



C.M.A.Nos.2139 of 2021 & 2349 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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Reserved on: 23.09.2025

Delivered on: 09.10.2025

CORAM

THE HONOURABLE Dr.JUSTICE G.JAYACHANDRAN
and
THE HONOURABLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

C.M.A.No.2139 of 2021 & C.M.A.No.2349 of 2024
& C.M.P.No.18683 of 2024

P.Saravanan,
S/o.Late. V.Perumal Nainar,
No.230, Mahatma Gandhi Road,
Gingee.

... Appellant
in both C.M.A's

/versus/

1. National Highways Authority of India,
Represented by its Project Director,
Villupuram,

2. The Arbitrator/Collector,
Land Acquisition NH-66,
Villupuram.

3. The Competent Authority (Land Acquisition)
Special District Revenue Officer,
National Highways, Villupuram.

4. The Special Tahsildar, (Land Acquisition),
National Highways,
Villupuram.

... Respondents
in C.M.A.No.2139 of 2021



C.M.A.Nos.2139 of 2021 & 2349 of 2024

1. The Arbitrator/Collector,
Land Acquisition NH-66,
Villupuram.

2. The Competent Authority,
Special District Revenue Officer,
Land Acquisition, National Highways,
Villupuram District, Villupuram.

3. The Deputy General Manager/Project Director,
Project Implementation Unit,
NHAI, 29, Suncity Road,
ECR, Bommaiypalayam,
Puducherry-605 104.

... Respondents
in C.M.A.No.2349 of 2024

Prayer in C.M.A.No.2139 of 2021: Civil Miscellaneous Appeal filed under Section 37 of Arbitration and Conciliation Act, 1996, to set-aside the Order and Decretal Order passed by The Principal District Judge at Villupuram Dated 16/02/2021 in Arbitration O.P.No.71 of 2014, and direct the 3rd Respondent to dispose the amount of Rs.26,22,12,565/- along with interest as per Section 72 of the Right to Fair Compensation And Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 from 29/09/2013 till the date of realization.

Prayer in C.M.A.No.2349 of 2024: Civil Miscellaneous Appeal filed under Section 37 of Arbitration and Conciliation Act, 1996, to set-aside the Order and Decretal Order passed by The Principal District Judge at Villupuram Dated 07.06.2024 in Arbitration O.P.No.145 of 2022 and direct the 2nd Respondent to enhance the compensation amount of Rs.8,04,94,189/- (Rupees Eight Crore Four Lakhs Ninety Four Thousand One Hundred and Eighty Nine Only) along with 12% interest from 27.11.2013 till the date of realization.



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For Appellant : Mr.T.Karunakaran
in both CMA's

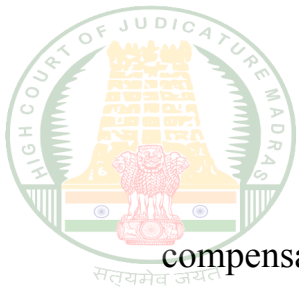
For Respondents : Mr.Su.Srinivasan, for R1 & R3
in C.M.A.No.2139 of 2021 &
in C.M.A.No. 2349 of 2024

: Mrs.R.Anitha, for R2 to R4
Special Government Pleader,
in C.M.A.No.2139 of 2021

: Mr.R.Siddharth, for R1 & R2
Additional Government Pleader
in C.M.A.No.2349 of 2024

COMMON JUDGMENT

The appellant herein is the owner of 127 cents of land comprised in Survey Nos.107/8B, 107/8C and 107/9B, situated at Sirugadambur Village, Gingee Taluk. For laying bye-pass road by the National Highways Department - NH No.66 (Tindivanam-Krishnagiri Sector), linear acquisition of his land in two phase was made on behalf of NHAI. The First Acquisition was for an extent of 2,684 square meters of the petitioner's land under Notification No.58/SO/62-E, under Section 3A(1) dated 02.11.2010. After conducting enquiry, the Competent Authority issued Notification under Section 3G(3) of National Highways Act on 06.04.2012, fixing Rs.398/- per sq.meter as

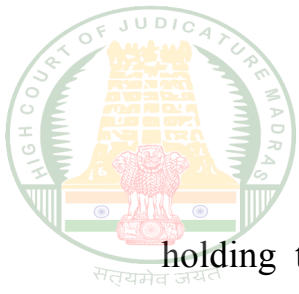


compensation. Again for 735 sq.meters of land, notification for second acquisition under Section 3A(1) was issued on 07.01.2013. The Competent Authority passed award under Section 3G(3) on 27.08.2013 fixing very same compensation of Rs.398/- sq.meter.

