



IN THE JUDICATURE OF HIGH COURT AT BOMBAY  
BENCH AT AURANGABAD

ARBITRATION APPEAL NO. 103 OF 2025

National Highways Authority Of India PIU Jalgaon  
Through Its Project Director Shivaji V Pawar ...Appellant

**VERSUS**

1. Bhaskar Ninu Zambare,
2. Nalini Madhukar Zambare,
3. Hari @ Bhushan Madhukar Zambare,
4. Chhaya Dnyandev Bhangale,
5. Pushpa Yogesh Warke,
6. Ramchandra Bhaskar Zambare. ...Original Claimants/  
Respondents
7. The Competent Authority Land Acquisition  
And Sub-Divisional Officer at Bhusawal. ...Respondent

...  
Advocate for Appellant : Mr. Manorkar Deepak Suresh  
Advocate for Respondents No.1 : Mr. A. P. Bhandari h/f Mr. K. M. More a/w  
Shubham Zalte  
Advocate for Respondents- Competent Authority : Mr. R. R. Bangar

...

WITH  
CIVIL APPLICATION NO. 8404 OF 2025  
IN ARBA/103/2025

WITH  
CIVIL APPLICATION NO. 13976 OF 2025  
IN ARBA/103/2025

...

AND  
ARBITRATION APPEAL NO. 104 OF 2025

National Highways Authority Of India PIU Jalgaon  
Through Its Project Director Shivaji V Pawar ...Appellant

**VERSUS**

1. Manohar Hari Patil (died) Thr Lrs
- 1.1 Laxmibai Manohar Patil,
- 1.2 Pramod Manohar Patil,
- 1.3 Purushottam Manohar Patil,
- 1.4 Shrikrishna Manohar Patil,
- 1.5 Dinkar Hari Patil, ...Original Claimants/  
Respondents
2. The Competent Authority Land Acquisition  
And Sub-Divisional Officer at Bhusawal. ...Respondent

...

Advocate for Appellant : Mr. Manorkar Deepak Suresh  
Advocate for Respondents No.1.1 to 1.5 : Mr. A. P. Bhandari h/f Mr. K. M.  
More a/w Shubham Zalte  
Advocate for Respondents- Competent Authority : Mr. R. S. Sarvadnya

...

**WITH  
CIVIL APPLICATION NO. 8406 OF 2025  
IN ARBA/104/2025**

**WITH  
CIVIL APPLICATION NO. 13977 OF 2025  
IN ARBA/104/2025**

...

**AND  
ARBITRATION APPEAL NO. 106 OF 2025**

National Highways Authority Of India PIU Jalgaon  
Through Its Project Director Shivaji V Pawar

**...Appellant**

**VERSUS**

1. Sangita Sunil Patil,
2. Nilima Damodhar Warade,
3. The Competent Authority Land Acquisition  
And Sub-Divisional Officer at Bhusawal.

**...Original Claimants/  
Respondents**

**...Respondent**

...

Advocate for Appellant : Mr. Manorkar Deepak Suresh  
Advocate for Respondents No.1 : Mr. A. P. Bhandari h/f Mr. K. M. More a/w  
Shubham Zalte  
Advocate for Respondents- Competent Authority : Mr. R. R. Bangar

...

**WITH  
CIVIL APPLICATION NO. 13979 OF 2025  
IN ARBA/106/2025**

**WITH  
CIVIL APPLICATION NO. 8410 OF 2025  
IN ARBA/106/2025**

...

**AND  
ARBITRATION APPEAL NO. 108 OF 2025**

National Highways Authority Of India PIU Jalgaon  
Through Its Project Director Shivaji V Pawar

...**Appellant**

**VERSUS**

1. Ganesh Nivrutti Varade,

...**Original Claimant/  
Respondent**

2. The Competent Authority Land Acquisition  
And Sub-Divisional Officer at Bhusawal.

...**Respondent**

...

Advocate for Appellant : Mr. Manorkar Deepak Suresh

Advocate for Respondents No.1 : Mr. A. P. Bhandari h/f Mr. K. M. More a/w  
Shubham Zalte

Advocate for Respondents- Competent Authority : Mr. R. D. Sanap

...

