



C.M.P.No.2938 of 2025
C.M.A.No.2763 of 2023

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.P.No.29381 of 2025 in
C.M.A.No.2763 of 2023

NHAI (National Highways Authority of India),
by its Project Director, PIU,
Salem – 4.

... Petitioner

Vs.

1. The District Collector Cum Arbitrator (LA-NH7),
Dharmapuri.
2. The Special District Revenue Officer CA (LA-NH7),
Dharmapuri.
3. The Special Tahsildar Phase 2 (LA-NH7)
Dharmapuri District.

Kaliammal (Died)

4. Devagi
5. Sanjeevi
6. Savithri
7. Nagarajan
8. Kamala
9. Madesh
10. Jayanthi
11. Jayaprakash
12. Murugesan

... Respondents



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Prayer: This Civil Miscellaneous Petition is filed to permit the petitioner to close the Fixed Deposit in DR No.095629, Account No.720145947 and direct the authorised officer of Tamil Nadu State Apex C0-operative Bank Limited, Chennai, to withdraw the aforesaid sum along with applicable interest.

For Petitioner : Mr.Su.Srinivasan

For Respondents : Mr.P.Gurunathan, AGP, for RR1 to 3
Mr.K.Thiruvengadam for RR4 to 6
Mr.K.Chandrasekaran for R7
No Appearance – RR8 to 12

ORDER

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

The respondents are the land owners and their lands were acquired in the year 2005. The land acquisition officer fixed compensation at Rs.22.13 per sq.m and being not satisfied with the same, the land owners sought for arbitration. The District Collector, Dharmapuri, the Arbitrator, dismissed the land owners' claim, against which, the land owners invoked the provisions of Section 34 of the Arbitration and Conciliation Act, 1996 (in short "the Act") before the Principal District Judge, Dharmapuri, who after hearing both the parties, re-fixed compensation at Rs.100/- per sq.ft, against which, the National Highways Authority of India (in short 'NHAI') moved this Court invoking Section 37 of the Act along with C.M.P.No.27655 of 2019 to condone the delay of 1113 days in filing the appeal. The learned Single Judge, vide order dated 13.02.2020, while condoning the said delay, directed the petitioner herein to deposit the entire amount



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awarded in Arb.O.P.No.1 of 2013 to the credit of the District Collector-cum-Arbitrator (LA-NH7), Dharmapuri, within a period of four weeks and the District Collector to deposit the same in a Fixed Deposit scheme in Tamil Nadu State Apex C-operative Bank. Thereafter the main appeal in C.M.A.No.2763 of 2023 has been allowed by the Division Bench of this Court vide judgment dated 15.12.2023 giving liberty to the land owners to make a reference and on such reference, the District Collector concerned was directed to decide the same on merits within a period of eight (8) weeks.

2 Now the National Highways Authority of India filed the present Civil Miscellaneous Petition seeking permission of this Court to withdraw the amount deposited by them as ordered by this Court on 13.02.2020 stating that as directed by the Division Bench of this Court, reference has been made by the land owners and the learned Arbitrator also decided the matter, against which, a petition under Section 34 has also been filed and the same is pending.

3 It is seen that while allowing the appeal filed by the National Highways Authority of India against the enhancement of compensation granted by the learned Principal District Judge, Dharmapuri, the Division Bench of this Court made an observation against the petitioner, which reads as follows:



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“7. A reading of this order shows that the District Collector of Dharmapuri at the relevant point of time i.e., on 06.10.2012 had not even read the provisions of the Arbitration Act before venturing to decide on the valuable rights of compensation assured under Article 300A of the Constitution of India. A very valuable constitutional right vested in a citizen has been completely flouted and violated by the District Collector while she passed the order on 06.10.2012. We are 100% sure that this order cannot stand even a millisecond of judicial scrutiny at the hands of the District Court. Unfortunately for the land owners, the law as it stands today does not permit the Court exercising jurisdiction under Section 34 of the Arbitration and Conciliation Act 1996 to modify the award. Therefore we are forced to interfere with the order of the District Court modifying this order of the District Collector purely on the legal ground.

8. We are sure that what we are doing is morally incorrect, still we have to follow the judgment of the Hon'ble Supreme Court, since it is binding on us. Judicial discipline requires us to follow the judgment of the Hon'ble Supreme Court, even though we honestly feel that what we are doing is ultimate injustice to the land owners”.

4 Therefore already the land owners are suffering without any compensation for the lands acquired from them in the year 2005. Now again second round of litigation started, which is pending in the petition under Section 34 of the Act, as informed by both the learned counsel, which obviously will



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cause further delay. Hence we are not inclined to allow the appellant to withdraw amount at this stage.

5 However, we direct the Court, where the petition under Section 34 of the Act is pending, to dispose of the same on merits in accordance with the provisions of the Act within a period of three months from the date of receipt of a copy of this order. Both the parties are directed to extend their fullest co-operation to dispose of the petition under Section 34 by the learned Principal District Judge.

6 With the above directions, this Civil Miscellaneous Petition stands dismissed. However, the petitioner/appellant is at liberty to file a fresh petition seeking withdrawal, after disposal of the Section 34 application by the learned Principal District Judge.

[PVJ] [KGTJ]
08.04.2026

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Copy to

The Principal District Judge, Dharmapuri.



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