2. In respect of first acquisition, the appellant, seeking enhancement of compensation, initiated Arbitration proceedings before the District Collector. The District Collector by award dated 29/09/2013, dismissed the petition for enhancement confirming compensation at the rate of Rs.398/- per sq.meter with deduction of development charges at the rate of 70%.

3. Not being satisfied with the arbitral award, the landowner preferred Arb.O.P.No.71 of 2014, under Section 34 of the Arbitration and Conciliation Act, 1996, before the Principal District Judge, Villupuram, to set aside the award dated 29.09.2013 and to grant compensation at the rate of Rs.2250/- per sq.meter.

4. The Learned Principal District Judge, Villupuram in Arb.O.P.No.71 of 2014 *vide* order dated 16.02.2021, dismissed the petition,



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holding that the petitioner has not established any of the grounds required under Section 34(2) of the Act to interfere with the arbitral award of passed by the District Collector.

5. In respect of the second acquisition, after enquiry, the Competent Authority issued Notification under Section 3A(1) of National Highways Act, dated 07.01.2013. The compensation was fixed under Section 3G(3) of National Highways Act under Notification dated 27.08.2013, fixing Rs.398/- per sq.meter for the extent of 735 sq.meters for the land acquired. The same was appealed before the District Collector/Arbitrator for seeking enhanced compensation. The District Collector partly allowed the petition on 31.05.2022 enhancing compensation by 25% with 10% solatium along with 9% interest.

6. Not being satisfied with the said award Na.Ka.(Arbit) A3/16408/2021, the land owner preferred Arb.O.P.No.145 of 2022, before the Principal District Judge, Villupuram. The said Arbitration Original Petition was dismissed on 07.06.2024.



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7. In both C.M.A.Nos.2139 of 2021 and 2349 of 2024, the landowner seeks enhancement of compensation to Rs.2250/- per sq.ft.

C.M.A.No.2139 of 2021:

8. In this appeal, the landlord has contended that neither the Competent Authority nor the Arbitrator has taken into account the relevant provisions and guidelines under the National Highways Act and Land Acquisition while fixing the value of the land acquired. It is argued that the sale deeds executed prior to notification, pertaining to nearby land and similar lands, were not taken into account. The guideline value of the land fixed by the Government for the subject survey numbers as on the date of first notification was Rs.401/- sq.ft and on the date of second notification Rs.600/- sq.ft. While so, ignoring the guidelines and the sale deeds of the property within vicinity of the land acquired, the Competent Authority had fixed the compensation of Rs.398/- per sq.mtr with deducted 70% of the value towards the development charges. When this was brought to the notice of the Arbitrator/District Collector, he, without proper application of mind, confirmed the order passed by the acquiring authority.

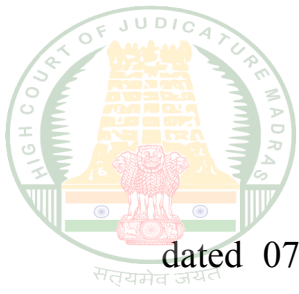


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9. The Learned Principal District Judge failed to take note that the award is contrary to public policy and the law of the land. The Constitutional rights of the landlord been deprived without following the due process of law and in violation of the procedure established under National Highways Act. Despite grave violations of the law of the land, the Learned District Judge had confined his discussion regarding the claim of enhanced compensation and the application of RFCTLARR Act to the case in hand and dismissed the Original Petition holding that he has no power or authority to enhance the compensation.

C.M.A.No.2349 of 2024:

10. In continuation of the earlier acquisition for expansion of the by-pass road, few years later, some more land of the appellant acquired by the respondent NHAI. The land acquired subsequently fall under same survey numbers. The Competent Authority, after making publication under Section 3-A(1) of the National Highways Act, on 07.01.2013 proceeded with the acquisition without any enquiry as contemplated under the Act. He took the rate fixed in the earlier acquisition proceedings and passed award dated 27.08.2013 fixing Rs.398/- sq.meters. The Competent Authority though was conscious of the fact that the subsequent acquisition is under fresh notification



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dated 07.01.2013, but by holding that there is no evidence placed by the petitioner/claimant to prove appreciation of land value between the first notification and the second notification, he without going through the process had fixed Rs.398/- per sq.meter as compensation.

