



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE PRADEEP SINGH YERUR

MISCELLANEOUS FIRST APPEAL NO. 4944 OF 2022 (AA)
C/W

MISCELLANEOUS FIRST APPEAL NO. 4974 OF 2022
MISCELLANEOUS FIRST APPEAL NO. 4983 OF 2022
MISCELLANEOUS FIRST APPEAL NO. 6062 OF 2022
MISCELLANEOUS FIRST APPEAL NO. 6151 OF 2022

IN MFA No. 4944/2022

BETWEEN:

1. BASAVARAJAPPA
S/O HANUMANTHAPPA,
AGED ABOUT 60 YEARS,
AGRICULTURIST,
2. THIMMANNA
S/O HANUMANTHAPPA,
AGRICULTURIST,
3. HANUMANTHAPPA DEAD BY LRS

THIPPAMMA
W/O LATE HANUMANTHAPPA,

ALL ARE R/AT BANGARAKKANAGUDDA VILLAGE,
JAGALUR TALUK- 577 528,
DAVANAGERE DISTRICT.

...APPELLANTS

(BY SRI. R SHASHIDHARA., ADVOCATE)





CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

AND:

1. THE NATIONAL HIGHWAY
AUTHORITY OF INDIA
REP. BY DGM(T) AND
PROJECT CHITRADURGA
NHAI, PIU, NH-48,
CHITRADURGA-577 501.
2. THE ARBITRATOR AND DEPUTY COMMISSIONER
DAVANAGERE DISTRICT
DAVANAGERE 577 001.

... RESPONDENTS

(BY SRI.SAGAR VARMA, FOR
SRI SAGAR LADDA., ADVOCATES FOR R-1;
SRI.PRAKASH M.GANIGER., HCGP FOR R-2)

THIS MFA IS FILED UNDER SECTION 37(1)(c) OF THE
ARBITRATION AND CONCILIATION ACT, 1996, AGAINST THE
JUDGMENT DT.28.02.2022 PASSED IN A.S.NO.05/2019 ON THE
FILE OF THE PRINCIPAL DISTRICT AND SESSIONS JUDGE,
DAVANAGERE, ALLOWING THE SUIT FILED U/S.34(2) OF THE
ARBITRATION AND CONCILIATION ACT, 1996 R/W ORDER.7
RULE 1 AND 2 OF CPC.

IN MFA NO. 4974/2022

BETWEEN:

1. RAJAPPA
S/O MALLAPPA,
AGED ABOUT 50 YEARS,
AGRICULTURIST,
2. LAKSHMANAPPA
S/O MALLAPPA KATHRALA,
AGRICULTURIST,



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

3. MARAPPA
S/O MALLAPPA,
AGRICULTURIST,
4. LATHAMMA
W/O HAIHARAIH,
AGRICULTURIST,
5. KRISHNAPPA
S/O MALLAPPA KATHRALA,
AGRICULTURIST,
APPELLANTS 1 TO 5 ARE
R/AT BENNEHALLI VILLAGE,
JAGALUR TALUK 577 528,
DAVANAGERE DISTRICT.
6. ESHWRAPPA H D
S/O THIPPAIAH,
AGRICULTURIST,
R/AT DONNEHALLI VILLAGE,
JAGALUR TALUK 577 528,
DAVANAGERE DISTRICT.

... APPELLANTS

(BY SRI. R SHASHIDHARA., ADVOCATE)

AND:

1. THE NATIONAL HIGHWAY AUTHORITY OF INDIA
REP. BY DGM(T) AND PROJECT CHITRADURGA,
NHAI, PIU, NH-48,
CHITRADURGA 577501.
2. THE ARBITRATOR AND DEPUTY COMMISSIONER
DAVANAGERE DISTRICT,
DAVANAGERE 577 001.

...RESPONDENTS

(BY SRI.SAGAR VARMA FOR
SRI SAGAR LADDA., ADVOCATES FOR R-1;
SRI.PRAKASH M.GANIGER., HCGP FOR R-2)



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

THIS MFA FILED UNDER SECTION 37(1)(c) OF THE ARBITRATION AND CONCILIATION ACT,1996 AGAINST THE ORDER DATED 20.04.2022 PASSED IN AS.NO.4/2019 ON THE FILE OF THE PRL. DISTRICT AND SESSIONS JUDGE, DAVANAGERE, ALLOWING THE SUIT FILED BY THE PLAINTIFF UNDER SECTION 34(2) OF THE ARBITRATION AND CONCILIATION ACT 1996 R/W ORDER 7 RULE 1 AND 2 OF CPC, 1908.

