



IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 01-09-2026

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DATE OF DECISION : 08-09-2026

CORAM

**THE HONOURABLE MR.JUSTICE P.VELMURUGAN
AND
THE HONOURABLE MR.JUSTICE GK.MUTHUKUMAAR**

**Arb Appeal Nos. 47 of 2025, 73, 76, 78, 80, 83, 87, 94 & 96 of 2026
and
CMP Nos. 24259 of 2025, 18233, 19449, 17255, 16012, 18120, 19525, 20672,
17481, 15127 of 2026**

The DGM (T) and Project Director
National Highways Authority of India
Project Implementation Unit (NS)
Door No.212-3/D3-1, Sri Nagar Colony
Narasothipatti, Salem 636 004

Appellant in Arb Appeal Nos.47 of
2025 & 76 of 2026

The DGM (T) and Project Director
National Highways Authority of India
PIU-Coimbatore
No.11/1 Kongu Nagar East
Back side of Appasamy Apartments
Ramanathapuram, Coimbatore 641 045

Appellant in Arb Appeal Nos.73, 78,
80, 83, 87, 94 & 96 of 2026

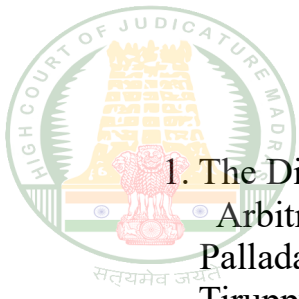
Vs

1. The Arbitrator/District Collector
Tiruppur

2. The Competent Authority and
District Revenue Officer (LA)
NH-47, Tiruppur

3. T.K.Appachi
S/o.V.Karuppusamy
102/24, 60 Feet Road
Kumaranthapuram, Tiruppur 641 602

Respondents in Arb Appeal No.47 of
2025



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1. The District Collector and Sole
Arbitrator (LA)
Palladam Road, Tiruppur
Tiruppur District

2. The Competent Authority and Special
District Revenue Officer (LA)
NH-47, Coimbatore

3. Vijayarani
W/o Santhanakrishnan
Periyapudu Village, Pollachi Taluk

Respondents in Arb Appeal No.73 of
2026

1. The Arbitrator/District Collector
Tiruppur

2. The Competent Authority and
District Revenue Officer (LA)
Tiruppur

3. T.S.Kumarasamy
S/o. Sengoden
2/390, East Thottam, Thirumangal Post
Thiruchengode Taluk
Namakkal District

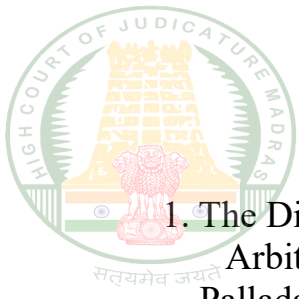
Respondents in Arb Appeal No.76 of
2026

1. The District Collector and Sole
Arbitrator (LA)
Palladam Road, Tiruppur
Tiruppur District

2. The Competent Authority and
Special District Revenue Officer (LA)
NH-47, 67 & 209, Coimbatore

3. Shri.P.Rangaraj
S/o.M.Palanisamy
2/264, Thekkalur Main Road
Thekkalur Village & Post
Avinashi Taluk, Tiruppur District

Respondents in Arb Appeal No.78
of 2026



1. The District Collector and Sole
Arbitrator (LA)
Palladam Road, Tiruppur
Tiruppur District

2. The Competent Authority and
Special District Revenue Officer (LA)
NH 47, Coimbatore

3. Shri.Ilamurugu
S/o Ramasamy
7/90, Sangamangulam Street
Gandhipuram, Avinashi Taluk,
Tiruppur District

Respondents in Arb Appeal No.80 of
2026

1. The District Collector and
Sole Arbitrator (LA)
Palladam Road, Tiruppur
Tiruppur District

2. The Competent Authority and
Special District Revenue Officer (LA)
NH-47, Coimbatore

3. Smt.R.Suryaprabavathy
W/o.Rangasamy
2/51, Poonthootam, Majara
Naathampalayam, Sembianallur
Avinashi Taluk, Tiruppur District

