

J U D G M E N T

This appeal has been filed seeking to set aside the order of the learned Principal District Judge, Tiruvallur, in the Arbitration O.P.No.95 of 2008 dated 24.08.2023 and to remit the case to the Arbitrator cum District Collector, Tiruvallur.

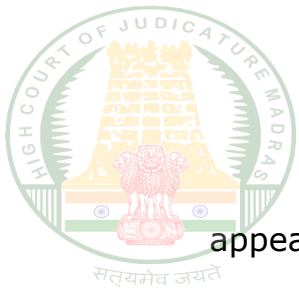
2.With the consent of the appellant as well as the respondents, the arbitration appeal is disposed of in the admission stage itself.

3.The brief facts of the case is that the third respondent is the owner of the land in S.No.84/1C2B2 of an extent of 215 sq.mt. along with structure at Madavilagam Village, Poonamallee Taluk, Tiruvallur District. The land was acquired by the District Revenue Officer under Rc.No.133/2005/A/NH4/TVR dated 23.01.2006 for widening NH-4. The first respondent was appointed as the Land Acquisition Officer to assess the value of the acquired land invoking Section 3G of the National Highways Act, 1956. The first respondent with reference to



various sale deeds executed within a year from the date of notification under Section 3A(1) of the Act fixed the value of the third respondent's land of 215 sq.mt. as Rs.84,280/- at the rate of Rs.392/- per sq.mt. and award was confirmed by the higher Authorities concerned. The first respondent further awarded 10% appreciation as Rs.8,428/- for the above land and also awarded a sum of Rs.3,60,623/- for superstructure separately.

4. Aggrieved by the award passed by the first respondent, the third respondent preferred appeal before the second respondent under Section 3 (g) (5) of the National Highways Act. The second respondent vide proceedings in R.Dis.No.38198/2004/F3 dated 05.04.2008 confirmed the award passed by the first respondent. Challenging the same, the third respondent preferred Arbitration Original Petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the learned Principal District Judge, Tiruvallur. Though the learned Principal District Judge, Tiruvallur made some observations as against the award passed by the second respondent in paragraph nos.13, 19 and 20 of the impugned order and set aside the award passed by the second respondent, did not grant any relief to the appellant or the third respondent. Hence the appellant has filed this



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appeal under Section 37 of the Arbitration and Conciliation Act, 1996.

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5.The learned counsel appearing for the appellant submitted that though the learned Principal District Judge, Tiruvallur made some observations as against the award passed by the second respondent in paragraph nos.13, 19 and 20 of the impugned order and set aside the award passed by the second respondent, did not grant any relief to the appellant or the third respondent. The learned counsel further submitted that though this Court's interference in the order passed under Section 34 of the Arbitration and Conciliation Act is very very limited, in view of the confusion in the impugned order, this Court may pass appropriate orders as deem fit and proper.

6.The learned counsel appearing for the third respondent submitted that though the learned Principal District Judge, Tiruvallur, set aside the award passed by the second respondent, did not grant any relief to the third respondent or the appellant. Hence, this Court may mold the relief.

7.Heard the learned counsel appearing for the appellant, the learned Government Advocate appearing for the respondents 1 and 2



and the learned counsel appearing for the third respondent and perused the materials available on record.

8.The third respondent's land was acquired by the District Revenue Officer under Rc.No.133/2005/A/NH4/TVR dated 23.01.2006 for widening NH-4. The first respondent was appointed as the Land Acquisition Officer to assess the value of the acquired land invoking Section 3G of the National Highways Act, 1956. The first respondent fixed the value of the third respondent's land of 215 sq.mt. as Rs.84,280/- at the rate of Rs.392/- per sq.mt. and award was confirmed by the higher Authorities concerned. Aggrieved by the award passed by the first respondent, the third respondent preferred appeal before the second respondent under Section 3 (g) (5) of the National Highways Act. The second respondent confirmed the award passed by the first respondent. Challenging the same, the third respondent preferred Arbitration Original Petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the learned Principal District Judge, Tiruvallur.

9.The learned Principal District Judge, Tiruvallur, in paragraph no.13 of the impugned order has observed that the second respondent



has denied to consider the document filed by the claimant and has also not taken as quasi judicial notice of within one year from the date of notification and sale transaction, i.e., the document dated 25.08.2004 in the chosen area. So the award of second respondent lacks merits and has also made some observations as against the award passed by the second respondent in paragraph nos.19 and 20 of the impugned order. Hence, the learned Principal District Judge, Tiruvallur, ought to have remanded the matter back to the second respondent for fresh consideration. The learned Principal District Judge, Tiruvallur, has also not granted any relief either to the appellant or the third respondent.

10.In view of the observations made in paragraph nos.13, 19 and 20 of the impugned order, this Court set aside the order dated 24.08.2023 passed by the learned Principal District Judge, Tiruvallur, in Arbitration O.P.No.95 of 2008 and also set aside the award passed by the second respondent in the proceedings in R.Dis.No.38198/2004/F3 dated 05.04.2008 and this Court remand the matter back to the second respondent for fresh adjudication. The second respondent is directed to restore the appeal preferred by the third respondent under Section 3 (g) (5) of the National Highways Act on file, hear the appellant and the third respondent, permit the appellant and the third



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respondent to mark necessary sale deeds and documents, receive their objections, consider all the above and conclude the arbitration proceedings in terms of Section 3 (g) (5) of the National Highways Act and Rules, within a period of three months from the date of receipt of a copy of this judgment.

11.The arbitration appeal is disposed of on the above terms. The order of the learned Principal District Judge, Tiruvallur, in Arbitration O.P.No.95 of 2008, dated 24.08.2023, is set aside. No costs. Consequently, the connected miscellaneous petition is closed.

21.01.2025

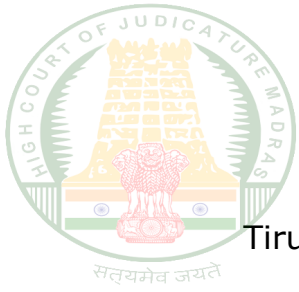
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Index: Yes/ No
Speaking Order: Yes/ No
NCC: Yes/ No

To

- 1.The Principal District Judge,
Tiruvallur.
- 2.Competent Authority and
Special District Revenue Officer (LA)
National Highways,
Kancheepuram and Tiruvallur Districts
At Kancheepuram now at Poonamallee,
Chennai – 56.
- 3.The Arbitrator (NH) and Senior District Collector,

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Tiruvallur District at Tiruvallur.

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M.DHANDAPANI,J.
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