IN MFA NO. 4983/2022

BETWEEN:

1. G B SANGAPPA
S/O SANNA BASAPPA
AGED ABOUT 60 YEARS
AGRICULTURIST
2. BASAPPA
S/O SIDDALINGAPPA
AGED ABOUT 68 YEARS
AGRICULTURIST
3. G B BASAVARAJAPPA
S/O SANNA BASAPPA
AGED ABOUT 73 YEARS
AGRICULTURIST
4. G B THIPPAMMA
W/O G B CHANNAPPA
AGED ABOUT 68 YEARS
AGRICULTURIST
5. THIPPESWAMY
S/O LATE MALIYAPPA
AGED ABOUT 50 YEARS
AGRICULTURIST
6. LAKSHMANA
S/O OBAIAH



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

AGED ABOUT 68 YEARS
AGRICULTURIST

7. CHOWDAPPA DEAD BY LRS

THIPPESWAMY
S/O LATE CHOWDAPPA
AGED ABOUT 62 YEARS
AGRICULTURIST

8. H T ONKARAPPA
S/O T THIPPAIAH
AGED ABOUT 46 YEARS
AGRICULTURIST

9. B JAYANNA
S/O LATE BASAPPA
AGED ABOUT 65 YEARS
AGRICULTURIST

10. MUSTURAPPA
S/O THIPPANNA , DEAD BY LRS

G M VINAYAKA
S/O LATE MUSTURAPPA
AGED ABOUT 55 YEARS
AGRICULTURIST

11. M BHEEMAPPA
S/O CHANNAVEERAPPA @ KARIYAPPA
AGED ABOUT 63 YEARS
AGRICULTURIST

12. K V VEERESH
S/O VEERABHADRAPPA
AGED ABOUT 45 YEARS
AGRICULTURIST

13. NAGAMMA
W/O MUDLAPPA, DEAD BY LRS



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

BASANNA @ BASAVARAJ
S/O LATE NAGAMMA
AGED ABOUT 48 YEARS
AGRICULTURIST

14. RATHNAMMA
D/O LATE NAGAMMA
AGED ABOUT 55 YEARS
AGRICULTURIST

15. HANUMAKKA
D/O LATE NAGAMMA
AGED ABOUT 48 YEARS

16. CHOWDAPPA
S/O LATE NAGAMMA
AGED ABOUT 59 YEARS

17. HANUMANTHAPPA
S/O LATE NAGAMMA
AGED ABOUT 48 YEARS

18. KRISHNAPPA
S/O LATE NAGAMMA
AGED ABOUT 45 YEARS

19. SAVITHRAMMA
D/O LATE NAGAMMA
AGED ABOUT 48 YEARS

APPELLANTS 5 TO 19 ARE
R/AT HOSAHATTI VILLAGE
JAGALUR TALUK -577528
DAVANAGERE DISTRICT.

20. SHARADAMMA
W/O LATE THIMMAPPA
AGED ABOUT 55 YEARS
AGRICULTURIST



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

THE APPELLANTS NO.1 TO 12 AND 20
ARE R/AT MUDLAMACHIKERE VILLAGE
JAGALUR TALUK-577 528
DAVANAGERE DISTRICT.

...APPELLANTS

(BY SRI. R SHASHIDHARA., ADVOCATE)

AND:

1. NATIONAL HIGHWAY
AUTHORITY OF INDIA
REP.BY DGM(T) &
PROJECT CHITRADURGA
NHAI, PIU NH-48
CHITRADURGA-577 501.
2. THE ARBITRATOR AND DEPUTY COMMISSIONER
DAVANAGERE DISTRICT
DAVANAGERE-577 001
3. H V BASAMMA
W/O LATE VEERABHADRAPPA
MAJOR
AGRICULTURIST
R/AT MUDLAMACHIKERE VILLAGE
JAGALUR TALUK-577528
DAVANAGERE DISTRICT.

... RESPONDENTS

(BY SRI.SAGAR VARMA, FOR
SRI SAGAR LADDA., ADVOCATES FOR R-1;
SRI.PRAKASH M.GANIGER., HCGP FOR R-2)

THIS MFA IS FILED UNDER SECTION 37(1)(c) OF THE
ARBITRATION AND CONCILIATION ACT, 1996, AGAINST THE
JUDGMENT AND AWARD DT.16.03.2022 PASSED IN
A.S.NO.9/2019 ON THE FILE OF THE PRL. DISTRICT AND



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

SESSIONS JUDGE, DAVANGERE, ALLOWING THE SUIT FILED U/S.34(2) OF THE ARBITRATION AND CONCILIATION ACT, 1996 R/W ORDER VII RULE 1 AND 2 OF CPC, 1908.