11. Being aggrieved by the manner in which the Competent Authority arrived at the compensation payable for the acquisition made two years later, ignoring the procedure contemplated under Section 3G(7)(a) of National Highways Act, the land owner preferred appeal before the District Collector. The District Collector vide order dated 31.05.2022 partly allowed the petition for enhancement. Fixing compensation of Rs.122/- sq.ft, deducting 70% for development charges.

12. The landowner against the award of the District Collector filed Arb.O.P.No.145 of 2022, same was dismissed vide order dated 07.06.2024.

13. Insofar as C.M.A.No.2349 of 2024 is concerned, it is contended that the fixation of compensation by the Competent Authority based on the earlier award dated 27.11.2013 without enquiry and ignoring the sale deeds of



the relevant period in respect of neighbouring land, is in total violation of the procedure contemplated under the National Highways Act, particularly under Section 3G(7).

14. The District Collector, who is supposed to arbitrate the matter in a fair manner without taking into account, the sale deeds produced by the appellant to show the prevailing market value and the guideline value which was Rs.401/- per sq.ft, had arbitrarily just increased 25% of the value fixed in the earlier acquisition proceedings and passed the award unmindful of the fact that the compensation fixed in the earlier acquisition proceedings not reached finality and subject matter of Appeal pending before the High Court.

15. Fixing the land value at Rs.122/- per sq.ft and deducting 70% towards towards the development charges is without any basis and clear non-application of mind reflecting arbitrariness. The District Judge, without proper exercise of the powers vested under Section 34(2) of the Arbitration and Conciliation Act, had confirmed the Arbitral award, holding that the award passed by the Arbitrator is proper and acceptable and there was no need to interfere.



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16. The common issue in both the appeal is whether the Court below as well as the Arbitrators had followed the due process of law laid for acquisition of land under National Highways Act.

17. The Learned Counsel appearing for the appellants submitted that the appellant's land was acquired under two phase for the purpose of laying bye-pass road (Tindivanam – Gingee) which is a linear acquisition. The land of the appellant is in very close proximity to the Gingee Town. It was acquired in two phase, under two different notifications. C.M.A.No.2139 of 2021 is in respect of 2684 sq.meters of land, which is subject matter of notification No.58/SO/62-E, dated 07.01.2013, issued under Section 3 of the National Highways Act. After paper publication and taking into account the nature of the land by classifying into six categories, despite the registered sale document dated 21.12.2009 for S.Nos.107/8B, 107/8C and 107/9, wherein similar land been sold as house sites in sq.ft at the rate of Rs.401/- per sq.ft. the Competent Authority still took the land as wet agricultural land and thought fit to fix only Rs.398/- per sq.meter for the land of the appellant. When this discrepancy was brought to the notice of the Arbitrator, he has ignored the same but fixed the



value of the land at the rate of Rs.122/- per sq.ft with deduction of 70% for the development charges. The award without assigning reasons why such a high percentage been deducted as development charge for the linear acquisition not spoken by the Arbitrator. The fixation of compensation arbitrarily and contrary to the guidelines of the statistics and the documents which reflects the market value, is *per se* perverse and liable to be set aside. Unfortunately, though the Learned District Judge had discussed the award at length, had failed to take note of the arbitrariness in fixation of compensation totally ignoring the data sales and the exorbitant deduction of 70% towards development charges without assigning any reasons.

18. Insofar as C.M.A.No.2349 of 2024 is concerned, it is directed against the award dated 31.05.2022 passed by the Arbitrator which was confirmed by the District Collector in Arb.O.P.No.145 of 2022, exercising powers under Section 34(2) of the Arbitration and Conciliation Act.

19. The Learned Counsel for the appellant, in addition to the grounds raised in the connected appeal, submitted that the violation of the procedures prescribed under Section 3G of the National Highways Act renders the

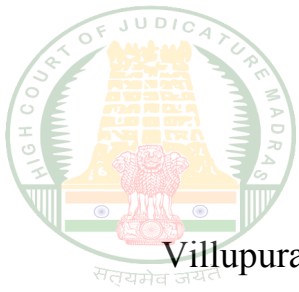


arbitration award *per se* illegal and therefore, the acquisition has to be set aside.

