

IN THE COURT OF NARESH KUMAR GARG,
ADDITIONAL DISTRICT JUDGE, JALANDHAR.
(UID Number PB00841).

IA No.	1/2025
ARB No.	103/2023
Date of Institution	30.05.2023
CNR Number	PBJL01-008387-2023
Date of Decision	02.01.2026

NATIONAL HIGHWAY AUTHORITY OF INDIA

VERSUS

PRITHIPAL SINGH AND OTHERS

Present: Sh.Jatinder Sharma, Advocate Id. Counsel for petitioner
Sh. Paramjit Rajput, Advocate, Id. Counsel for respondent
no.1.
Service of proforma respondents dispensed with.

O R D E R:-

1. This order shall dispose of an application under Section 36 (2) of Arbitration and Conciliation Act 1996 for staying the operation of award dated 21.02.2023 passed in MA-801 of 2022 till the final decision of objection petition U/s 34 of the Act.
2. The factual matrix of the present application in brief is that land belonging to respondent no.1 situated at Village Machrai, Tehsil Batala District Gurdaspur was acquired for the purpose of widening/Four laning, maintenance, management and operation etc of National Expressway No. NE (5), the Govt. of India had issued notification under Section 3A(1) of National Highway Act, 1956 declaring its intention to acquire such land and the same was published in the Gazette of India on, dated 27.08.2020. As per Section 3A (3) of the Act, the substance of this notification was published in two local newspapers for the information of the public. After completing the necessary formalities, the Govt. of India

had published notification under Section 3 D(1) of National Highway Act, 1956 in the Gazette of India on dated 18.11.2020 declaring that the land specified in the schedule of said notification should be acquired for the aforesaid purpose and compensation of the acquired land has been assessed @ ₹ 8,78,560/- per acre for agriculture land and ₹9,22,500/- per acre for agriculture land on main road vide Award no. 03 dated 07.04.2021 and the said compensation was received by the land owner/respondent no.1.

3. The said Award of the Land Acquisition Collector challenged by the respondent no.1 by way of a petition under Section 3-G(5) of the National Highways Act before the Ld. Arbitrator. The Ld. Arbitrator vide award dated 21.02.2023 passed in MA-801 of 2022 enhanced the land rate as ₹29,68,803/- per acre along with other statutory benefits.

It is argued by the Ld. Counsel for petitioner that the Ld. Arbitrator has committed gross violation of Section 26 of Right to Fair Compensation and Transparency in Land Acquisitions, Rehabilitation and Resettlement Act, 2023 (in short RFCTLARR, 2013) and the Chant Rate was there and on the basis of the Chant Rate the competent authority determined the market value of the land.

It is further argued that the Ld. Arbitrator did not take into consideration that mandatory provision of Section 28 (1) of Arbitration and Conciliation Act.

It is further argued that the award is liable to be stayed and balance of convenience also lies in favour of the applicants. With these submissions Ld. Counsel for the petitioner prayed that if operation of the

impugned award is not stayed, the applicant shall suffer an irreparable loss and injury causing huge loss to the Government exchequer.

4. Upon notice of the objection petition and the stay application, the respondent No.1 caused appearance and filed Written reply to the main objection petition and the application under Section 36(2). It is averred and argued that the present objection petition has been filed only to harass the respondent and he raised various preliminary objections regarding maintainability, cause of action etc.

On Merits, the respondent no. 1 contended that the applicant has got no prima facie case or balance of convenience in its favour and there is also no question of its suffering any loss by the applicant and he further added that the objection petition filed by the petitioner/NHAI is likely to be dismissed as the same, consequence, a prayer for dismissal of the application has been made. Ld. Counsel further relied upon the judgments of the Hon'ble Punjab and Haryana High Court according to which the jurisdiction of this court is limited in arbitration matters.