IN MFA NO. 6062/2022

BETWEEN:

1. LOKAMMA
W/O H T AJJAPPA
AGED ABOUT 48 YEARS
AGRICULTURIST
2. SHARANAPPA
S/O AJJAPPA HELEDAR
AGED ABOUT 75 YEARS
AGRICULTURIST
3. THIPPERUDRAMMA
W/O LATE M RANGASWAMAIAH
AGED ABOUT 70 YEARS
AGRICULTURIST
4. D M THIPPESWAMY
S/O GURUBASIAH
DEAD BY LEGAL HEIR
- 4(a) D M SHARANESH
S/O LATE D M THIPPESWAMY
AGED ABOUT 42 YEARS
AGRICULTURIST
5. BASAMMA
W/O SHARANAPPA DEAD BY
LEGAL HEIRS
- 5(a) Y A SHARANAPPA
S/O AJJAPPA HELEDAR
AGED ABOUT 75 YEARS



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

- 5(b) UMADEVI
D/O Y A SHARANAPPA
AGED ABOUT 52 YEARS
- 5(c) HEMAVATHI
D/O Y A SHARANAPPA
AGED ABOUT 50 YEARS
- 5(d) LOKESH
S/O Y A SHARANAPPA
AGED ABOUT 47 YEARS
APPELLANTS NO. 5 (a) TO 5 (d) ARE
R/AT DONNEHALLI VILALGE
JAGALUR TALUK-577528
DAVANAGERE DISTRICT
- 6 G P THIPPAMMA DEAD BY LEGAL HEIRS
- 6(a) G M MANJUNATHA
S/O LATE MUNIYAPPA
AGED ABOUT 48 YEARS
- 6(b) G M VEERESH
S/O LATE MUNIYAPPA
AGED ABOUT 47 YEARS
- 6(c) G M SHIVAKUMAR
S/O LT MUNIYAPPA
AGED ABOUT 44 YEARS
- 6(d) G M ROOPA
D/O LT MUNIYAPPA
AGED ABOUT 43 YEARS
- 6(e) G M BASAVARAJA
S/O LT MUNIYAPPA
AGED ABOUT 41 YEARS
- APPELLANTS NO. 6(a) to 6 (e) ARE



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

R/AT DONNEHALLI VILLAGE
JAGALUR TALUK 577 528
DAVANAGERE DISTRICT

7. B R RAMESH
S/O H D RUDRAPAP
AGED ABOUT 52 YEARS
AGRICULTURIST
8. MANJUNATHA
S/O SOMANNA
AGED ABOUT 58 YEARS
AGRICULTURIST
9. SUMANGALAMMA
W/O LATE AJAY KUMAR
AGED ABOUT 60 YEARS
AGRICULTURIST
10. BASAVARAJAPPA
S/O PATRE BASAPPA
AGED ABOUT 71 YEARS
AGRICULTURIST
11. SAVITHRAMMA
W/O LATE THIPPESWAMY
AGED ABOUT 53 YEARS
AGRICULTURIST

APPELLANTS NO. 1 AND 2 , 7 TO 10 ARE
R/AT DONNEHALLI VILLAGE
JAGALUR TALUK 577 528
DAVANAGERE DISTRICT

12. SUVARNAMMA
W/O THIPPESWAMY
AGED ABOUT 55 YEARS
R/AT NARASARAJAPET
DAVANAGERE 577 001



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

13. BASAPPA DEAD BY HIS LRS

13(a) DRASKHAYANAMMA
W/O LT THIPPESWAMY
(S/O BASAPPA)
AGED ABOUT 50 YEARS

13(b) SAVITHRAMMA
D/O BASAPPA
AGED ABOUT 59 YEARS

13(c) THIPPERAMMA
D/O BASAPPA
AGED ABOUT 53 YEARS

13(d) D SHARANABASAPPA
S/O BASAPPA
AGED ABOUT 55 YEARS

13(e) THIPPAMMA
D/O BASAPPA
AGED ABOUT 53 YEARS

APPELLANTS 13 (a) TO 13 (e) ARE
AGRICULTURISTS
ALL ARE R/AT DONNEHALLI VILLAGE,
JAGALUR TALUK 577 528
DAVANAGERE DISTRICT

... APPELLANTS

(BY SRI. R SHASHIDHARA., ADVOCATE)

AND:

1. NATIONAL HIGHWAY
AUTHORITY OF INDIA
REP.BY DGM(T) &
PROJECT CHITRADURGA



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

NHAI, PIU NH-48
CHITRADURGA-577 501.