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20. The Learned Counsel for the appellant argued emphatically that neither the District Collector as Arbitrator nor the Principal District Judge as the Appellate Court had taken note of the fact that the value of the property for the subsequent acquisition was fixed without conducting enquiry. When this issue was brought to the notice of the Arbitrator, he arbitrarily made an increase of just 25% along with 10% solatium and 9% interest which is not based on any rhyme or reason.

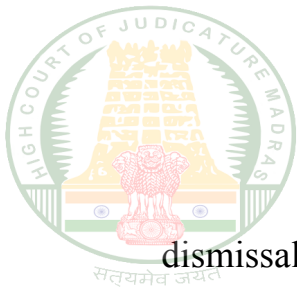
21. The Learned Counsel appearing for the appellant/landlord submitted that, in similar circumstances, the Division Bench of this Court in ***A.Ismail Sait vs. Competent Authority, Land Acquisition and Special District Revenue Officer, National Highways [NH-45]*** reported in ***2024(5) CTC 231***, entertained further appeal for enhancement of compensation. In that case, when the District Collector, invoking powers under Section 34 of the Arbitration and Conciliation Act, had marginally increased the compensation based on the market value and after considering the objections raised by the Learned Counsel for the NHAI, the Court had called for report from the District Survey,



Villupuram to visit the properties as well as other properties within the survey numbers. Based on the survey report and the sale deeds of the neighbouring lands, the Court further enhanced the compensation.

22. According to the Learned Counsel for the appellant, the perversity and arbitrariness in the award were not been considered by the District Judge while exercising powers under Section 34 of the Arbitration and Conciliation Act, 1996. Hence, the award need to be set aside and enhanced compensation for the land acquired at the rate of Rs.401/- per sq.ft, without any deduction, ought to be awarded for the acquired land.

23. The Learned Counsel for the respondents/NHAI submitted that the sale deed relied by the landlord is of very small extent of land and therefore, same was not taken into consideration. The deduction of 70% was applied, considering the dissimilarity in the nature, potential and location of the acquired land and the data land. Therefore, relying upon the judgments rendered by the Hon'ble Supreme Court in respect of the powers of the Court under Section 37 of the Arbitration and Conciliation Act as well as the settled parameters for deduction of development charges, the respondents justified the

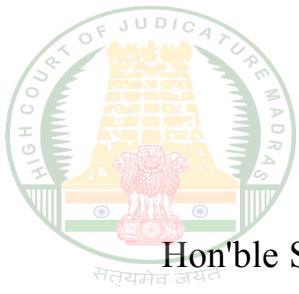


dismissal of the arbitration original petitions filed by the landlord.

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24. Mr.Su.Srinivasan, Learned Counsel for the respondents/NHAI, submitted that the Division Bench of this Court *in re: Ismail Sait* case (*cited supra*) had taken note of the probable further delay if the matter is remitted for fresh appreciation of evidence and therefore, to avoid serious prejudice to the land owner and having the benefit of the survey plan submitted before the Court pursuant to its direction, interfered the order passed by the District Judge under Section 34 of the Arbitration and Conciliation Act and awarded further enhanced compensation with solatium. Whereas in the case in hand no such data or survey plan available to interfere the arbitration award.

25. It is no more *res integra* and it is needless to repeat those judgments to emphasis that, in order to succeed the challenge against the arbitration award, one must establish perversity or error of law or misconduct on the part of the arbitrator. Merely showing that there is any reasonable alternate interpretation or plausible view on the basis of the material on record is insufficient to allow any interference by the Court either under Section 34 or Section 37 of the Arbitration and Conciliation Act. It is also settled by the

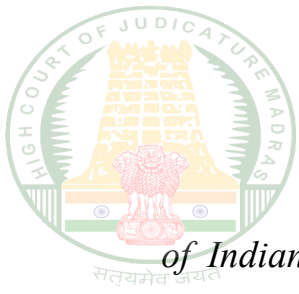


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Hon'ble Supreme Court that the power of the Court under Sections 34 and 37 is

only to quash the award if it is perverse and contrary to the public policy of India. Court cannot substitute alternate view and pass orders in such cases. In short, Courts can cure defects in an arbitral award but not proceed with the matter on merits by reappreciating the evidence. In the words of the Hon'ble Supreme Court in ***Somdatt Builders –NCC – NEC(JV) -vs- National Highways Authority of India & others*** reported in **2025 INSC 113**, “As far as interference with an order made under Section 34 by the Court under Section 37 is concerned, it has been held that such interference under Section 37 cannot travel beyond the restrictions laid down under Section 34. In other words, the court cannot undertake an independent assessment of the merits of the award and must only ascertain that the exercise of power by the court under Section 34 has not exceeded the scope of the provision.