5. I have heard the learned counsel for the parties and have perused the records of the case. As can be summed up on the basis of facts pleaded by the parties, the dispute involved in this case is that the Land Acquisition collector determined the market value of the acquired land on the basis of Chant Rate after extensive exercise and the Ld. Arbitrator enhanced the amount on the basis of some another award. Since there are arguable points involved in objection petition and the scope of this court for interference in award passed by Ld. Arbitrator shall be decided in the petition U/s 34 of Arbitration and Conciliation Act and at this stage, prima

facie case and balance of convenience is to be seen and the same lies in favour of petitioner. But at the same time, the landloosers cannot be deprived from the compensation for their acquired land against their wishes.

6. The Hon'ble Supreme Court in the case titled as **PAM Development Pvt. Ltd. Vs. The State of West Bengal and another (2019) 8 SCC 112**, had observed that :-

“(15) The amended section 36 of the Arbitration Act provides for (a) after expiry of making an application to set aside the arbitral Award (i.e. 90 days from the Award) the Award shall be enforced as if it was a decree of the Court; (b) filing of an application under Section 34 shall not by itself render the Award unenforceable; (c) upon an application for grant of stay of the Award, the Court has the discretion to grant stay, which may be subject to such conditions as it may deem fit; (d) while passing any stay order the Court is to “have due regard” to the provisions of CPC for grant of stay of money decree.

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(18) In our view, in the present context, the phrase used is ‘having regard to’ the provisions of CPC and not ‘in accordance with’ the provisions of CPC. In the latter case, it would have been mandatory, but in the form as mentioned in Rule 36 (3) of the Arbitration Act it would only be directory

or as a guiding factor. Mere reference to CPC in the said Section 36 cannot be construed in such a manner that it takes away the power conferred in the main statute (i.e. Arbitration Act) itself. It is to be taken as a general guideline, which will not make the main provision of the Arbitration Act inapplicable. The provisions of CPC are to be followed as a guidance, whereas the provisions of the Arbitration Act are essentially to be first applied. Since, the Arbitration Act is a self contained Act, the provisions of the CPC will apply only insofar as the same are not inconsistent with the spirit and provisions of the Arbitration Act.”

Further in the recent judgments of Hon’ble Supreme Court in case titled as **National Highways Authority of India vs. Sheetal Jaidev Vade, 2022 Live Law (SC) 705** and **The Project Director National Highways Authority of India vs. Saraswatibai Chandrakant Shinde, Appeal (C) No(s) 12409 of 2022 decided on 01.08.2022**, wherein the controversy pertains to non deposit of compensation amount Awarded for the land which NHAI had acquired. Hon’ble Supreme Court had observed and issued following directions:-

“(i) NHAI shall deposit 50 percent of compensation amount, as Awarded by Arbitral Court, with Executing Court within period of four weeks. Paid amount shall be released to land owners unconditionally.

7. Accordingly, after taking guidance from the legal position laid down in the aforementioned judicial pronouncement by the Hon'ble Supreme Court and our Hon'ble High Court, as an interim measure, the award passed by Ld. Arbitrator dated 21.02.2023 is stayed with the directions that the petitioner shall deposit 100% of award amount with the executing court within 30 days from receiving of the calculation sheet from concerned SDM. It is further directed that the NHAI shall obtained the calculation sheet within 15 days from the orders passed by this court. The amount so deposited as per calculation sheet submitted by Competent authority Land Acquisition (CALA), 50% of the amount shall be released to the landloosers against bank guarantee in terms of orders passed by the Hon'ble High Court in CR No.2594 dated 04.09.2025 with the further undertaking that the award holders shall comply with the decision passed in ARB No.103/2023 and the remaining amount shall be kept in the shape of FDR for one year with further renewal so as to earn maximum interest.

8. It is made clear that nothing said or observed herein shall have construed an expression of mine on the merits of the case. Case stands adjourned to 23.03.2026 for arguments on the main objection petition.

Pronounced in Open Court:
02.01.2026

(Naresh Kumar Garg),
Additional District Judge-IX,
Jalandhar (UID No.PB00841)