**WITH  
CIVIL APPLICATION NO. 8414 OF 2025  
IN ARBA/108/2025**

**WITH  
CIVIL APPLICATION NO. 12518 OF 2025  
IN ARBA/108/2025**

...

**CORAM : ARUN R. PEDNEKER, J.**

**Dated : April 01, 2026**

**JUDGMENT :**

1. By the present Arbitration Appeals, the appellant – National Highway Authority of India has challenged the order passed by the learned Principal District Judge under Section 34 of the Arbitration and Conciliation Act, 1996, whereby the application filed by the appellant under Section 34 of the said Act came to be rejected and the arbitral award passed by the learned Arbitrator under Section 3G(5) of the National Highways Act, 1956

came to be confirmed.

2. Since all the Arbitration Appeals involve common questions of fact and law, they are taken up together for hearing and are being disposed of by this common judgment.

3. For the sake of convenience, the facts in Arbitration Appeal No.103 of 2025 alone are referred to. The brief facts of the appeal are as under :

The National Highways Authority initiated acquisition proceedings for the purpose of widening National Highway No.6 from Jalgaon, Maharashtra to the Gujarat boundary. A notification under Section 3A of the National Highways Act, 1956 was issued on 11/11/2011. The said notification was published in the newspapers pursuant to communication dated 30/12/2011 and the public notice was published on 23/01/2012. Subsequently, a declaration under Section 3D of the said Act was issued on 10/10/2012.

4. The Competent Authority for Land Acquisition (CALA) thereafter passed an award determining compensation at the rate of Rs.340/- per square meter. In addition thereto, compensation to the extent of 10% of the amount was granted towards easementary rights. The lands were classified into two groups, wherein the lands situated at village Kothali and village Muktainagar were treated as belonging to the same group.

5. Being dissatisfied with the amount of compensation awarded by the Competent Authority, the claimants preferred arbitration proceedings under Section 3G(5) of the National Highways Act seeking enhanced compensation as well as statutory benefits under Section 3G(7)(a) to (d) of the Act.

6. Before the Arbitrator, the claimants relied upon several sale instances and led evidence in support of their claim. The relevant sale deeds relied upon are as under:

(i) Sale Deed No.1674 of 2005 dated 22/11/2005 showing consideration at the rate of Rs.3022/- per square meter in respect of Plot No.7 from land Gut No.562 situated at village Muktainagar.

(ii) Sale Deed No.217 of 2010 dated 25/01/2010 showing consideration at the rate of Rs.3375/- per square meter in respect of land Gut No.1075 situated at village Muktainagar.

(iii) Sale Deed No.331 of 2012 dated 13/02/2012 showing consideration at the rate of Rs.4000/- per square meter in respect of land Gut No.542/1 and 543, Plot No.40 situated at village Muktainagar.

Apart from the above sale deeds, other sale instances pertaining to nearby villages were also placed on record.

7. Upon appreciation of the material on record, the learned Arbitrator

held that the registered sale deed dated 13/02/2012 was the most proximate in point of time and therefore could be relied upon for determination of market value. The Arbitrator further held that the claimants were entitled to compensation for severance and loss of property in terms of Section 3G(7)(b) and Section 3G(7)(c) of the National Highways Act. Accordingly, by award dated 26/07/2021 the Arbitrator granted enhanced compensation at the rate of Rs. 2800/- per square meter.

8. Being aggrieved by the said arbitral award, the appellants preferred an application under Section 34 of the Arbitration and Conciliation Act before the learned District Judge challenging the award. The said application came to be dismissed. Hence, the present appeals under Section 37 of the Arbitration and Conciliation Act have been filed.

9. The learned counsel **Mr. D. S. Manorkar** for the appellants has challenged the arbitral award as well as the order passed under Section 34 on the following grounds:

(I) **Illegal reliance on post-notification sale deed**

It is contended that the Arbitrator committed patent illegality by relying upon the post-notification sale deed bearing No.331 of 2012 dated 13/02/2012. According to the appellants, under Section 3G(7)(a) of the National Highways Act, the market value of the land is required to be determined as on the date of notification under Section 3A of the Act,

which in the present case was issued on 11/11/2011. Since the sale deed relied upon by the Arbitrator is subsequent to the said notification, the same ought not to have been considered for determination of compensation.