2. THE ARBITRATOR AND DEPUTY COMMISSIONER
DAVANAGERE DISTRICT
DAVANAGERE-577 001
3. PLANNING DIRECTOR
NH-48, PIU
BEHIND JMIT COLLEGE
CHITRADURGA - 577 501
4. SPECIAL LAND ACQUISITION OFFICER
NH-48, AUTHORITY
(CHITRADURGA -HOSAPETE)
NEAR CHAMUNDESHWARI TEMPLE
K.S.R.T.C BUS DEPOT ROAD
CHITRADURGA - 577 501

... RESPONDENTS

(BY SRI.SAGAR VARMA, FOR
SRI SAGAR LADDA., ADVOCATES FOR R-1;
SRI.PRAKASH M.GANIGER., HCGP FOR R-2)

THIS MFA IS FILED UNDER SECTION 37(1)(c) OF THE ARBITRATION AND CONCILIATION ACT, AGAINST THE ORDER DATED 10.06.2022 PASSED IN AS.NO.3/2019 ON THE FILE OF THE PRL. DISTRICT AND SESSIONS JUDGE, DAVANAGERE, ALLOWING THE SUIT BY SETTING ASIDE THE AWARD PASSED BY DEFENDANT NO.1 FILED UNDER SECTION 34(2) OF THE ARBITRATION AND CONCILIATION ACT 1996 R/W ORDER VII RULE 1 AND 2 OF CPC, 1908.

IN MFA NO. 6151/2022

BETWEEN:

1. B AKSHATHA
W/O G.S.VEMKATESH



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

AGED ABOUT 45 YEARS
R/AT K.T.J NAGAR
18TH CROSS,
SIDDALINGESHWARA BADAVANE,
1675/AB, BEHIND SIDDAGANGA SCHOOL,
DAVANAGERE - 577 001

2. SHARADA
S/O SRINIVASA REDDY,
AGED ABOUT 52 YEARS,
HEBBALU VILLAGE,
ANAGODU HOBLI,
DAVANAGERE TALUK & DISTRICT 577 001
3. KALLESHWARAPPA
S/O NAGENDRACHARI
AGED ABOUT 48 YEARS
HEBBALU VILLAGE,
ANAGODU HOBLI,
DAVANAGERE TALUK & DISTRICT 577 001
4. RUDRAMMA
W/O LATE KALLINGAPPA
AGED ABOUT 55 YEARS
R/AT HEBBALU VILLAGE,
ANAGODU HOBLI,
DAVANAGERE TALUK & DISTRICT 577 001

... APPELLANTS

(BY SRI. R SHASHIDHARA., ADVOCATE)

AND:

1. THE NATIONAL HIGHWAY
AUTHORITY OF INDIA
REP BY DGM(R)
AND PROJECT DIRECTOR,
NHAI, NEAR JMIT, NH-48
CHITRADURGA 577 501



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

2. THE ARBITRATOR AND
DEPUTY COMMISSIONER
DAVANAGERE DISTRICT,
DAVANAGERE 577 001
3. SPECIAL LAND ACQUISITION OFFICER
AND COMPETENT AUTHORITY
NATIONAL HIGHWAY AUTHORITY OF INDIA
K.S.R.T.C DEPOT ROAD,
TEMPLE,
CHITRADURGA 577 501

... RESPONDENTS

(BY SRI.SAGAR VARMA, FOR
SRI SAGAR LADDA., ADVOCATES FOR R-1;
SRI.PRAKASH M.GANIGER., HCGP FOR R-2)

THIS MFA IS FILED UNDER SECTION 37(1)(c) OF THE
ARBITRATION AND CONCILIATION ACT, AGAINST THE ORDER
DATED 13.06.2022 PASSED IN AS.NO.01/2020 ON THE FILE
OF THE PRL. DISTRICT AND SESSIONS JUDGE, DAVANAGERE,
ALLOWING THE SUIT FILED UNDER SECTION 34(2) OF THE
ARBITRATION AND CONCILIATION ACT 1996.

