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C.M.A.No.376 of 2016

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 08.04.2026

Coram:

THE HONOURABLE MR. JUSTICE P.VELMURUGAN
and
THE HONOURABLE MRS. JUSTICE K.GOVINDARAJAN THILAKAVADI

C.M.A.No.376 of 2016

1. Prakash
2. Rajesh
3. Ramesh (died)
4. Venkatesh
5. Lalitha
6. Madhan Kumar
7. Ashwin Kumar
8. Snegapriya

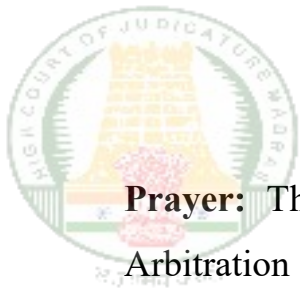
... Appellants

(AA5 to 8 brought on record as LRs of deceased A3, vide order of this Court 25.03.2026 in C.M.P.Nos.7990 & 7988 of 2026)

Vs.

1. The Competent Authority (Land Acquisitions)
and Special District Revenue Officer,
National Highways Villupuram Bye Pass Scheme,
Villupuram District.
Villupuram Master Plan Complex, Villupuram.
2. The District Collector/Arbitrator,
Office of the District Collectorate, Villupuram.
3. The Project Director,
National Highways Authority of India,
No.10, Govindasamy Nagar,
Vazhudhareddy, Villupuram.

... Respondents



C.M.A.No.107 of 2009

Prayer: This Civil Miscellaneous Appeal has been filed under Section 37 of the Arbitration and Conciliation Act, 1996, to set aside the fair and decreetal order in Arbitration O.P.No.107 of 2009 dated 17.08.2015 by the learned Principal District Judge, Villupuram and thereby allow the appeal.

For Appellants : Mr.N.Suresh

For Respondents : Mr.P.Gurunathan, AGP, for RR1 & 2
Mr.Su.Srinivasan, Standing Counsel for R3

JUDGMENT

(Judgment of the Court was made by P.VELMURUGAN, J.)

This Civil Miscellaneous Appeal has been filed against the order passed by the learned Principal District Judge, Villupuram, in Arbitration Original Petition No.107 of 2009, dated 17.08.2015.

2 The appellants' land was acquired in the year 2004 for the purpose of formation of NH-45 and the Competent Authority viz. the first respondent fixed the land value at Rs.15/- per sq.ft. Aggrieved over the same, the land owners went for arbitration and the learned Arbitrator viz. the second respondent disallowed the claim of the appellants, against which, they have invoked the provisions of Section 34 of the Arbitration and Conciliation Act, 1996 (in short "the Act"). The learned Principal District Judge, Villupuram, vide order dated 17.08.2015, granted additional market value at 5%, 10% solatium and interest at 9% p.a. for the first one year from the date of



acquisition and 15% p.a. thereafter. Again, being not satisfied with the quantum of additional market value, the land owners are before this Court with the present appeal under Section 37 of the Act.

3 Heard the learned counsel on either side and perused the materials available on record.

4 According to learned counsel for the appellants, the competent authority, while fixing the value for the land acquired, had not considered the documents produced by the appellants and the learned Arbitrator also simply endorsed the order of the competent authority, but, the learned Principal District Judge, considering the facts and circumstances and the documents produced by the appellant, granted additional market value, but failed to award reasonable enhancement.

5 It is the contention of the learned counsel for the respondents that the competent authority, after considering all the relevant documents, fixed the compensation and being not satisfied with the same, the appellant went for arbitration and the Arbitrator has confirmed the award of the competent authority. Against which, the land owners invoked Section 34 of the Act and the Court granted additional market



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value, again not satisfied with the same, the land owners are before this Court.

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6 The modification of the award made by the learned Principal District Judge is beyond the jurisdiction of the District Court under Section 34 of the Arbitration and Conciliation Act, 1996. The Hon'ble Supreme Court had pointed out that a Court sitting under Section 34 of the Arbitration and Conciliation Act cannot modify the award, it can either set aside the award or can remit the matter to the Arbitrator, if the circumstances mentioned under sub-Sections 4 and 5 of Section 34 are available in the case on hand and no power of modification of an award exists under Section 34 of the Arbitration and Conciliation Act, 1996.

7 Further a reading of the Award passed by the learned Arbitrator reveal that the same is not in consonance with the provision of the Arbitration and Conciliation Act and the documents produced by the appellants. The learned Arbitrator without appreciating the documents and the claims made by the appellants, simply rejected the appellants' claim, confirming the award of the competent authority. Hence we are inclined to set aside the order of the learned Principal District Judge and also the award passed by the learned Arbitrator.



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8 Accordingly the order dated 17.08.2015 passed by the learned Principal District Judge, Villupuram, in Arb.O.P.No.107 of 2009 and the Award 02.08.2007 are set aside. The matter is remitted back to the learned Arbitrator for fresh consideration.

9 The learned Arbitrator shall dispose of the matter within a period of six (6) months from the date of receipt of the copy of this order, after giving due opportunity to the parties. Further the learned Arbitrator shall decide on the compensation as per the provisions of the National Highways Act read with the Arbitration and Conciliation Act, 1996.

10 The Civil Miscellaneous Appeal shall stand disposed of with the above directions. No costs.

[PVJ] [KGTJ]
08.04.2026

Neutral Citation : Yes/No
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To
The Principal District Judge, Villupuram.



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