(II) **Comparison of dissimilar properties**

It is further contended that the Arbitrator erroneously compared dissimilar properties. The lands of the claimants are agricultural lands situated at village Kothali, which is about one kilometer away from Muktainagar. However, the Arbitrator relied upon transactions relating to commercial plots situated within the municipal limits of Muktainagar. It is also submitted that the Arbitrator failed to consider the “size factor”, as the sale instance relied upon pertains to a very small plot.

(III) **Illegality in awarding interest**

It is further submitted that the Arbitrator awarded interest at the rate of 9% per annum from 10/10/2012, though the possession of the acquired land was taken only after the award passed by the Competent Authority on 09/05/2013. Placing reliance on the judgment of the Supreme Court in **R. L. Jain vs. Delhi Development Authority & others reported in (2004) 4 SCC 79** it is contended that interest is payable only from the date of taking physical possession and not from the date of notification.

(IV) **Award of compensation without evidence**

It is further contended that the Arbitrator awarded compensation at the rate of Rs.280/- per square meter towards severance and Rs.246/- per square meter towards loss of easementary rights without there being any documentary evidence such as panchanama or other material to establish such loss. According to the appellants, the claimants failed to lead any evidence to show that they suffered any injury to other immovable property or loss of earnings due to the acquisition.

10. The learned Counsel for the appellant further submitted that the District Court failed to exercise its jurisdiction under Section 34 of the Arbitration Act to set aside the arbitral award.

11. *Per contra*, the learned Counsel **Mr. A. P. Bhandari** holding for **Mr. K. M. More** appearing for the respondent/claimants relied upon the judgment of the Hon'ble Supreme Court in **Chimanlal Hargovinddas v. Special Land Acquisition Officer reported in AIR 1988 SC 1652**, particularly **para 4**, clause **(9)** of the judgment, and submitted that even post-notification sale deeds can be relied upon unless it is specifically pleaded that the prices mentioned therein are inflated or the transaction itself is challenged as not genuine. He further submitted that the sale deed relied upon by the Arbitrator is executed only about three weeks after the notification and there is no evidence to suggest that the price mentioned

therein is inflated. The sale deed is bona fide and has not been challenged by the NH Authority on the grounds of fraud or inflation.

12. As regards the compensation towards easementary rights is concerned, it is submitted that the Competent Authority for Land Acquisition (CALA) itself granted compensation to the extent of 10% towards easementary rights in accordance with the statutory mandate, and the Arbitrator has granted consequential relief in consonance with the enhanced compensation.

13. As regards compensation for loss of profit and severance in terms of Section 3 G (7) (b) and (c) of the National Highways Act, 1956, it is submitted that the claimants have specifically stated in their affidavit that they have suffered losses on account of the acquisition, and the said statement has not been controverted by the National Highways Authority.

14. Apart from the above submissions, the learned Counsel for the respondent further submits that there were several other acquisition proceedings pertaining to the same notification dated 11/11/2011. In one such case, land bearing Gut No.453 of village Muktainagar came to be acquired and compensation was awarded at the rate of Rs.3200/- per square meter on the basis of a registered sale deed dated 13/02/2012. In

the said proceedings also, compensation was awarded towards easementary rights as well as for loss of business. The said awards were challenged by the Authority, however, the challenge failed and the same was also not accepted by this Court. It is submitted that in respect of about 36 such cases, the awards have already been satisfied by the appellant.

15. The learned Counsel for the respondent, therefore, submits that once the Arbitrator has passed the award on the basis of relevant considerations and material placed on record, and the same has been confirmed by the Court while exercising jurisdiction under Section 34 of the Arbitration Act, this Court, in exercise of powers under Section 37 of the Arbitration Act, would be slow in interfering with the same.

16. In support of the above submissions, reliance is placed upon the judgments of the Hon'ble Supreme Court in **Associate Builders v. Delhi Development Authority reported in AIR 2015 SC 620** and **PSA Sical Terminals Pvt. Ltd. v. Board of Trustees of V.O. Chidambaranar Port Trust, Tuticorin reported in (2023) 15 SCC 781**.