THESE APPEALS, ARE COMING ON FOR ORDERS, THIS
DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

CORAM: HON'BLE MR. JUSTICE PRADEEP SINGH YERUR

ORAL JUDGMENT

These appeals are preferred by the appellants, who are the land-losers, aggrieved by the orders passed by the Principal District and Sessions Judge at Davanagere, in different proceedings as mentioned herein below, reversing the orders passed by the Deputy Commissioner-cum-Arbitrator ('Arbitrator' for short).

2. Brief facts of the case are as follows:

The National Highway Authorities of India ('NHAI' for short) acquired the house properties and agricultural lands of the appellants and others situated at Bagarakkanagudda, Bennehalli, Mudlamachikere, Donnehalli, Kundawada, Avaragere and Hebbalu villages of Jagaluru Taluk, Davanagere District for widening National Highway-48. The Special Land Acquisition Officer ('SLAO' for short) passed separate awards for the said acquisitions. The appellants herein and others, being dissatisfied with the said awards passed by the SLAO, filed petitions before the Arbitrator and sought for enhancement of compensation. The Arbitrator enhanced the



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

compensation amount by two times over and above the awards passed by the SLAO and also awarded other consequential benefits in respective cases. The NHA I, being aggrieved by the said orders passed by the Arbitrator, filed Arbitration Suits under Section 34 (2) of the Arbitration and Conciliation Act, 1996 (for short 'Arbitration Act') read with Order 7 Rule 1 and 2 of CPC, 1908 before the learned Principal District Court and Sessions Judge, Davanagere by contending that the Arbitrator, without following the procedure, has mechanically enhanced the compensation without assessing the market value of the properties or lands, which were acquired for the said purpose. It was further alleged by NHA I that the compensation awarded by SLAO is just and proper and that it has satisfied the award. Hence, sought to allow the Arbitration Suits.

2.1. In pursuance to the suits being filed, the same came to be allowed holding that the Arbitrator has passed the awards without taking into consideration the market value prevailing as on the date of acquisition and passed the impugned orders. It is further pleaded that the District Court allowed the Arbitration Suits and set aside the awards by



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

relying upon the judgment in the case of MFA No.23159/2011 (AA) and other connected cases without thereby remanding the cases to the Arbitrator.

2.2. It is these orders that are questioned by the appellants-land losers in these appeals on the following grounds.

Contentions of learned counsel for the appellants

3. It is vehemently contended by learned counsel Sri R.Shashidhara appearing for the appellants-land losers that the impugned orders passed by both the Courts are highly illegal besides being erroneous and as such, the same are liable to be set aside. It is also contended that the Court below has grossly erred in allowing the Arbitration Suits filed by NHAH and that NHAH has not made sufficient grounds in as much as the same is bad-in-law. It is also contended that the impugned orders are without any sufficient reasons and no proper reasoning and findings have been arrived at while allowing the Arbitration Suits. Hence, the same are bad in law. It is also contended that the Arbitrator, without considering the



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

provisions of the Arbitration Act, has passed the orders enhancing the awards passed by the SLAO and that the Arbitrator applied the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (for short 'RFCTLARR Act') and enhanced the compensation. Whereas the said provisions of the RFCTLARR Act are not applicable in the present cases on land for the lands, which were acquired under the National Highways Act (for short 'NH Act'). It is also contended that the Court below in consideration of the grounds urged by the NHAI, has set aside the arbitral awards holding that the compensation enhanced by the Arbitrator is in violation of the provisions of Section 34 (2) of the Arbitration Act. Whereas it is relevant to point out that the Arbitrator has exercised powers under Section 3G (7) of the NH Act and passed the arbitral awards. Therefore, the provisions of the Arbitration Act is applicable to the Arbitration Suit subject to the provisions of the NH Act. It is further contended that if the Court below came to the conclusion that the arbitral awards are passed without considering the provisions of the NH Act, it



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

ought to have remanded the case to the Arbitrator for fresh consideration as per the NH Act and therefore, on these grounds, the impugned orders passed by the learned District Judge are liable to be set aside.

3.1. It is further contended by learned counsel for the appellants-land losers that for formation of the National Highways, the lands and the house properties were acquired by NHAI. The Arbitrator ought to have considered each of the cases separately by assessing the market value with regard to each of the properties based on its own merits, when the appellants and the other landowners had filed separate applications before the Arbitrator. However, the Arbitrator has clubbed all the applications and passed the common order without following the required procedure as contemplated under the Act and has mechanically enhanced the compensation by two times with other consequential benefits. Therefore, the arbitral awards passed by the Arbitrator is against the law and the same are liable to be set aside.