What is public policy of India has been explained in Ssangyong Engineer and Construction Company Ltd. v. NHAI reported in (2019) 15 SCC 131. It means the fundamental policy of Indian law. Violation of Indian statutes linked to public policy or public interest and disregarding orders of superior courts in India would be regarded as being contrary to the fundamental policy



of Indian law. It would also mean that the arbitral award is against basic notions of justice or morality. An arbitral award can be set aside on the ground of patent illegality i.e. where the illegality goes to the root of the matter but re-appreciation of evidence cannot be permitted under the ground of patent illegality.”

26. In *PSA Sical Terminals Private Ltd. v. V.O.Chidambaram Port*

Trust reported in **(2023) 15 SCC 781**, the Hon'ble Supreme Court has held,

“The scope of interference would be limited to grounds provided under Section 34 of the Arbitration Act. The interference would be so warranted when the award is in violation of “public policy of India”, which has been held to mean “the fundamental policy of Indian law”. A judicial intervention on account of interfering on the merits of the award would not be permissible. However, the principles of natural justice as contained in Sections 18 and 34(2)(a)(iii) of the Arbitration Act would continue to be the grounds of challenge of an award. The ground for interference on the basis that the award is in conflict with justice or morality is now to be understood as a conflict with the “most basic notions of morality or justice”. It is only such arbitral awards that shock the



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conscience of the court, that can be set aside on the said ground. An award would be set aside on the ground of patent illegality appearing on the face of the award and as such, which goes to the roots of the matter.”

27. The award of the Arbitrator ignoring Sections 3(A) to 3(J) of the National Highways Act, 1956 which deals with procedure for acquisition being patently seen, interference under Section 37 is warranted in this case. For easy reference, the relevant provisions of Section 3 (A) extracted below:-

3A. Power to acquire land, etc.—

(1)Where the Central Government is satisfied that for a public purpose any land is required for the building, maintenance, management or operation of a national highway or part thereof, it may, by notification in the Official Gazette, declare its intention to acquire such land.

(2)Every notification under sub-section (1) shall give a brief description of the land.

(3)The competent authority shall cause the substance of the notification to be published in two local newspapers, one of which will be in a vernacular language.



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3 B:

3C. Hearing of objections.—

(1)Any person interested in the land may, within twenty-one days from the date of publication of the notification under sub-section (1) of section 3A, object to the use of the land for the purpose or purposes mentioned in that sub-section.

(2)Every objection under sub-section (1) shall be made to the competent authority in writing and shall set out the grounds thereof and the competent authority shall give the objector an opportunity of being heard, either in person or by a legal practitioner, and may, after hearing all such objections and after making such further enquiry, if any, as the competent authority thinks necessary, by order, either allow or disallow the objections.Explanation.—For the purposes of this sub-section, “legal practitioner” has the same meaning as in clause (i) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961).

(3)Any order made by the competent authority under sub-section (2) shall be final.

3D. Declaration of acquisition:

3E. Power to take possession:

3F. Right to enter into the land where land has vested in the Central Government:

3G. Determination of amount payable as compensation.—

(1)Where any land is acquired under this Act, there shall



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be paid an amount which shall be determined by an order of the competent authority.

(2)Where the right of user or any right in the nature of an easement on, any land is acquired under this Act, there shall be paid an amount to the owner and any other person whose right of enjoyment in that land has been affected in any manner whatsoever by reason of such acquisition an amount calculated at ten per cent. of the amount determined under sub-section (1), for that land.

(3)Before proceeding to determine the amount under sub-section (1) or sub-section (2), the competent authority shall give a public notice published in two local newspapers, one of which will be in a vernacular language inviting claims from all persons interested in the land to be acquired.

(4)Such notice shall state the particulars of the land and shall require all persons interested in such land to appear in person or by an agent or by a legal practitioner referred to in sub-section (2) of section 3C, before the competent authority, at a time and place and to state the nature of their respective interest in such land.

(5)If the amount determined by the competent authority under sub-section (1) or sub-section (2) is not acceptable to either of the parties, the amount shall, on an application by either of the parties, be determined by the arbitrator to be appointed by the Central Government.