17. Having considered the rival submissions, the first question that arises for consideration before this Court is whether the Arbitrator could have relied upon the sale deed dated 13/02/2012 or whether there is any legal bar in relying upon the said sale deed.

18. The Hon'ble Supreme Court in **Chimanlal Hargovinddas** (Supra) has laid down the parameters to be considered while determining compensation. It has been observed that while determining market value, various factors are required to be taken into consideration and one of such factors is that even post-notification sale instances can be taken into account if (i) they are very proximate in point of time, (ii) they are genuine transactions, and (iii) the acquisition itself has not motivated the purchaser to pay a higher price on account of the resultant improvement in development prospects.

19. The said principle has also been followed by this Court in **Goa Industrial Development Corporation v. Maria Tereza N. Quadros reported in 2016(3) All MR 810** and in **Pandurang Ramrao Somvanshi v. State of Maharashtra reported in 2025 BHC (AUG) 14723**.

20. Considering the aforesaid judgments, there is no absolute bar in taking into consideration a post-notification sale deed; however, the market value is required to be determined with reference to the date of the notification. Applying the principles laid down in **Chimanlal Hargovinddas** (supra), it can be seen that the sale deed relied upon by the Arbitrator is executed merely about three weeks after the notification.

There is no evidence on record to indicate that the sale price mentioned therein is inflated and the transaction itself has not been challenged as not being genuine. There is also no contest as regards the bona fide nature of the said sale deed.

21. Even if the other sale deeds placed on record (noted at para 6 above) are considered and the prices therein are suitably adjusted for yearly escalation, the resultant price would broadly correspond with the price reflected in the sale deed dated 13/02/2012.

22. In such circumstances, when the Arbitrator has relied upon the said sale deed dated 13/02/2012 for determination of compensation and the District Court, while exercising jurisdiction under Section 34 of the Arbitration Act, has not interfered with the same, this Court, while exercising appellate jurisdiction under Section 37 of the Arbitration Act, would be slow to interfere with the determination of compensation based on the sale deed dated 13/02/2012.

23. As regards the compensation towards easementary rights is concerned, the same was initially granted by the Competent Authority for Land Acquisition (CALA) and the said grant was not specifically challenged by the National Highways Authority while contesting the enhancement of the market value of the land. Consequently, upon enhancement of the

compensation for the acquired land, there would naturally be a corresponding increase in the total amount payable towards loss of easementary rights. Similarly under Section 3 G (7)(c) compensation is also granted by CALA.

24. As regards the grant of compensation under Section 3G(7)(b) and (c) of the National Highways Act, 1956, it is to be noted that the claimants have made specific statements in their affidavits regarding the losses suffered by them on account of the acquisition. In the case of **Krishna Balchandra Hadfadkar and Ors. vs. Special Land Acquisition Officer and The Managing Director, reported in MANU/MH/0159/2013**, this Court has held that even if the issue of severance is not raised or framed, the same has to be considered if the facts justify severance. This Court in Krishna (supra) has observed as under :

“22. it is true that in the reference application, the applicants had not claimed compensation towards severance charges. It is also true that no issue was framed in that regard. However, the fact remains that due evidence was led by the applicants on this aspect. In the case of “Caetano Jose Filomeno (Dr.)” (supra), this Court has held that the question of severance of land was liable to be considered even if no such issue was framed and even if no such plea was taken by the applicant in his application for reference.”

25. Similarly in the case of **Dr. Caetano Jose Filomeno Jacinto de**

**Loiola Pereira vs. Deputy Collector, South, Sub-Division and Ors., reported in 2005 (1) All MR 797**, this Court at paragraph No.22 held as under :

