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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.12.2025

CORAM :

**THE HONOURABLE MR. JUSTICE S.M.SUBRAMANIAM
and
THE HONOURABLE MR.JUSTICE C.KUMARAPPAN**

W.A.No.2570 of 2022

M/s.Mahaveer Metal Industries,
A regd. Partnership Firm, rep.
By its Partner Mr.Chapalal,
No.182, Mint Street,
Chennai – 600 006.

... Appellant

Vs.

1. The Competent Authority,
Special District Revenue Officer (L.A.)
National Highways,
Kancheepuram & Thiruvallur District,
at Kancheepuram

2. Shanthilal,

3. Canara Bank,
Karanodi Branch,
Karanode,
Chennai.

... Respondents

Prayer: Writ Appeal filed under Clause 15 of the Letters Patent against the
final order passed by this Court in W.P.No.23788 of 2004 dated 19.04.2022

For Appellant

: Mr.T.R.Rajagopalan,
Senior Counsel
for Mr.C.V.Vijayakumar



For Respondents : Mr.Vadivelu Deenadayalan,
Addl.Govt.Pleader for R1
Mr.S.Rameshkumar for R2
Mr.P.Raghunathan
for Mr.T.S.Gopalan & Co. for R3

J U D G M E N T

S.M.SUBRAMANIAM,J.

Under assail is the writ order dated 19.04.2022 passed in W.P.No.23788 of 2004.

2. Writ petitioner is the appellant before this Court. Writ Petition has been instituted challenging the order dated 29.03.2004 issued by the competent authority and Special District Revenue Officer (Land Acquisition) National Highways, Kancheepuram and Tiruvallur Districts.

3. It is not in dispute between the parties that the subject land detailed in the writ proceedings were acquired by the National Highways Authorities under the provisions of National Highways Act, 1956. Acquisition proceedings were completed in the year 2003 and the compensation determined by authorities was paid to the 2nd respondent, Mr.Shanthilal on 27.02.2003.

4. A counter claim was raised by the appellant mainly on the ground



that the subject property belongs to partnership firm. Therefore, the compensation ought not to have been paid in favour of the 2nd respondent.

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5. Learned Senior Counsel Mr.T.R.Rajagopalan appearing on behalf of the appellant would mainly contend that the authorities are expected to determine the rights of the parties, more specifically, in the present case, rights of the appellant as a partner in the partnership firm. The subject property acquired was purchased from and out of the partnership funds. Therefore, the appellant is entitled for compensation. The authorities erroneously paid the compensation in favour of the 2nd respondent, despite the objections raised by the appellant. There is no finding in the order impugned dated 29.03.2004 that the 2nd respondent is entitled for compensation nor the disentitlement of the appellant has been recorded in the said order. Therefore, the writ Court has not considered the issues in a right perspective and the writ appeal is to be allowed.

6. Learned counsel for the 2nd respondent would oppose by stating that the 2nd respondent produced the title document in respect of the subject property acquired. On verification of the title document, compensation was settled in favour of the 2nd respondent. Even in the impugned order, there is a finding that the title document would show the name of the 2nd respondent, Thiru.A.Shanthilal only. Therefore, the writ appeal is to be



rejected.

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7. By reply, the learned Senior counsel appearing for the appellant would place reliance on Section 3-H of the National Highways Act and would submit that sub-section (4) to section 3-H warrants the Land Acquisition Officer to refer the dispute before the civil Court of original jurisdiction within the limits of whose jurisdiction the land is situate. In the present case, the appellant raised a dispute that the property belongs to partnership firm and on receipt of such dispute, the Land Acquisition Officer ought to have made a reference to the civil Court under Sub-Section (4) to section 3-H of the National Highways Act. Therefore, the Writ Court ought to have adjudicated the said issue in the context of provision of Indian Partnership Act, 1932, with reference to Section 3-H of the National Highways Act, 1956.

8. This Court heard the erudite arguments of the learned Senior Counsel as well as the learned counsels appearing for the respondents to the lis on hand.

9. Uncontroverted facts would show that the subject lands were acquired for National Highways Project under the National Highways Act, 1956. Acquisition proceedings were completed in the year 2003.



Compensation was settled in favour of the 2nd respondent on 27.02.2003.

