

**IN THE COURT OF TARNTARAN SINGH BINDRA,
ADDITIONAL DISTRICT JUDGE, (UID PB0199)
RUPNAGAR.**

CNR No. PBRO010038552021

Case No. ARB/98/2021



Presented on : 10-08-2021

Registered on : 11-08-2021

Decided on : 06-08-2026

Amarjit Singh son of Tilku @ Tinku, resident of village (Gardely), Bari Jhakhian, Tehsil & District Ropar, since expired leaving behind his following legal heirs:-

- (i) Surjit Kaur (widow),
- (ii) Harpreet Singh (son)
- (iii) Maninder Singh (son),

all residents of village (Gardely), Bari Jhakhian, Tehsil & District Ropar.

.....Petitioners/objectors

Versus

1. Union of India through its Secretary Ministry of Shipping, Roads, Transport and Highways, New Delhi.
2. National Highways Authority of India/Project Implementation Unit, Chandigarh, 939, Sector-9, Panchkula (Haryana).
3. Land Acquisition Collector/Competent Authority-cum-Sub Divisional Magistrate, Rupnagar, District Rupnagar.
4. Divisional Commissioner, Patiala Division, Patiala, Sole Arbitrator O/o Divisional Commissioner, Mini Secretariat, Nabha Road, Patiala, District Patiala.
5. State of Punjab through Land Acquisition Collector, Rupnagar/Deputy Commissioner, Rupnagar, District Rupnagar.

...Respondents

Objection petition under Section 34 of Arbitration and Conciliation Act, 1996 for setting aside the Award passed in case No.MA-49/2017-NH-21 dated 10.11.2017 decided on 24.05.2021, by the Arbitrator-cum-Commissioner, Patiala Division, Patiala, under National Highway Act, 1956 and allow the award compensation to the petitioners for land at the rate of Rs.1,25,000/- per marla for commercial land, Rs.90,000/- per marla for agricultural land, 18% interest as per Arbitration Act, Severance un-acquired land along with all statutory benefits admissible under Section 23 (1), 23 (2) and 28 of Land Acquisition Act. in case No.485 of 2019, which is against the settled law and the public policy of India, thus being liable to be set aside.

Present: Sh. Gurwinder Singh Badwal, Advocate, Counsel for petitioners.
Sh. Shubra Singh, Advocate, Counsel for respondents No.1 and 2.
Sh. S.S.Saini, learned Government Pleader for State/respondent No.3.
Respondent No.5 is ex parte.
Respondent No.4 is Arbitrator.
Petition qua respondent No.1 DID VOD 15.05.2024.

JUDGMENT

1. This judgment shall dispose of petition filed by petitioner-land owner Amarjit Singh since deceased through his legal heirs (*hereinafter called the petitioner for the sake of brevity*) for setting aside of award dated 24.05.2021 passed in MA-49/2017-NH-21 and for enhancement of award amount.
2. The brief facts of the case, which require consideration for disposal of present petition are that National Highways Authority of India (in short NHAI), issued a notification under Section 3A of National Highways Act, 1956 (in short NH Act) for widening of National Highway Kiratpur Sahib - Kurali Section) on 24.11.2009 for acquisition of land. Another notification

under Section 3 (D) of NH Act was issued on 04.05.2012. Land of petitioners to the extent of 1K-2M comprised of Khasra Nos.38//18/2 (0-5), 19 (0-17), situated in village Bari Jhakhian (HB No.324) was acquired by NHAI for the above purpose. SDM-cum- Competent Authority under Land Acquisition (in short CALA) adjudicated compensation @ Rs.32,00,000/- per acre for the land of petitioner and passed award on 04.05.2010. Petitioner raised a claim under Section 3G of NH Act before the Commissioner, Patiala Division, Patiala, being an arbitrator, who *vide* order dated 21.04.2012³, awarded solatium in addition to compensation and also granted interest @ 9% per annum. Being not satisfied with the award passed by arbitrator, the petitioners (being legal heirs of petitioner/owner Amarjit Singh) have approached this Court by filing petition under Section 34 of Arbitration and Conciliation Act, 1996 (in short, the Act).

3. Upon filing of petition, a notice thereof was given to respondents and record of arbitrator was also requisitioned. NHAI has contested claim of petitioner.

4. This court has heard arguments of counsel for petitioners and that of respondents and have gone through record of the arbitrator with kind assistance of counsel for both the parties.

