



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

907 ARBITRATION APPEAL NO. 71 OF 2026

NAVNATH ARJUNRAO NAIKWADE

VERSUS

**PROJECT DIRECTOR, NATIONAL HIGH AUTHORITY OF INDIA AND
ANOTHER**

...

Advocate for Appellant : Mr. Atul B. Hawale

Advocate for Respondent No.1 : Mr. M. D. Narwadkar

Advocate for Respondent No.2 : Mr. R. R. Bangar

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AND

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...

CORAM : ARUN R. PEDNEKER, J.

DATE : 21.04.2026

PER COURT:

1. Heard.

2. This court while issuing notices on 02.04.2026,
recorded the submissions of the Appellants as under:

“1. The learned counsel for the appellants submits that adjacent land holders around 500 meters from the land of the appellants have been granted compensation at the rate of Rs. 1917/- per Sq. Mtr. for the same project i.e. for expansion of the national highway by the same notification, whereas for the land of the appellants,

compensation has been granted at the rate of Rs.900/- per Sq. Mtr. for first 5 R. land and thereafter, computation was made on the basis of agricultural land. The learned counsel submits that the District Court has set aside this part of the award where differentiation is made between the two lands and directed compensation at the rate of Rs.900/- per Sq. Mtr. and recomputation of the same. The learned counsel submits that for the land of the appellants compensation ought to have been granted at the rate of Rs.1917/- per Sq. Mtr. as similarly placed lands are granted compensation at the rate of Rs.1917/- per Sq. Mtr. and there is patent illegality for not granting compensation uniformly at the rate of Rs.1970/- per Sq. Mtr. The learned counsel has relied upon the order passed in Arbitration Application No. 273/2018 dated 1.9.2023."

3. The learned counsel for the Appellants further submits that the District Court while entertaining the application under Section 34 it was specifically brought to the notice of the court that in the Arbitration Application No.237 of 2018 compensation is granted at the rate of Rs.1917 per Sq. Meter bearing Survey No. 69, which is in the vicinity of the Appellants land. It is submitted that the CALA has also not applied Circular dated 31.12.2014 issued by Inspector General of Registration of Stamps, whereas Arbitrator applied the said circular and thereby deducted value of land by creating slabs. The learned court while deciding the application under Section 34 also recorded the above noticed submissions while passing the impugned order.

4. I have perused the order passed.

5. The learned counsel appearing for the respondents submits that the court should have not cancelled the compensation granted on slabs and remit the matter back to the Tribunal to work out the same. However, on the factual aspects that the award of neighbouring village within the vicinity of the Appellants land is granted higher compensation is not disputed by the counsel appearing for the National Highways Authority of India.

6. Considering this aspect of the matter and considering the Judgment of the Hon'ble Supreme Court in the case of **Madhya Pradesh Road Development Corporation Vs. Vincent Daniel and others, (2025) 7 SCC 798**, this court is of the view that the Arbitrator has committed the patent illegality in not granting uniform compensation. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, provides for the the determination of compensation and the same is applicable to the acquisition under The National Highways Act. The Arbitrator has not taken into consideration the same and further that the District Court having not examined this aspect from the point of patent illegality in terms of Section 34(2A) of the Act, this court would set aside the Award passed by the Arbitrator, so also, the order of the District Court under Section 34 of the Act.

7. Since, it is a statutory arbitration and that the matters have to be decided only by the Arbitrator appointed by the State under Section 3G(5) of the Act, this court remits the matters back to the Arbitrator appointed under Section 3G(5) of the Act for fresh determination. However, since the matters are pending for a long time, it is directed that the Arbitrator shall decide the same expeditiously. Parties submits that they would cooperate for expeditious disposal of the matters and would not seek unnecessary adjournments. The Arbitrator shall decide the matters within six (03) months from the date of production of this order. The Arbitrator to decide on the basis of material before it so also the parties may produce additional material, if necessary.

8. With the above observations, the Arbitration Appeals are disposed of.

[ARUN R. PEDNEKER, J.]

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