Respondents in Arb Appeal No.83 of
2026

1. The District Collector and Sole
Arbitrator (LA)
Palladam Road, Tiruppur
Tiruppur District

2. The Competent Authority and
Special District Revenue officer (LA)
NH-47, Coimbatore.



3. Shri.Ravi

S/o Kuppusamy

D.No.46, L.R.G.Layout

Rayapuram Main Road, Tiruppur

Respondents in Arb Appeal No.87 of
2026

1. The District Collector and Sole
Arbitrator (LA)

Palladam Road, Tiruppur

Tiruppur District

2. The Competent Authority and
Special District Revenue Officer (LA)
NH-47, Coimbatore

3. Smt.Savithiri

W/o.A.R.Palanisamy

Ayyampalayam Village

Akkattampalayam, Perundurai Taluk

Erode

Respondents in Arb Appeal No.94 of
2026

1. The District Collector and Sole
Arbitrator (LA)

Palladam Road, Tiruppur

Tiruppur District

2. The Competent Authority and
Special District Revenue Officer (LA)
NH-47, Coimbatore

3. R.Subramaniam

S/o.Ramasamy Gounder

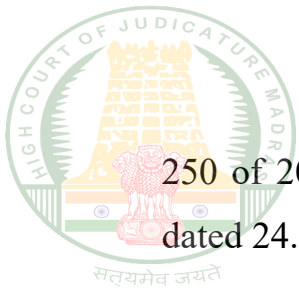
D.No.136A, Koonangadu Thottam

Velayuthampalayam Village

Avinashi Taluk, Tiruppur District

Respondents in Arb Appeal No.96 of
2026

Memorandum of Grounds of Arbitration Appeals under Section 37(1) &
(2) of the Arbitration and Conciliation Act, 1996 against the common order
made in Arbitration O.P.Nos.25 of 2023, 246 of 2022, 1 of 2023, 81 of 2022,



250 of 2022, 22 of 2023, 181 of 2022, 239 of 2022, 99 of 2022 respectively, dated 24.11.2023 on the file of the learned Principal District Judge, Tiruppur.

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For Appellant(s): Mr.Su.Srinivasan

For Respondent(s): Mr.Karthik Selvaraj
Additional Government Pleader
for R1 & R2 in all Arb.Appeals
Mr.C.Prakasam for R3 in
Arb.Appeal No.47 of 2025

Mr.V.Anandhamoorthy for R3 in
Arb.Appeal Nos.78 & 94 of 2026

Mr.C.Ramaraj for R3 in
Arb.Appeal No.76 of 2026

Mr.K.Govi Ganesan for R3 in
Arb.Appeal No.83 of 2026

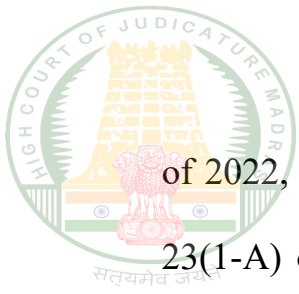
Ms.K.Susmitha for R3 in
Arb.Appeal No.87 of 2026

R3-No appearance in
Arb.Appeal Nos.80, 73 & 96 of 2026

COMMON JUDGMENT

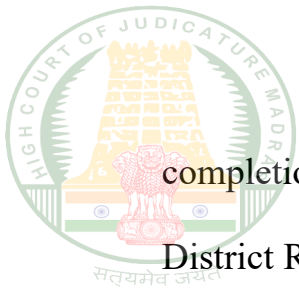
P.Velmurugan J.

The present arbitration appeals, at the instance of the National Highways Authority of India under Section 37 of the Arbitration and Conciliation Act 1996, are directed against the common order dated 24.11.2023 passed by the learned Principal District Judge, Tiruppur in Arbitration O.P.Nos.25 of 2023, 246 of 2022, 1 of 2023, 81 of 2022, 250 of 2022, 22 of 2023, 181 of 2022, 239



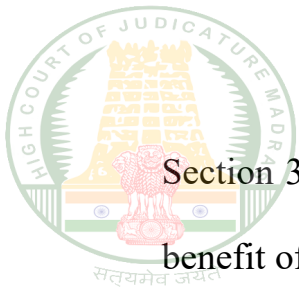
of 2022, 99 of 2022 respectively, granting 12% additional value as per Section 23(1-A) of the Land Acquisition Act, 1894 to each of the 3rd respondent/land owner, in the arbitration original petitions filed by the NHAI under Section 34 of the Arbitration and Conciliation Act assailing the award passed by the District Collector/Sole Arbitrator, Tiruppur granting solatium, interest to the lands acquired under the National Highways Act.