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

3.2. Learned counsel further contends that as per Section 3G (1) of the NH Act, the Competent Authority shall pay the compensation to the persons who are affected by such acquisition: as per sub-section (5), if the amount determined by the Competent Authority is not acceptable to either parties, the Arbitrator on the application filed by either parties be determined by him and as per sub-Section (6) subject to the provisions of the National Highway Act, the provisions of the Arbitration Act is applicable to every Arbitration under this Act.

3.3. It is further contended that from the bare reading of the above provisions of the Arbitration Act, the same is made applicable subject to the provisions of the NH Act. The arbitral award passed under the Arbitration Act and the arbitral award passed under the NH Act are different and the Court below has applied the provisions of Arbitration Act in its strict sense is bad in law.

3.4. Learned counsel further contends that the Court below has relied upon the judgment passed by the Dharwad Bench of this Court and came to a wrong conclusion that as per



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

Section 34 of the Arbitration Act, the Court cannot remand the matter to the Arbitral Tribunal and cannot enhance the compensation. Learned counsel further contends that the said judgment was passed relying upon the judgment of the Hon'ble Apex Court in the case of ***Kinnari Mullick and Another Vs. Ghanshyam Das Damani*** reported in ***AIR 2017 SC 2785*** and that the said judgment was passed purely on the Arbitration Act and not on NH Act. As such, the reliance so placed by the District Judge is bad in law and it would not be applicable to the present case on hand. It is also contended by learned counsel that Dharwad Bench of this Court passed the said judgment without taking into consideration the Division Bench judgment of this Court in the case of ***Paramashivam and others vs. National Highways and another*** and another judgment in the case of ***Arkaniyamma vs. National Highway***. As such, the orders passed by the Court below are unsustainable and bad in law.

3.5. It is further contended by learned counsel that the Arbitrator has adopted a wrong procedure while enhancing the compensation, which lead to the NHA filing the Arbitral Suits



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

before the District Court. However, the appellants-land losers, for no fault of them, are now denied the compensation, which they are legally entitled. It is further contended that due to the impugned orders passed by the learned District Judge, who applied the provisions of Arbitration Act, the appellants-land losers have lost their right, which is clear violation of the fundamental rights guaranteed under the Constitution of India. Learned counsel further contends that the Arbitrator or the District Court ought to have decided the dispute as per the provisions of the NH Act, but without looking into the NH Act and only relying upon the Arbitration Act, the awards have been passed, which are unsustainable and bad in law. Learned counsel further contends that due to the erroneous orders passed by both the Courts i.e., the Arbitrator and the District Court, the appellants, who are the land-losers, have suffered irreparable injury and hardship and have lost their right to claim the compensation, which they are legally entitled and they having lost their land, they cannot be denied of their valid right to claim compensation. Therefore, learned counsel seeks to set aside both the orders.



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

3.6. It is further contended by learned counsel for the appellants-land losers that the NHA I has received the arbitral award on 27.10.2018 and 20.01.2020 respectively in the present cases. As per Section 34 (3) of the Arbitration Act, any Arbitral Suit is required to be filed within 90 days and thereafter within 30 days grace period in all amounting to 120 days from the date of receipt of the Arbitral Award and any delay more than 120 days, if any caused, there is no power for the learned District Judge to condone the same. It is further contended that NHA I filed the A.S.Nos.5/2019, 4/2019, 9/2019, 3/2019 on 27.02.2019 and A.S.No.1/2020 on 09.07.2020, which goes to show that NHA I filed the suits with delayed period. But the Court below without taking into consideration the mandatory provisions of the Arbitration Act, condoned the delay, which is not permissible and therefore, such order passed by the learned District Judge exceeds its jurisdiction, which is not provided under the Act. Therefore, such order is liable to be set aside on this sole ground itself.

3.7. It is also contended by learned counsel that the Arbitration Suits filed by NHA I are to be set aside the several



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

awards passed by the Arbitrator, which is not permissible in law and not maintainable as well for the reason that NHA I is required to file separate suit for each of the award independently. Without considering all these aspects, the learned District Judge has allowed the Arbitration Suits, which are illegal, arbitrary and the same are liable to be set aside.

