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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 23-06-2026

CORAM

THE HON'BLE MR JUSTICE G.R.SWAMINATHAN

AND

THE HON'BLE MS.JUSTICE R. POORNIMA

Arb Appeal(MD) No. 51 of 2025

and

C.M.P.(MD)No.9890 of 2025

The National Highways Authority of India,
Represented by its Project Director,
No. 6, Old No. 44, I Floor,
III Main Road, Ponnagar,
Trichy 1.

Appellant /
2nd Respondent

Vs

1. A/M. Pillayarpatti Karpaga Vinayagar Koil
Nagarathar Trust,
Represented by its Trustees
N. Lakshmanan Chettiar,
S/o. Narayanan Chettiar, Having Office at
Pillayarpatti, Thirupathur,
Sivagangai District.
2. The Special Officer/District Revenue Officer,
Land Acquisition National Highways - 45B,
Madurai.
3. The District Collector,
Madurai District Collectorate,
Madurai - 20.

..Respondent(s)



Prayer: Arbitration Appeal filed under section 37 (1) and (2) of Arbitration and Conciliation Act, to set aside the order of compensation awarded by the Learned Principal District Judge, Madurai in Arbitration OP No.5 of 2012 dated 07.09.2019 and allow this appeal and thus render justice.

For Appellant(s): Mr.K.Govindarajan,
Deputy Solicitor General of India,
for Mr.P.Karthick.

For Respondent(s): Mr.J.Malairaja for R-1.
Mr.M.P.Senthil,
Government Advocate for R-2 & R-3.

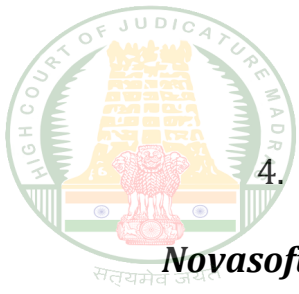
JUDGMENT

(Judgment of the Court was delivered by G.R.Swaminathan J.)

Heard the learned Deputy Solicitor General of India appearing for the appellant and the learned counsel appearing for the first respondent and the learned Government Advocate appearing for the respondents 2 and 3.

2. The issue raised in this appeal is no longer *res integra*. The land belonging to the claimant was acquired under the provisions of the National Highways Act, 1956. The arbitrator passed an award fixing compensation. Aggrieved by the same, the claimant filed petition under Section 34 of the Arbitration and Conciliation Act, 1996 before the District Court, Madurai.

3. The learned District Judge modified the award and enhanced the compensation. Challenging the same, this appeal has been filed.



4. The Hon'ble Supreme Court in *Gayathri Balasamy Vs. M/s.ISG Novasoft Technologies Limited (S.L.P.(C)Nos.15336-15337 of 2021 vide*

order dated 30.04.2025) had held that the District Courts while exercising jurisdiction under Section 34 of the Act, does not have the power to modify the award. In any event, enhancement of compensation is impermissible in law.

5. In this view of the matter, the impugned award is set aside. In similar cases, the authority had conceded for remitting the matter to the file of the Arbitrator(District Collector). The Arbitrator is directed to conclude the proceedings within a period of four months from the date of receipt of a copy of this order. The claimant is entitled to plead that the Arbitrator should 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 land loser. This arbitration appeal stands allowed accordingly. No costs. Consequently, connected miscellaneous petition is closed.

(G.R.S.,J.) (R.P.,J.)
23-06-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

PMU

Note : Issue order copy on 23.06.2026.



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To:

1. The Special Officer/District Revenue Officer,
Land Acquisition National Highways - 45B, Madurai.
2. The District Collector,
Madurai District Collectorate, Madurai - 20.



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Arb Appeal(MD) No. 51 of 2



**G.R.SWAMINATHAN, J.
AND
R.POORNIMA, J.**

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