“22. The next grievance made on behalf of the applicant is that by the present acquisition their remaining property of survey No.363/1 was severed as a result of which it has now remained landlocked without there being any access. The applicant in his evidence before the Court had stated that in view of the acquisition the property under survey No.363/1 remained blocked without any access. There is no doubt that no issue on this aspect was framed by the Court nor such a plea was taken by the applicant in his application for reference. Nevertheless if the Court is required to determine the market value of the acquired land by sitting, on the armchair of a willing purchaser and in our view it is right so, this factor certainly ought to have been considered by the learned Trial Court. Shri Noronha has placed reliance on several decisions regarding this aspect of the case. In *Government v. The Century Spinning and Manufacturing Co. Ltd.* MANU/MH/0092/1941 : A.I.R.1942 Bom 105 wherein this Court observed that when large proportion of frontage is acquired and a relatively small amount of frontage is left with the owner of the remaining land, he is entitled to some compensation in respect of severance. Reliance has also been placed on the case of *Radhey Shyam v. Haryana State* MANU/PH/0155/1981 wherein it is observed that the claimants were entitled to compensation for severance. In the case of *Smt. Kasturi Devi an Ors. vs. The Collector, Nainital* MANU/UP/0607/1982: A.I.R. 1983 All 338 after the acquisition

of 20,000 Sq. ft. of land the remaining area was deprived of frontage on the road and a Division bench of that Court observed that this would certainly diminish the value of the land to some extent. However, no evidence was produced to show as to what extent the value of the remaining land had diminished, but still the Court held, that it was difficult to hold that severance of the disputed land had diminished the value of the remaining land and in the absence of positive evidence, the Court considered to award Rs.2000/- as damages sustained by the applicants on account of severance of land. In the case of Amirbibi and Ors. vs. Special Land Acquisition officer, MANU/GJ/0146/1984: AIR1981 Guj 219 a division bench of that court stated that it could not be laid down as a rule of law that where expert assistance is not available and where a reasonable guess can be made from whatever evidence there is on record, the Court would be precluded from doing so only because the expert evidence is not led in a particular case. The Court further felt that damage suffered by the claimants could not go uncompensated altogether and that they should make their best endeavour to meet out justice to them, although they must be on guard while doing so, as their conclusion must be based on a broad basis and commonsense inference. The Court therefore proceeded after considering pros and cons of the questions to award compensation for injurious affection to Rs.2/- per sq. metre as it would serve the purpose.”

26. The Arbitrator has considered the uncontroverted affidavits and the evidence while determining the compensation. It is evident that the lands

of the claimants were not acquired in their entirety, but only partially for the purpose of widening or expansion of the National Highway. This position is also reflected in their claim applications filed before the CALA.

Each of the claimants specifically raised the issue of severance before the CALA, and the same is duly recorded in the CALA awards. For ready reference, one such objection and the corresponding finding are set out in the table below -

अर्जाचा मध्यवर्ती /एस आर क्रमांक	अर्ज प्राप्त दिनांक	जेडी अधिसूचनेतील प्रसिध्द स.नं./ग. नं./भूखंड क्र. व क्षेत्र	स.नं. / ग.नं. भूखंड क्र.	क्षेत्र चौ. मी.	हरकतदार/ हितसंबंधितां चे नांव व पत्ता	हरकतदार/ हितसंबंधित इसमाचा अर्जात नमूद हरकतीचे मुद्दे (थोडक्यात मागणीचा तपशील)	हरकत अर्जासोबत अ) इसमाने दाखल केलेली कागदपत्रे ब) सुनावणी च्या दिवशी क) सुनावणी च्या दिवशी नंतर	हरकत अर्जावरील निर्णय
१	२	३	३ अ	४	५	६	७	
९	९/१/१३	कोथळी गट नं. ११०/१	१७६८		श्री अनिल नारायण जंगले वगैरे रा. कोथळी ता. मुक्ताईनगर	१) मिळकत बागायती व संभाव्य बिनशेती स्वरूपाची असून संपादित क्षेत्रास चालू बाजार भावाने व प्रति चौ. मी. रु.३०००/- दराने नुकसान भरपाई देणेत यावी. मिळकत वाणिज्य क्षमतेची आहे म्हणून चौ.फुट दराने/ चालू बाजार भावाने नुकसान भरपाई मिळावी. २) अंशतः क्षेत्र	ट) अॅडव्होकेट श्री. वा. ए. महाजन व पी. सी. चौधरी यांचे वकीलपत्र	सुनावणीचे वेळी अर्जदार / वकील गैरहजर. १) हरकतीत नमूद मागण्यांच्या पुष्ट्यार्थ कोणताही पुरावा जोडलेला नाही त्यामुळे हरकत फेटाळणेत येत आहे. २) मिळकतीचे