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(6) Subject to the provisions of this Act, the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall apply to every arbitration under this Act.

(7) The competent authority or the arbitrator while determining the amount under sub-section (1) or sub-section (5), as the case may be, shall take into consideration—

(a) the market value of the land on the date of publication of the notification under section 3A;

(b) the damage, if any, sustained by the person interested at the time of taking possession of the land, by reason of the severing of such land from other land;

(c) the damage, if any, sustained by the person interested at the time of taking possession of the land, by reason of the acquisition injuriously affecting his other immovable property in any manner, or his earnings;

(d) if, in consequences of the acquisition of the land, the person interested is compelled to change his residence or place of business, the reasonable expenses, if any, incidental to such change.

28. Considering the procedures contemplated under the statute for acquisition and fixation of compensation for the land acquired for the purpose of formation of national highways, we find the manner in which compensation



fixed by the competent authority both in the first acquisition as well as the second acquisition does not satisfies the basis requirements for fixation of fair and just compensation in case of compulsory acquisition as contemplated under Section 3G (7) of the Act.

29. While in the first acquisition, the data sales referred and taken into consideration not properly appreciated. Flimsy reason given to reject the guideline value fixed by the Government and the sale deeds registered during the relevant period indicating sale price i.e., market value. Whereas, in the second acquisition, even without fair enquiry about the market value of the land acquired on the date of notification under Section 3 A, the disputed value fixed in the earlier acquisition been taken and 25% is added as appreciation. The fixation of 25% appreciation of value, on the face of the record bristles with arbitrariness. This Court, without any pale of doubt or hesitation hold that the award of the arbitrator and the order passed by the Court below in exercise of its power under Section 34 of the Arbitration and Conciliation Act, 1996, is perverse also suffers serious violation of public policy.



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30. Regarding deduction of development charges, the Hon'ble Supreme Court in *Mala Etc vs. State of Punjab and others* reported in **2023 LiveLaw (SC) 663**, held as follows:

“14. The next submission made by Mr Patwalia with regard to the one third cut imposed by the High Court has also hardly any force. The High Court after determining the market value of the lands acquired at Rs 3000 per marla, has deducted one third amount therefrom towards the development charges taking into consideration the settled legal position. It is well-settled position of law that while determining the deduction for development charges, the courts should keep in mind the nature of land, area under acquisition, whether the land is developed or not, if developed to what extent, the purpose of acquisition, etc. Though, it is true that while determining the market value of large chunk of land, the value of smaller pieces of land could be taken into consideration, however, after making appropriate deduction in the value of lands or setting apart land required for carving out roads, leaving open spaces, plotting out smaller plots, etc. The percentage of deduction or the extent of area required to be set apart has to be assessed by the courts having regard to the size, shape, situation, user, etc. of the lands acquired. It is



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essentially a kind of guess work the courts are expected to undertake.

15. *In Chimanlal Hargovinddas v. LAO* [Chimanlal Hargovinddas v. LAO, (1988) 3 SCC 751] , this Court held as under :

“8. ... The first two grounds are devoid of merit. It is common knowledge that when a large block of land is required to be valued, appropriate deduction has to be made for setting aside land for carving out roads, leaving open spaces, and plotting out smaller plots suitable for construction of buildings. The extent of the area required to be set apart in this connection has to be assessed by the court having regard to the shape, size and situation of the concerned block of land, etc. There cannot be any hard and fast rule as to how much deduction should be made to account for this factor. It is essentially a question of fact depending on the facts and circumstances of each case. It does not involve drawing upon any principle of law.”

16. *In Lal Chand v. Union of India* [Lal Chand v. Union of India, (2009) 15 SCC 769, this Court held that:

“14. The “deduction for development” consists



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of two components. The first is with reference to the area required to be utilised for developmental works and the second is the cost of the development works. For example, if a residential layout is formed by DDA or similar statutory authority, it may utilise around 40% of the land area in the layout, for roads, drains, parks, playgrounds and civic amenities (community facilities), etc.

15. The development authority will also incur considerable expenditure for development of undeveloped land into a developed layout, which includes the cost of levelling the land, cost of providing roads, underground drainage and sewage facilities, laying water lines, electricity lines and developing parks and civil amenities, which would be about 35% of the value of the developed plot. The two factors taken together would be the “deduction for development” and can account for as much as 75% of the cost of the developed plot.”