5. It is not in dispute that in arbitration proceedings relating to NH Act, the parties are not governed by an agreement to regulate the process of arbitration. In the instant case also, the arbitration was not initiated based on an agreement entered into between the contracting parties under a contract, but is under a

statutory provision which provides for such arbitration in lieu of reference under the regime for acquisition of land for public purpose.

6. Section 3G (7) (a) of NH Act provides the factors to determine the compensation payable to the land-loser, but in view of law laid down by Hon'ble Supreme Court of India in case of ***Union of India Versus Tarsem Singh [(2019) 9 SCC 304]***, the provisions of Land Acquisition Act relating to solatium and interest contained in sections 23 (1-A) and (2) and interest payable in terms of Section 28 proviso, will apply to acquisitions made under NH Act, for determination of just and fair compensation. However, in the process of determination of just and fair compensation, the provisions in Sections 26 to 28 of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (in short RFC Act) will be the guiding factor. The requirement there in being adverted to, should be demonstrated in the award to satisfy that Section 28 (2) and 31 (3) of the Act, 1996 is complied. Neither the land loser nor the exchequer should suffer in the matter of just and fair compensation. Hence, the reasons under Section 31 (3) of the Act is to be expected in that manner, the absence of which will call for interference under Section 34 of the Act, 1996.

7. Hon'ble Supreme Court of India, in its judgment passed in case of ***M.P. Power Generation Co. Ltd. & Anr. Versus Ansaldo Energia SPA & Anr. [Civil Appeal No. 3804 of 2018 (Arising out of S.L.P. (Civil) No. 39067 of 2013) decided on 16.4.2018]***, has held that interference in award by invoking provision under Section 34 of NH Act is permissible only when findings of an

arbitrator is arbitrary, capricious, or perverse, or when conscious of the court is shocked or when illegality is not trivial, but goes to the root of the matter. The relevant extract of this judgment is also reproduced hereunder :

5. 19. *The limit of exercise of power by Courts under Section 34 of the Act has been comprehensively dealt with by Justice R.F. Nariman in the case of **Associate Builders v. Delhi Development Authority**, (2015) 3 SCC 49. Lack of judicial approach, violation of principles of natural justice, perversity and patent illegality have been identified as grounds for interference with an award of the Arbitrator. The restrictions placed on the exercise of power of a Court under Section 34 of the Act have been analyzed and enumerated in Associated Builders (supra) which are as follows:*

6. a) *The Court under Section 34(2) of the Act, does not act as a Court of appeal while applying the ground of "public policy" to an arbitral award and consequently errors of fact cannot be corrected.*

7. b) *A possible view by the arbitrator on facts has necessarily to pass muster as the Arbitrator is the sole judge of the quantity and quality of the evidence.*

8. c) *Insufficiency of evidence cannot be a ground for interference by the Court. Re-examination of the facts to find out whether a different decision can be arrived at is impermissible under Section 34 (2) of the Act.*

9. d) *An award can be set aside only if it shocks the conscience of the Court.*

10. e) *Illegality must go to the root of the matter and cannot be of a trivial nature for interference by a Court. A reasonable construction of the terms of the contract by the arbitrator cannot be interfered with by the Court. Error of*

*construction is within the jurisdiction of the Arbitrator.
Hence, no interference is warranted.*

11. f) If there are two possible interpretations of the terms of the contract, the arbitrator's interpretation has to be accepted and the Court under Section 34 cannot substitute its opinion over the Arbitrator's view.

8. The limited scope of interference has also been reiterated by Supreme Court of India in its other catena of judgments like ***Ssangyong Engineering & Construction Company Limited Versus NHAI [(2019) 15 SCC 131]*** and ***Delhi Airport Metro Express Private Limited Versus Delhi Metro Rail Corporation Limited, [(2022) 1 SCC 131]***, wherein it has been held that there should be minimal interference in arbitrary awards, save, it suffers from patent illegality. The term patent in illegality has also been described by Hon'ble Supreme Court of India by mentioning that patent illegality should be illegality which goes to the root of the matter. It is also included when arbitrator takes a view which is not even possible one or interpret a clause in the contract in such a manner which no fair minded or reasonable person would, or if the arbitrator commits an error of jurisdiction by wandering outside the contract and dealing with matters not allotted to them. The conclusion of arbitrator which are based on no evidence or have been arrived at by ignoring vital evidence are perverse and can be set aside on the ground of patent illegality. The relevant extract of this judgment is also reproduced hereunder:-