3.8. Learned counsel for the appellants relies upon the following judgments in support of his case:

1. *P.Radha Bai and others vs. P.Ashok Kumar and another - (2019) 13 SCC 445;*
2. *Chintels India Limited vs. Bhayana Builders Private Limited - (2021) 4 SCC 602;*
3. *National Highways Authority of India vs. Sri.P.Nagaraju @ Cheluvaiah & Anr. (Judgment in Civil appeal No.4671/2022 decided on 11.07.2022);*
4. *S.Shanmukhappa vs. The Special Land Acquisition Officer and others (Judgment of Division Bench of this Court in MFA No.1941/2022 dated 08.06.2023); and*
5. *My Preferred Transformation & Hospitality Pvt.Limited & Anr. vs. M/s Faridabad Implements Pvt.Ltd. (Judgment in Civil Appeal No..336/2025 arising out of SLP (C) No.9996/2024 decided on 10.01.2025).*



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

**Contentions of learned counsel for respondent No.1-
NHAI**

4. It is a vehement contention of learned counsel Sri Sagar Ladda that there is absolutely no illegality or perversity in the impugned orders passed by the learned District Judge calling for interference at the hands of this Court. He sustains the impugned orders. It is further contended by learned counsel that the question of bar of limitation for respondent No.1-NHAI to file the Arbitration Suit is far-fetched, imaginary and the same is not sustainable for the reason that the Arbitration Suit can be filed by the person aggrieved as contemplated under Section 34 (3) of the Arbitration Act and the proviso therein.

4.1. It is further contended that as per Section 34 (3) of the Arbitration Act, an application can be filed seeking to set aside the arbitral award by a party within a period of three months from the date on which the party making the application and received the arbitral award and if same is not done within the said period of three months, further grace period is granted by 30 days as per the proviso under Section



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

34 (3) and therefore, the time provided to file the Arbitration Suit for the aggrieved party is three months from the date of receipt of the arbitral award and thereafter, another grace period of 30 days by showing sufficient cause.

4.2. It is a vehement contention of learned counsel for respondent No.1 that the Arbitration Suits have been filed well within the period of three months and additional period of 30 days. Therefore, it is contended that it cannot be taken as 90 days and 30 days as argued by learned counsel for the appellants, but it has to be taken as three months and 30 days grace period for the purpose of counting the limitation for filing the Arbitration Suit. It is contended by learned counsel that in the present cases on hand, the Arbitral Awards were received by respondent No.1-NHAI on 27.10.2018 and 20.01.2020 in the respective cases and thereafter NHAI ought to have filed the suits within a period of three months. However, the suits came to be filed on 27.02.2019 and 09.07.2020, respectively and thereby, delay has occurred in filing the Arbitration Suits. Therefore, it is contended by learned counsel that as per the proviso to Section 34 (3) of the Arbitration Act, the delay



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

incurred in filing the Arbitration Suits is well within the proviso, which says that the delay cannot be beyond a period of 30 days after three months period granted under Section 34 (3) of the Arbitration Act. Under the circumstances, this aspect of the matter has been taken into consideration by the learned District Judge and has rightly come to the conclusion that there was no delay in filing the Arbitration Suits and accordingly, allowed the applications for condonation of delay by answering it in the affirmative, which do not call for interference.

4.3. It is further contended by learned counsel that the impugned orders passed by the District Court do not suffer from any illegality or infirmity and the same do not call for interference. However, he makes a fair submission that he agrees with the contention of the appellants that the learned District Judge ought to have remanded the matters after setting aside the awards for reconsideration of the matters by the Arbitrator for deciding the compensation, which has not been done in the present cases. To that extent, he is in agreement with the learned counsel for the appellants. On these grounds, he submits that the appeals may be dismissed.



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

**Contentions of learned HCGP for respondent No.2-
Arbitrator**

5. It is a vehement contention of learned HCGP appearing on behalf of the Arbitrator that there is no illegality in the awards passed by the Arbitrator and also there is no illegality in the impugned orders rendered by the learned District Judge. He sustains the impugned orders and seeks for dismissal of the appeals.

6. Having heard learned counsel for the appellants-land losers, learned counsel for respondent No.1-NHAI and learned HCGP for respondent No.2-Arbitrator, the points that arises for consideration before this Court are:

1. *Whether the impugned orders, in these appeals, passed by the learned District Judge are sustainable in law?*

2. *If so, what order?*

7. It is not in dispute that the lands of the appellants-land losers were acquired by the NHAI for upgradation of the National Highways from 2 to 4 lanes in order to improve the geometry of the existing alignment and to remove the



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

congestion in this urban area so as to achieve travel speed on the National Highway at 80 to 100 kilometers per hour. In pursuance to this, the NHA I started road widening, upgradation activities connecting Chennai and Mumbai. The road in question passes through Chitradurga, Hosapete etc. in the State of Karnataka. In order to widen the road, the acquisition was inevitable. The Competent Authority for land acquisition was appointed by the Central Government under the provisions of Section 3 A of the NH Act. A portion of the properties situated at Bagarakkanagudda, Bennehalli, Mudlamachikere, Donnehalli, Kundawada, Avaragere and Hebbalu villages of Jagaluru Taluk, were acquired for widening the road.