2. The appellant/National Highways Authority of India (for short, 'the NHAI'), with a view to develop road infrastructure so as to curtail fatal accidents and to maintain the National Highways in the country, through its Project Director, Project Implementation Unit, Salem/Coimbatore, acquired vast extent of lands under the provisions of the National Highways Act, 1956 (for short, 'the Act') towards formation of bye-pass and widening of National Highways No.47 (Salem to Coimbatore Section KM 56/500 to 100/000) in Tiruppur District including the land of each of the 3rd respondent herein. In this regard, notification under Section 3A(1) of the Act was published on 24.04.2006 and the substance of the notification was also published in the local dailies (Tamil and English) under Section 3A(3) of the Act calling for objections on 23.07.2006. After complying with the mandatory requirements, Section 3D(1) notification was approved and the public notice under Section 3G(3) was published in two local dailies (Tamil and English) on 09.06.2007. On



completion of enquiry with the land owners, the Competent Authority/Special District Revenue Officer (LA) fixed the value for the acquired lands at Rs.50.89 per square metre. Aggrieved over the fixation of compensation, the land owners approached the District Collector and Sole Arbitrator, Tiruppur seeking for enhancement. The sole Arbitrator, after hearing the land owners and the NHAI, while rejecting the enhancement claim, passed an award for payment of 30% solatium together with interest, relying upon the judgment of the Hon'ble Supreme Court in the case of *Union of India v. Tarsem Singh, (2019) 9 SCC 304*, to the owners in respect of the acquired lands. Aggrieved by the award, the NHAI preferred the arbitration original petitions under Section 34 of the Arbitration and Conciliation Act before the learned Principal District Judge, Tiruppur. The learned Principal District Judge, Tiruppur, after hearing both sides, though confirmed the award passed by the District Collector and Sole Arbitrator granting solatium and interest, however, granted 12% additional value as per Section 23(1-A) of the Land Acquisition Act, 1894 to each of the 3rd respondent/land owner. Aggrieved thereby, the NHAI has preferred the present appeals under Section 37 of the Arbitration and Conciliation Act before this Court.

3. The learned counsel appearing for the appellant/NHAI would submit that the learned Principal District Judge, while exercising jurisdiction under



Section 34 of the Arbitration and Conciliation Act, has erroneously granted the benefit of 12% additional value as per Section 23(1-A) of Land Acquisition Act, even though no such prayer was made before the Arbitrator nor the Arbitrator had granted such a benefit in the award. He would further submit that it is settled law that a litigant cannot be put in a situation worse than what he was prior to approaching the Court and that under Section 34(2) of the Act, the Court has no power to modify the arbitral award. He would further contend that in the case of *Project Director, NHAI v. Hakeem and others*, (2021) 9 SCC 1, the Hon'ble Supreme Court has categorically ruled that the Courts have no power to modify the arbitral award while exercising its jurisdiction under Section 34(2) of the Act and hence, prayed for setting aside the impugned order.

4. The respective learned counsel appearing for each of the 3rd respondent/land owner would submit that as per the dictum of the Hon'ble Supreme Court in the case of *Union of India v. Tarsem Singh*, (2019) 9 SCC 304, the land owners are entitled for solatium and interest in respect of the lands acquired under the National Highways Act. However, they would fairly concede that the land owners are not entitled for the benefit of 12% additional value as provided under Section 23(1-A) of the Land Acquisition Act, 1894.

5. We have heard both sides and perused the materials available on

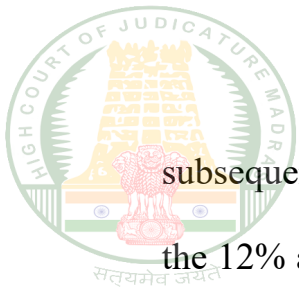


record.

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6. So far as the payment of solatium and interest to the land owners is concerned, the same is no longer res integra, as the Hon'ble Supreme Court in the case of *Union of India v. Tarsem Singh*, (2019) 9 SCC 304 has authoritatively held that when the lands are acquired by the NHAI for expansion of the National Highways, the land owners are entitled for the solatium and interest and on this aspect, we find that the order of the learned Principal District Judge, Tiruppur confirming the award requires no interference.

