



C.M.A(MD)No.1084 of 2021 etc batch

**BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT**

WEB COPY

**DATED: 09.04.2025**

**CORAM**

**THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN  
and  
THE HONOURABLE MR.JUSTICE M.JOTHIRAMAN**

**C.M.A(MD)Nos.1084 & 1085 of 2021, 341 of 2025, 97 of 2021,  
273 to 278 of 2025, 942 of 2023, 328 of 2024, 432 of 2024,  
453 to 455 of 2024, 457 of 2024, 1038 of 2023, 1039 of 2023,  
1070 of 2023, 1072 of 2023, 1084 of 2023, 1102 of 2023, 1117 of 2023**

**and**

**Arb Appeal(MD)Nos.2 to 9 of 2025, 11 to 34 of 2025,  
42 & 43 of 2025, 5 of 2024**

**and**

**C.M.P(MD)Nos.4345 & 4342 of 2022 & 10257, 10259, 868 of 2021 &  
1094, 1097, 1100, 1104, 1106, 1196, 1499, 1329, 1759, 1761, 1764, 1767,  
2056, 2148, 2150, 2151, 2153, 2155, 2157, 5998, 5441, 5702, 1755, 2159,  
2377, 2379, 2380, 2403, 2404, 2405, 4841, 4842, 4844, 2409, 2411, 2413,  
2450, 2451, 4838, 4839, 4840 of 2025,  
6137, 18487, 4497, 5662, 6092, 6094, 6097 of 2024,  
15225, 13206, 14671, 14152, 14151, 14718, 14894, 15022 of 2023**

**C.M.A(MD)No.1084 of 2021:**

The Project Director,  
National Highways Authority of India,  
NH 49 & 210 National Highways,  
Subramaniapuram 3<sup>rd</sup> Street,  
I & II Floor,  
Karaikudi.

... Appellant /  
2<sup>nd</sup> Respondent



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**Vs.**

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**1.Y.Firthous Parveen**

**... 1<sup>st</sup> Respondent /  
Appellant**

**2.Spl.District Revenue Officer (LAO),  
NH 49 & 210 National Highways,  
Collector's Office,  
Ramnad.**

**... 2<sup>nd</sup> Respondent /  
LAO Competent Authority**

**Prayer:** Civil Miscellaneous Appeal filed under Section 37(1) & (2) of Arbitration and Conciliation Act, 1996 to set aside the order made in Arbitration O.P.No.91 of 2019 on the file of the Principal District Court, Madurai dated 09.07.2021 and allow the appeal.

**For Appellant : Mr.Sachin Ragul  
for Mr.C.Arul Vadivel Alias Sekar**

**For Respondents : Mr.M.P.Senthil for R.1**

**Mr.K.Balasubramani  
Special Government Pleader for R.2**

### **COMMON JUDGMENT**

**Heard both sides.**

**2.The lands belonging to the respondents herein were acquired under the provisions of the National Highways Act, 1956. The competent authority**



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determined the amount payable as compensation. Since the said amount so determined by the competent authority was not acceptable by the land owners, they filed an application under Section 3G(5) of the Act before the District Collector. The District Collector passed arbitral award quantifying the compensation payable to the land owners. Not satisfied with the same, the persons whose lands were acquired, filed petitions under Section 34 of the Arbitration and Conciliation Act, 1996. By the orders impugned in these appeals, the learned District Judges chose to enhance the compensation amount. Questioning the same, these arbitration appeals have been filed under Section 37 of the Act by the NHAI.

3.The only question that calls for determination is whether the District Judges could have enhanced the compensation amount and by thus modifying the arbitral awards while exercising their jurisdiction under Section 34 of the Act. We are conscious that the issue is presently pending reference before the Hon'ble Constitution Bench of Supreme Court of India in ***Gayathri Balasamy Vs M/s.ISG Novasoft Technologies Limited*** case. Orders have been reserved. But the position that prevailed on the date when the impugned orders under Section 34 was passed was that modification cannot be made.



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4.We, therefore, hold that the impugned orders are clearly bad in law.

We are therefore inclined to set aside the same and we accordingly set aside the same.

5.The learned Deputy Solicitor General of India, on instructions from NHAI, submitted that this Court may adopt the very same approach adopted in C.M.A.No.2763 of 2023 dated 15.12.2023 by the Hon'ble Division Bench of this Court. He has no objection for setting aside the arbitral awards impugned in the petitions filed under Section 34 of the Act. Accordingly, the awards passed by the District Collector are also set aside. The matter is remitted to the file of the arbitrator (jurisdictional District Collectors). The arbitrator shall conclude the proceedings within four months from the date of receipt of a copy of this order. The erstwhile land owners are entitled to plead that the arbitrator shall apply the principle of parity. NHAI is also entitled to place materials in support of their contention that the compensation amount does not deserve to be enhanced as claimed by the erstwhile land owners. In the event of the Hon'ble Supreme Court while answering the reference in ***Gayathri Balasamy*** holding that the District Courts are entitled to modify the awards in exercise of jurisdiction under Section 34 of the Arbitration and Conciliation Act, the respondents herein are given liberty to reopen these proceedings. Even if one



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application is filed, we make it clear that Civil Miscellaneous Appeals and

Arbitration Appeals will stand reopened and the matter will be heard on merits.

5.These Civil Miscellaneous Appeals and Arbitration Appeals are accordingly allowed. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

**[G.R.S., J.] [M.J.R., J.]**  
**09.04.2025**

NCC : Yes / No  
Internet : Yes / No  
Index : Yes / No  
MGA

To

- 1.The Principal District Court,  
Madurai.
- 2.Spl.District Revenue Officer (LAO),  
NH 49 & 210 National Highways,  
Collector's Office,  
Ramnad.
- 3.The Special District Revenue Officer /  
Competent Authority for Land Acquisition,  
National Highway – 45E&220,  
Collectorate Buildings,  
Theni.
- 4.The Principal District Judge and Sessions Judge,  
Theni.

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**G.R.SWAMINATHAN, J**

**and**

**M.JOTHIRAMAN, J.**

MGA

5.The Special District Revenue Officer,  
Competent Authority for Land Acquisition,  
(National Highways – 45E & 220) having his office at  
P.C.Patti,  
Theni.

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