8. It is also not in dispute that the SLAO has awarded certain amount of compensation for each of the land losers separately at the respective rates as mentioned in the award. The land-losers challenged the same before the Arbitrator, wherein the Arbitrator enhanced the compensation two times over and above the awards passed by the SLAO. The NHA I being not satisfied with the awards, questioned the same before the learned District Judge. The learned District Judge



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

agreed to the contentions of NHA I and accordingly, set aside the awards by condoning the delay. While doing so, apparently it is seen that the entire awards of the Arbitrator have been set aside, thereby creating a vacuum with regard to the compensation for the appellants-land losers.

9. This Court is not inclined to accept the argument of learned counsel for the appellants-land losers with regard to the NHA I having approached the District Judge by filing the Arbitration Suits beyond the period prescribed under Section 34 (3) of the Arbitration Act for the reason that Section 34 (3) of the Arbitration Act contemplates filing of an Arbitration Suit may not be made after a period of three months having elapsed from the date of which the party making the application had received the arbitral award and the proviso thereto, further grants an additional period of 30 days as grace period to be condoned, if sufficient cause for making the application has been shown.

10. In the present case, the NHA I has shown sufficient cause for having filed the Arbitration Suits within 30 days



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

period i.e., to be precise the Arbitration Suit is filed after a period of 3 months from the date of receipt of the award and further period of 29 days, which is well within the period contemplated under Section 34 (3) of the Arbitration Act and the proviso therein. It is, however, made clear that the period so contemplated cannot be taken as 90 days and further period of 30 days. It has to be taken as three months as contemplated under Section 34 (3) of the Arbitration Act and further period of 30 days as per the proviso to Section 34 (3) of the Arbitration Act and keeping this in mind, the date of filing of the Arbitration suits by the NHA I are well within time and hence, this contention of the appellants that the suits filed by the NHA I are barred by limitation is negated.

11. Secondly, the learned District Judge has set aside the Arbitral Awards without remanding the matters back to the Arbitrator for reconsideration, which is again not contemplated as whenever the Arbitration Suit is filed, if the District Judge is not satisfied with the award passed by the Arbitrator for whatsoever reason, the arbitral award could be set aside, but however the matter would have to be remanded back to the



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

learned Arbitrator in terms of Section 34 (4) of the Arbitration Act for reconsideration by the learned Arbitrator, which has not been done in the present cases.

12. In view of the decisions made hereinabove, this Court agrees with the contentions of learned counsel for the appellants that the impugned orders are not sustainable. Consequently, calling for interference at the hands of this Court.

13. Accordingly, I pass the following:

ORDER

- i) These appeals are **allowed**.
- ii) The impugned orders dated 28.02.2022, 20.04.2022, 16.03.2022, 10.06.2022 and 13.06.2022 passed in A.S.Nos.5/2019, 4/2019, 9/2019, 3/2019 and 1/2020 respectively by the Prl. District & Sessions Judge, Davanagere, reversing the orders passed by the Deputy Commissioner-cum-Arbitrator, Davanagere, are hereby set aside.
- iii) Matters are remitted back to the Arbitrator for reconsideration of the matters afresh in accordance with law.



CNR: KAHC010312642022

NC: 2026:KHC:39913
MFA No. 4944 of 2022
C/W MFA No. 4974 of 2022
MFA No. 4983 of 2022
AND 2 OTHERS

- iv) The Arbitrator shall decide the matters afresh within a period of Six months from the date of receipt of copy of this order.
- v) It is made clear that this Court has not expressed any opinion on the merits of the matters except giving a finding to the effect that the question of limitation shall not be raised as it is concluded that the Arbitration Suits were filed well within the time in all the matters.
- vi) The Arbitrator is directed to pass separate award in each of the cases rather than passing a common order as was done earlier.

Pending applications, if any, stand disposed of.

Sd/-
(PRADEEP SINGH YERUR)
JUDGE

VM
List No.: 1 SI No.: 2