12. 25. *Patent illegality should be illegality which goes to the root of the matter. In other words, every error of law committed by the Arbitral Tribunal would not fall within the expression 'patent illegality'. Likewise, erroneous application of law cannot be categorised as patent illegality. In addition, contravention of law not linked to public policy or public interest is beyond the scope of the expression 'patent illegality'. What is prohibited is for courts to re-appreciate evidence to conclude that the award suffers from patent illegality appearing on the face of the award, as courts do not sit in appeal against the arbitral award. The permissible grounds for interference with a domestic award under Section 34(2-A) on the ground of patent illegality is when the arbitrator takes a view which is not even a possible one, or interprets a clause in the contract in such a manner which no fair-minded or reasonable person would, or if the arbitrator commits an error of jurisdiction by wandering outside the contract and dealing with matters not allotted to them. An arbitral award stating no reasons for its findings would make itself susceptible to challenge on this account. The conclusions of the arbitrator which are based on no evidence or have been arrived at by ignoring vital evidence are perverse and can be set aside on the ground of patent illegality. Also, consideration of documents which are not supplied to the other party is a facet of perversity falling within the expression 'patent illegality'.*

9. Applying the law laid down by Hon'ble Supreme Court of India and discussed in above paragraphs of this judgment, this Court is of the considered opinion that impugned award can only be set aside, if the findings

of arbitrator are arbitrary; against evidence; shock the conscious of the court and suffer from patent illegality.

10 In the instant case, the petitioner has claimed that he is entitled to compensation @ Rs.1,25,000/- per marla for commercial land, Rs.90,000/- per marla for residential and Rs.75,000/- per marla for agriculture land along with severance charges and other statutory benefits, because the property in question has closed proximity with Sri Anandpur Sahib city. In support of his claim, the petitioner has placed on record jamabandi of disputed property and a couple of earlier arbitral awards claiming the same to be relevant.

11. As per case of the petitioner, his commercial land measuring 1 Kanal 2 Marla was acquired by respondents for the purpose of widening of leaning of National Highway No.21 (Kiratpur Sahib-Kurali section), but he has not been given adequate compensation, despite availability of sufficient evidence to prove nature of property and passing of awards, earlier of land with respect to adjoining villages.

12. So far as nature of land of petitioner is concerned, it is relevant to mention here that even as per Jamabandi (Ex.A1), proved by petitioner before learned arbitrator, the nature of land is agriculture and thus, not commercial. No other document is available on record to establish commercial nature of land of petitioner. There is also no evidence available on record to ascertain actual market rate of property of petitioner, because he has not brought any sale deed, et cetera of any of the adjoining properties.

13. Keeping in view the peculiar facts and circumstances of the case and applying the law laid down by Hon'ble High Court of Punjab and Haryana in case of ***Golden Iron and Steel Forging Versus. Union of India***, the learned arbitrator has already allowed solatium to petitioner @ 30% on the value assessed by collector and moreover, he is also awarded interest @ 9% per annum from the date of award or dispossession, which ever is earlier. No irregularity, which has been committed by arbitrator during pendency of proceedings before him, has been pointed out by petitioner. It is evident that learned arbitrator has passed a detailed award after giving findings on each and every issue framed by him.

14. CALA has assisted market value of acquired land of village Bari Jakhian as ₹32 lakhs per acre. This market rate cannot be enhanced arbitrary, merely on the basis of award passed with respect to land of other villages, particularly when the notification of acquisition of land of both set of villages is not the same. This opinion of court is also fortified with judgment of Hon'ble Supreme Court of India passed in cases of ***Jai Prakash and others Versus Union of India [1997 AIR (SC), 2237]*** and judgment of Hon'ble High Court of Punjab and Haryana passed in case of ***Amin Lal and others Versus. State of Haryana and others [2013 (4) Law Herald 3124]***.

15. On the basis of discussion held in preceding paragraph of this judgment, this court does not find any scope of interference in impugned award or any merit petition filed by petitioner. Hence, the same is order to be **dismissed**. Memo of costs be prepared.

16. Trial Court record along with copy of this judgment be sent back and file pertaining to objection petition be consigned to the Judicial Record Room, Rupnagar, after due compliance.

Pronounced in the open Court
Dated: 06.08.2026

Typed by Jaswinder Singh, STG-I

(Tarntaran Singh Bindra)
UID No.PB0208
Addl. District Judge,
Rupnagar.