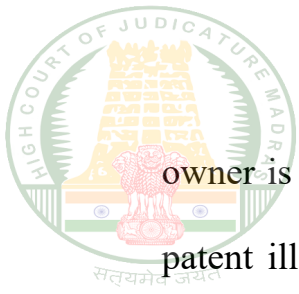
7. Now the only point to be decided in these appeals is whether the learned Principal District Judge, Tiruppur is justified in granting the benefit of 12% additional value to the land owners as per Section 23(1-A) of the Land Acquisition Act, 1894. It is to be noted that the original Section 3-J of the National Highways Act barred land owners from receiving any solatium or interest available under the Land Acquisition Act, 1894. However, in the landmark judgment in *Union of India v. Tarsem Singh*, (2019) 9 SCC 304, the Hon'ble Supreme Court struck down Section 3-J of National Highways Act as unconstitutional, especially because it denied land owners the right of solatium and interest [Section 23(2) & Section 28]. While solatium and interest were mandated to be paid in respect of the acquisitions made by NHAI, the



subsequent clarifications affirmed that the benefit under Section 23(1-A) i.e., the 12% additional value for the period from the date of notification till the date of award, does not apply to acquisitions under the National Highways Act. To this extent, the impugned order awarding 12% additional value as per Section 23(1-A) to the land owners in respect of the acquisition proceedings by NHAI is unsustainable, as the Hon'ble Supreme Court in *National Highways Authority of India and another v. Tehal Singh and others*, 2021 SCC Online SC 3175 has clarified that the land loser is not entitled to the compensation under Section 23(1-A) of the Land Acquisition Act, 1894.

8. It is also equally well settled that while exercising jurisdiction under Section 34 of the Arbitration and Conciliation Act, the Court has got limited power to interfere with an arbitral award, unless it suffers from patent illegality. (See the decisions of the Hon'ble Supreme Court in *NHAI v. M.Hakeem & another*, (2021) 9 SCC 1 and in *Delhi Airport Metro Express Pvt. Ltd. vs. Delhi Metro Rail Corporation Ltd.*, (2022) 1 SCC 131).

9. In the light of the above, the order passed by the learned Principal District Judge is required to be interfered with to this limited extent. Accordingly, the impugned order granting 12% additional value as per Section 23(1-A) of the Land Acquisition Act, 1894 to each of the 3rd respondent/land



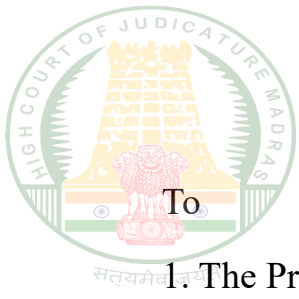
owner is set aside on the ground that the said portion of the order suffers from patent illegality under Section 34(2A) of the Arbitration and Conciliation Act and in all other respects, the order passed by the learned Principal District Judge confirming the award of the sole Arbitrator is upheld.

10. The appellant/NHAI is directed to disburse the entire compensation amount along with solatium and interest, less the amount already paid, if any, to each of the 3rd respondent/land owner herein, within a period of sixty days from the date of receipt of a copy of this judgment. The arbitration appeals stand allowed to the extent indicated above. Consequently, all the connected CMPs are closed. Considering the facts and circumstances, there shall be no order as to costs.

(P.VELMURUGAN J.) (GK.MUTHUKUMAAR J.)
08-09-2026

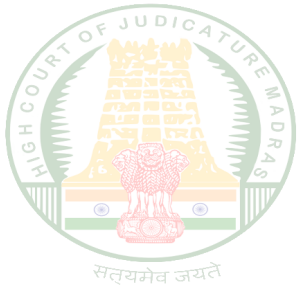
Index: Yes/No
Speaking/Non-speaking order
Internet: Yes
Neutral Citation: Yes/No

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- To
1. The Principal District Judge
Tiruppur
 2. The DGM (T) and Project Director
National Highways Authority of India
Project Implementation Unit (NS)
Door No.212-3/D3-1, Sri Nagar Colony
Narasothipatti, Salem 636 004
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National Highways Authority of India
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NH-47, Coimbatore
 8. The Competent Authority and
Special District Revenue Officer (LA)
NH-47, 67 & 209, Coimbatore



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Arb Appeal Nos. 47 of 2025 et



**P.VELMURUGAN J.
AND
GK.MUTHUKUMAAR J.**

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**Judgment in Arb Appeal
Nos. 47 of 2025 etc.**

08-09-2026