31. We have already observed perversity and violation of public policy loom large in this case while fixing the value of the land acquired under first acquisition as well as the second acquisition. The Competent Authority as well as Arbitrator had not even care to follow the procedure contemplated under Section 3-G of the Act while proceeding to take over land subsequent to the earlier acquisition, this would clearly establishes the arbitrariness and

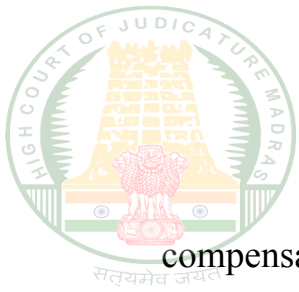


perversity which requires interference.

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32. This Court, after giving anxious consideration to the rival submissions and the judgments cited, is of the firm view that the compensation fixed by the Competent Authority is not in tune with the evidence placed on record regarding guideline value, prevailing market value and sample sale deeds. Ignoring the sale deeds pertaining to the same survey number and in and around survey numbers, where lands were sold as housing sites, the Competent Authority had still considered the acquired land as wet agricultural land. However, while awarding compensation, the rate has been fixed as per sq.meters. That apart, while deducting 70% as development charges, neither the Acquisition Authority nor the Arbitrator had assigned reason why 70% of the development charges been deducted. No doubt, the Arbitral award cannot be modified for simple reason that there is an alternate view. However if the view of the Arbitrator is *per se* perverse, illegal, bereft of reasons and contrary to public policy, it has to be necessarily interfered to nullify arbitrariness.

33. In the present case, this Court find that the fixation of



compensation itself is improper ignoring all the factors required for fixing the value of the land. That apart, the deduction of 70% for linear acquisition, without assigning any reason regarding dissimilarity in nature, potential and location of the land would clearly expose the perversity in the arbitral award and non application of mind by the the court below while exercising the power under section 34 of the Arbitration and Conciliation Act, 1996.

34. In such circumstances, as in the *A.Ismail Sait's case* (cited *supra*), this Court could have directed any Revenue Official to place relevant data before us for ascertaining the real value of the land acquired. However, this Court is not inclined to do so in the present case, for the reason that it is the responsibility of the Competent Authority and if the Competent Authority fails to do so properly, the Arbitrator should have done it. In this case, the Arbitrator has miserably failed to apply his mind and fix the right compensation and right deduction towards development charges. Hence, it is appropriate to direct the Arbitrator to appreciate the records properly and fix fair and just compensation for the land acquired.



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35. Hence, these *Civil Miscellaneous Appeals are allowed.* The

award passed by the Arbitrator, who is the 2nd respondent herein and confirmed by the Court in the Arb.O.P.Nos.71/2014 and 145/2022 are hereby set aside.

The Second Respondent is directed to consider the petition of the landlord afresh and fix the appropriate compensation for the acquired land by following due process of law. The entire exercise should be completed within a period of five months from the date of receipt of copy of this order. There shall be no order as to costs. Consequently, connected Miscellaneous Petition is closed.

(Dr.G.J, J.) & (M.S.K, J.)
09.10.2025

Index :Yes.
Internet :Yes.
Neutral Citation :Yes/No.
bsm

To,
1. The Project Director,
National Highways Authority of India,
Villupuram,

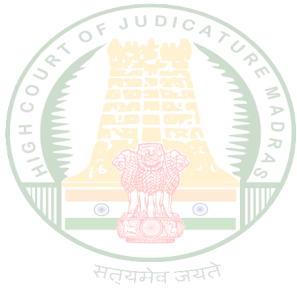
2. The Arbitrator/Collector,
Land Acquisition NH-66,
Villupuram.



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3. The Competent Authority (Land Acquisition)
Special District Revenue Officer,
National Highways, Villupuram.
4. The Special Tahsildar, (Land Acquisition),
National Highways,
Villupuram.
5. The Deputy General Manager/Project Director,
Project Implementation Unit,
NHAI, 29, Suncity Road,
ECR, Bommaiypalayam,
Puducherry-605 104.
6. The Government Pleader, High Court, Madras.



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Dr.G.JAYACHANDRAN, J.
&
MUMMINENI SUDHEER KUMAR, J.
bsm

Pre-delivery common judgment made in
C.M.A.No.2139 of 2021
& C.M.A.No.2349 of 2024

09.10.2025