

DISTRICT COURT AT BEED

Civil M. A. No. 182/2025

National Highways Authority of India

Vs.

Jivan Ramkrushna Shinde and others

ORDER BELOW EXH. 5

Applicant had filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 r/w. Section 3 G of the National Highways Act, 1956 for setting aside the Arbitration Award passed in **Case No. 40/2023**. The impugned application is filed to stay the operation and execution of **Arbitration Award No. 40/2023 dated 25/06/2024** passed by the Ld. Arbitrator (District Collector), Beed.

2. Ld. counsel Shri. A. S. Deshpande for National Highways Authority of India submitted that, being aggrieved by the aforesaid Award, they have filed impugned application to stay the effect and execution of Award and relied upon the Judgment passed in **Ram Awadh Vs. Competent Authority/Spl. Land Acquisition Officer, BBK. & Anr. reported in 2019 Legal Eagle (ALD) 244**. Wherein the Hon'ble ALLahabad High Court has observed that, "*Section 3 (b) of the National Highways Act, 1956 (Manner of depositing the amount by the Central Government; Making Requisite funds available to the Competent Authority for acquisition of land) Rules, 2019 creates a rider on payment of enhanced compensation and interest subject to decision of application under Section 34 of the Arbitration Act, 1996 and therefore, unless and until the proceedings of Section 34 of Arbitration Act is decided by the competent Court, the enhanced amount of compensation and interest cannot be paid to the petitioner.*"

(2)

3. Ld. counsel Shri. S. M. Nannaware for respondents submitted that, the said Rule is in respect of demand that has to create by the CALA after passing his Award and relied upon the Judgment in the case of **The Project Director National Highways Authority of India Vs. Saraswatibai Chandrakant Shinde & others reported in 2022 0 Supreme (SC) 1816**, wherein the Hon'ble Apex Court directed NHAI to deposit 50% of the compensation amount as awarded by the Arbitrator Court.

4. Heard Ld. counsel Shri. R. V. Deshmukh for applicant/NHAI and Ld. counsel Shri. S. M. Nannaware for respondents. Perused material on record.

5. Upon considering the hearing, it is evident, the land of the respondents was acquired for widening **National Highway No. 211**. The Competent Authority granted very meager compensation for the acquired land. Admittedly, this amount was paid to the respondents. Being dissatisfied of the said Award, the respondents challenged the Award before the Arbitrator, who was by passing its Award on 25/06/2024, was pleased to enhance the compensation to **Rs.1917/- per Sq. meter**. Being aggrieved by the said order, applicant/NHAI had filed an application under Section 34 of the Arbitration Act.

6. As per contention of the applicants, the enhanced compensation was exorbitant and it was not decided in accordance with the provisions of National Highways Act. The Award was in conflict with Public Policy in India and violated the provisions of RFCTLARR Act, 2013. On the contrary, respondents still having grievance regarding the enhanced compensation and they have also filed an application under Section 34 of the Arbitration Act for further enhancement of compensation. Thus the said award is challenged by both the applicant and respondent.

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7. Upon considering both cited case Laws in the case of **Ram Awadh** as relied by the applicant/ NHAI and the case of **Sarswati Chandrakant Shinde** as relied by the respondents, the Court is of the opinion that, the Judgment of the Hon'ble Apex Court in the case of **Sarswati Chandrakant Shinde** can be relied in the case in hand. In the case of **Sarswati Chandrakant Shinde** land was acquired by the NHAI, who filed application under Section 34 of the Arbitration Act. Meanwhile, owner Sarswati filed executing proceeding. When the matter reached before the Hon'ble High Court, it directed to pay the amount as per the Award passed by the Arbitrator. The order came before the Hon'ble Apex Court in a civil appeal, who was pleased to direct the NHAI to deposit 50% of the compensation amount of the Award with the Executing Court within four weeks and the landowner was directed to withdraw the said amount unconditionally.

8. Arising out of this Arbitral award, both the parties being aggrieved have filed application under Section 34 of the Arbitration Act. In addition to it, respondents had also file execution proceeding **Arbitration Darkhast bearing No. 585/2024**, which is pending before the Court of **7th Joint Civil Judge Senior Division, Beed**. The facts in the case of '**Sarswatibai Chandrakant Shinde**' are identical to the case in hand and thus the **Arbitral Award passed on 25/06/2024** is being stayed and accordingly, I pass following order :-

ORDER

- 1] Application at **Exh. 5** is allowed subject to deposit of 50% compensation amount as granted by the Arbitral Court in **Arbitration Award No. 40/2023 on 25/06/2024** before the Executing Court within two week from the date of this order.

(4)

- 2] After depositing 50% compensation amount by the applicant, the respondents shall be at liberty to withdraw the said amount unconditionally.
- 3] Trial Court be informed accordingly.

Beed,
Date : 16/06/2025.

(Anand L. Yawalkar)
PRINCIPAL DISTRICT JUDGE,
BEED.

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I affirm that the contents of this PDF file are word to word as per original Judgment / order.

Name of Steno : G. N. Ghayal
Name of Court : Dist. Court, Beed,

Sd/-
(G. N. Ghayal)

Stenographer Grade-I