



WEB COPY

CMA No. 2489 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01-04-2026

CORAM

THE HON'BLE MR JUSTICE P. VELMURUGAN

AND

THE HON'BLE MRS.JUSTICE K. GOVINDARAJAN THILAKAVADI

CMA No. 2489 of 2021

P.Chandrasekaran
S/o.Late Palanisamy,
Sellappampalayam, Chittode.
Presently At 2/633, 3rd St, Hare Hare Krishna
Nagar, Preyandipalayam, Tiruppur -641 687.

..Appellant(s)

Vs

1. The Competent Authority
District Revenue Officer, Erode District, Erode.
2. The Project Director
National Highways Authority Of India,
Project Implementation Unit (NS)
Door No.212/3/D3-1, Sri Nagar Colony,
Narasothipatti, Salem 636 004.

..Respondent(s)

Civil Miscellaneous Appeal filed under Section 37 of the Arbitration and Conciliation Act, 1996, to set aside the Order and Decretal Order of the Learned Principal District Judge, Erode dated 29.09.2020 in Arbitration OP No.89 of 2019, to the extent the Order has confirmed the Award of compensation along with the absence of any solatium as provided under law with which the Court below has not interfered and allow the present appeal.

For Appellant(s):

For Respondent(s):

Mr. Vivekanandh

Mr. P. Gurunathan, AGP for R1

Mr.SU.Srinivasan

Standing Counsel for NHAI for R2



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JUDGMENT

(Judgment of the Court was delivered by P.Velmurugan J.)

This Civil Miscellaneous Appeal has been filed by the land loser to set aside the order and decretal Order of the learned Principal District Judge, Erode, dated 29.09.2020 in Arbitration O.P. No.89 of 2019.

2. The case of the appellant is that his land to an extent of 2792 sq.mts. was acquired by the competent authority for the purpose of widening the existing road NH-47 by way of notification under Section 3A(1) of the National Highways Act, 1957, published on 07.06.2007 and passed an award in No.19/20 dated 22.11.2007 by fixing the rate at Rs.80.30 per sq.mt and also granted 10% additional amount as per Section 3G(2) of the National Highways Act, 1956. Since the said compensation amount was grossly low and inadequate, he filed an appeal before the Arbitrator/District Collector, Erode seeking enhancement of compensation amount as Rs.600/- per Sq.ft or Rs.6,456/- per Sq.mt. The learned Arbitrator passed an order dated 26.10.2016 by enhancing the compensation amount as Rs.249.42 per Sq.mt. and rejected the petition filed by the appellant under Section 33 of Arbitration and Conciliation Act, 1996 claiming 10% additional amount as per Section 3G(2) of the National Highways Act, 1956. Hence, the appellant filed an Arbitration O.P. before the learned Principal District Judge, Erode seeking enhancement of compensation with interest and solatium along with 10% additional amount as per Section 3G(2) of



the National Highways Act, 1956 and also for benefits under the Land Acquisition Act and for costs of the petition. However, the same was dismissed.

Hence, the present appeal has been filed.

3. The learned counsel for the appellant submitted that the Arbitrator without any basis, deducted 1/3rd amount towards development charge, which is against the law. Further, the Arbitrator did not award solatium and interest and the learned Principal District Judge also has failed to consider the same and simply dismissed the O.P. by endorsing the views of the Arbitrator, which warrants interference.

4. The learned Standing Counsel for the 2nd respondent would submit that since the provision of law was under judicial review before the Court of law at the relevant point of time, the Arbitrator did not award the solatium and interest. As far as the development charge is concerned, the Arbitrator considered the same as per law. Therefore, the impugned order doesn't warrant interference.

5. Heard both sides and perused the materials available on record.

6. Admittedly, the appellant has not filed any document for fixation of fresh market value. A perusal of the award passed by the Arbitrator shows that the solatium and interest, which are statutory benefits of the land losers, were not awarded to the land loser, namely, the appellant herein. The denial of statutory benefit itself is opposed to the public policy. Therefore, the award passed by the learned Arbitrator is perverse and suffers from patent illegality. The learned Principal District Judge also while deciding the Arbitration O.P.,



has failed to consider the same. Therefore, the order passed by the learned Principal District Judge dated 29.09.2020 in Arbitration O.P. No.89 of 2019 is set aside and the award passed by the Arbitrator is also set aside and the matter is remitted back to the Arbitrator.

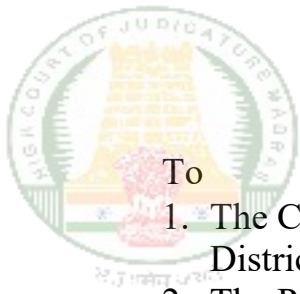
7. The Arbitrator is directed to give notice to both the parties and after giving opportunity to both the parties, decide the matter on merits and in accordance with law within a period of four months from the date of receipt of a copy of this order.

8. With the above observation and directions, this Civil Miscellaneous Appeal is disposed of. No costs.

(P.V.,J.) (K.G.T.,J.)
01-04-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

KSA-2



To

1. The Competent Authority
District Revenue Officer, Erode District, Erode.
2. The Project Director
National Highways Authority Of India, Project
Implementation Unit (NS) Door No.212/3/D3-1,
Sri Nagar Colony, Narasothipatti,
Salem 636004.



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**P.VELMURUGAN, J.
AND
K.GOVINDARAJAN THILAKAVADI, J.**

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