Appellant has submitted objections by stating that the subject property belongs to partnership firm and therefore, the 2nd respondent is not entitled for compensation.

10. Undisputed facts determined by the Acquisition Officer would show that the name of the 2nd respondent Shanthilal is stated as the owner of the property and patta and the village records would also show that Shanthilal is the owner of the property.

11. In this backdrop, let us consider the scope of section 3-H of the National Highways Act, 1956.

12. Section 3-H is captioned as "Deposit and payment of amount". Sub section (1) states that "*The amount determined under section 3G shall be deposited by the Central Government in such manner as may be laid down by rules made in this behalf by that Government, with the competent authority before taking possession of the land*".

13. Sub section (2) states that "*As soon as may be after the amount has been deposited under sub-section (1), the competent authority shall on behalf of the Central Government pay the amount to the person or persons*



entitled thereto”.

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14. Therefore, the compensation determined under section 3G shall be deposited before taking possession of the acquired land and soon after such deposit, the competent authority has to pay the compensation amount to the person or persons entitled thereto.

15. Sub Section (3) to Section 3-H would denote that “*Where several persons claim to be interested 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 payment to each of them*”. When there are more than one claimants, then the competent authority shall determine the persons who in its opinion are entitled to receive the compensation.

16. On forming an opinion, if there is a doubt or there is a counter claim exists between the parties in respect of apportionment, then sub-section (4) to section 3-H stipulates that “*If there any dispute arises as to the apportionment of the amount or any part thereof or any person 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 limit of whose land is situated*”.



17. In essence, if there are more than one claimants seeking compensation, the competent authority necessarily has to form an opinion whether the compensation amount is to be apportioned or not. If so, a reference can be made to the civil Court of original jurisdiction. Thus, to invoke sub-section(4) to section 3-H, in the opinion of the competent authority, a dispute must exist. If the authorities have no such doubt about the ownership or the document produced would be sufficient to form an opinion, then the parties, if aggrieved could approach the civil Court to establish their civil rights. Contrarily, the competent authority under the National Highways authority cannot adjudicate nor decide the civil rights between the parties.

18. Section 3-I of the National Highways Act, 1956, reads as under:

Competent authority to have certain powers of Civil Court- The competent authority shall have, for the purposes of this Act, all the powers of a Civil Court while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908), in respect of the following matters, namely:-

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of any documents;

(c) reception of evidence on affidavits;

(d) requisitioning any public record from any



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21. Perusal of the order impugned dated 29.03.2004 issued by the competent authority and Special District Revenue Officer, Land Acquisition, would show that the authority has received all the copies of the records produced by both parties and examined the same in detail. The sale deed in which, the properties were purchased mentions, the purchaser's name as Thiru.A.Shanthilal only. There is no mention in the document that the land has been purchased out of the funds of partnership firm or for the firm. The document is silent on this. Moreover, the patta for the land under patta No.1583 also stands in the name of Thiru.Shanthilal and in the village accounts also the name of Shanthilal has been entered against S.No.1280/1 and 1318/1. The above findings would be sufficient for the competent authority to settle the compensation under sub-section(2) to section 3-H of the National Highways Act. As far as sub-sections 3 & 4 are concerned, the authorities had afforded an opportunity to the appellant by receiving the documents produced by the appellant and considered the same and formed an opinion that the documents produced reflects the name of the 2nd respondent Mr.Shanthilal. If at all the appellant claims that the subject property was purchased by the partnership firm or from the funds of the Firm, it is to be established by approaching the competent civil Court of law. Therefore, this Court does not find any infirmity in respect of the order passed by the competent authority, not invoking the powers conferred under sub-section (4) to section 3-H of the National Highways



Act. Thus, the impugned order passed by the writ Court is in consonance with the provisions of National Highways Act and no interference is called for. Consequently, Writ Appeal stands dismissed. No costs.

(S.M.S.,J.) (C.K.,J.)
15.12.2025

vsi
Index:Yes/No
Speaking/Non-speaking order

To

The Competent Authority,
Special District Revenue Officer (L.A.)
National Highways,
Kancheepuram & Thiruvallur District,
at Kancheepuram



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C.KUMARAPPAN,J.**

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