

**IN THE COURT OF HARINDER SIDHU
ADDITIONAL DISTRICT JUDGE, PATIALA**

**ARB 513-2024
CNR No.PBPT01010747-2024
Date of order 05.07.2025**

Union of India V/s Nanak Singh and Ors.

**Petition under section 34 of Arbitration and
Conciliation Act, 1996**

**Application under section 36 (2) of Arbitration
and Conciliation Act, 1996 amended up to date
for staying the operation of award dated
14.05.2020 till the final decision of the Objection
Petition under section 34 filed by the Union of
India.**

Present: Sh. Bhanu Kathpalia, Advocate for the objectors/petitioners.
Sh. Nitin Mehta, Advocate for the Res.No.1.
Res.No.2,3 and 4 ex-parte.

ORDER

This order pertains to the application filed by objectors/petitioners under section 36(2) of the Arbitration and Conciliation Act 1996 (As amended upto) read with section 151 CPC with reference to section 2(4) of Arbitration and Conciliation Act 1996 for staying the operation of the award dated 14.05.2020 till final decision of their objection petition filed under section 34 of the Arbitration Act.

2. In the application it is mentioned that the petitioner has filed objection petition under section 34 of the Arbitration and Conciliation Act against the impugned order dated 14.05.2020 in a case No.MA-29/18/NH-64 of village Bhaini Mehraj. The impugned award is totally wrong, arbitrary, against the public policy and against the settled provisions of

law which is non speaking. The petitioners have a prima facie case in their favour and would suffer an irreparable loss if operation of the award is not stayed as the respondent/claimant may file the execution to recover the enhanced amount and hence the operation of the impugned award may be stayed, pending the disposal of the objection petition.

3. On the other hand through their written reply the respondents have admitted the filing of the objection petition but it is stated that the objection petition is liable to be dismissed. It is stated that execution for recovery of enhanced amount has already been filed. Further it was stated that there cannot any unconditional stay on the execution of the award as per the observation of the Hon'ble Apex Court in **PAM Developments Pvt. Ltd. Versus The State of West Bangal and anotehr 2019 (3) RCR (Civil) 603**. Further it was stated that the objector has not deposited the enhanced amount as awarded by the arbitrator; although more that 2 years have lapsed and a prayer for dismissal of the application is made, seeking directions to the objector to deposit the enhanced amount.

4. I have heard the rival contentions of the learned counsel for the parties and have gone through the record. The factual matrix as revealed from the record is that the Union of India under the National Highways Act 1956 had compulsorily acquired land of the land owners, situated at village Bhaini Mehraj tehsil and district Barnala. In pursuance of the notification under section 3D of the Act the Collector announced the award dated 20.01.2014. In consonance with the provisions of the act the Government of India, Ministry of Road Transport and Highways on 24.09.2014 appointed Divisional Commissioner, Patiala as Arbitrator to resolve the issue, arising out of the acquisition by the National Highways Authority of India. Thereupon, the Arbitrator passed an award on 14.05.2020. The Arbitrator has enhanced the compensation from Rs.75,00,000/- per acre to Rs. 1,25,00,000/- per acre along-with 30 % solatium on the market value along-with interest. The award dated 14.05.2020 passed by the Arbitrator-cum-Commissioner, Patiala Division, Patiala has been challenged by the Union of India before this court by filing an objection petition under section 34 of the Arbitration and

Conciliation Act 1996. Infact even the land owners have challenged the aforesaid award dated 14.05.2020 which is pending adjudication before this court.

5. Under section 36 (2) of the Arbitration and Conciliation Act, an arbitral award is enforceable unless a petition for setting aside the award under section 34 is pending and the court has stayed its operation. The court may however grant a stay on the operation of the award under section 36 (2) provided sufficient grounds are demonstrated by the petitioner.

6. It is admitted between the parties that in petition titled as **‘Gurjeet Singh v/s Union of India and Ors’ CR-2616-2024** under section 36 (2) of the Arbitration Act for staying operation of the award dated 14.05.2020 passed; the Arbitrator-cum-Commissioner, Patiala Division, Patiala; the Hon’ble High Court of Punjab & Haryana, Chandigarh, while disposing of the said petition along with other petition passed the following order:-

“7 Considering the judgments passed by the Supreme Court, impugned order, Annexure P-4 is modified with the following directions:-

(I) NHAI shall deposit 50 per cent of the compensation amount, as awarded by the Arbitral Court, with the Executing Court within a period of four weeks if not done so far. The said amount shall be released to the land owners unconditionally.

(ii) The learned District Court, before whom the proceedings under section 34 of the Act are pending, shall made an endeavour to decided such proceedings within a period of six months.

(iii) The balance amount of compensation as per the order to be passed under section 34 of the Act, shall be deposited by the NHAI with the Executing Court within four weeks after such determination. The said amount shall also be

released by the Executing Court in favour of the land owners subject to the rights and remedies available to the parties in law.

It is further admitted that the application under section 36(2) of the Arbitration and Conciliation Act for staying of the operation of the award dated 14.05.2020 has been finally decided by the Hon'ble Supreme Court of India vide judgment dated 27.08.2024, wherein the order of the Hon'ble High Court was upheld and a modification was ordered as here under reproduced:-

We find no error in the view taken by the High Court by which the High Court directed the appellant to deposit 50% of the compensation amount as a condition for grant of stay. However, the High Court should have secured the amount by directing the respondents/ claimants to furnish security for the said amount to the satisfaction of the court in which section 34 petitions are pending.

Accordingly, we modify the impugned orders to the limited extent.

The court in which petition under section 34 of the 1996 Act are pending shall permit withdrawal of the 50% of the amount deposited by the appellant subject to respondents furnishing adequate security for the said amount to the satisfaction of the said court.

The appeals are partly allowed.

We make it clear that this order will apply only in those cases where the amount has not been withdrawn.

In the instant case too which pertains to the same award dated 14.05.2020, as stated by the learned counsel for the parties, the amount has not been deposited before the executing court, accordingly the operation of the award dated 14.05.2020 shall remain stayed as directed by the Hon'ble Apex Court on the conditions incorporated in the order that NHAI pending the decision of the petition

under section 34 of the Arbitration and Conciliation Act shall deposit 50 per cent of the compensation amount, as awarded by the Arbitral Court, with the Executing Court within a period of four weeks. The respondents land owners shall be entitled to withdraw the said amount on furnishing adequate security as directed by the court. Application is accordingly disposed off.

Date of order 05.07.2025
venus

(Harinder Sidhu)
Additional District Judge
Patiala (UIDPB00130)

Union of India V/s Nanak Singh.

Present: Sh. Bhanu Kathpalia, Advocate for the objectors/petitioners.
Sh. Nitin Mehta, Advocate for the Res.No.1.
Res.No.2,3 and 4 ex-parte.

Vide my separate detailed order of even date, the application under section 36 (2) of Arbitration and Conciliation Act stands allowed.

Adjourned to 25.08.2025 for filing reply to the main petition.

Date of order 05.07.2025
venus

(Harinder Sidhu)
Additional District Judge
Patiala (UIDPB00130)