				<p>संपादनामुळे उर्वरीत क्षेत्राचे अवमूल्यन लक्षात घेता त्याची योग्य ती नुकसान भरपाई मिळावी.</p> <p>३) संपादन क्षेत्रातील पीव्हीसी पाईपलाईन (विहिर १/२ हिस्सा) यांचे मूल्यांकन होउन नुकसान भरपाई देणेत यावी.</p> <p>४) जागेचे / बांधकामाचे एकुण किंमतीवर १०% वहिवाट रक्कम देणेत यावी.</p> <p>५) भूसंपादन कायदा १८९४ चे तरतुदीनुसार जमिनीचे/बांधकामाचे एकुण रकमेवर ३०% दिलास रक्कम व योग्य ते कॉपोनंट देणेत यावे.</p> <p>६) राष्ट्रीय महामार्ग अधिनियम १९५६ चे कलम ३डी मधील तरतुदीनुसार योग्य ती नुकसान भरपाई देणेत यावी.</p>	<p>उर्वरीत क्षेत्र संपादन होउन नुकसान भरपाई देणेची कायद्यात तरतुद नसलेले हरकत फेटाळणेत येत आहे.</p> <p>३) संयुक्त मोजणी पत्रकात नमूद पाईपलाईनचे मूल्यांकन होउन नुकसान भरपाई देणेत येईल.</p> <p>४ व ५) जागेचे/ बांधकामाचे किंमतीवर १०% वहिवाटीची रक्कम देणे, भूसंपादन कायद्याच्या तरतुदीनुसार जमिनीचे / बांधकामाचे रकमेवर ३०% दिलासा रक्कम / कॉपोनंट देणेची कायद्यात तरतुद नसलेने हरकती फेटाळणेत येत आहे.</p> <p>६) बाजार भावाप्रमाणे मूल्यांकन ठरवितांना कायदेशीर पध्दतीचा अवलंब करणेत येणार आहे.</p>
--	--	--	--	---	---

27. The acquisition for widening of road takes place of a large strip of land, generally narrow in width, affecting only a portion of larger land

holdings belonging to several land owners. As a result, such acquisition may cause severance and may also adversely affect the usability and economic utility of the remaining land. The Arbitrator, taking into consideration the affidavits and statements of the claimants as well as the nature of the acquisition, has granted compensation towards severance.

28. The power of the 'Court' to interfere with arbitral award under Section 34 and of this Court under Section 37 of the Arbitration Act needs to be noted before considering the above submissions on merits of arbitral award. The Supreme Court in the case of **PSA Sical Terminals Private Limited Vs. Board of Trustees of V.O. Chidambaranar Port Trust Tuticorn and Anr. reported in (2023) 15 SCC 781** has observed that it is a settled legal position, that in an application under Section 34, the court is not expected to act as an appellate court and reappraise the evidence. The scope of interference would be limited to grounds provided under Section 34 of the Arbitration Act. The interference would be so warranted when the award is in violation of "public policy of India", which has been held to mean "the fundamental policy of Indian law". A judicial intervention on account of interfering on the merits of the award would not be permissible. However, the principles of natural justice as contained in Section 18 and 34(2)(a)(iii) of the Arbitration Act would continue to be the grounds of challenge of an award. The ground for interference on the basis that the award is in conflict with justice or morality is now to be understood

as a conflict with the "most basic notions of morality or justice". It is only such arbitral awards that shock the conscience of the court, that can be set aside on the said ground. An award would be set aside on the ground of patent illegality appearing on the face of the award and as such, which goes to the roots of the matter. However, an illegality with regard to a mere erroneous application of law would not be a ground for interference. Equally, reappraisal of evidence would not be permissible on the ground of patent illegality appearing on the face of the award.

29. The Hon'ble Supreme Court in **PSA Sical Terminals Private Limited** (supra) has further observed that a decision which is perverse, though would not be a ground for challenge under "public policy of India", would certainly amount to a patent illegality appearing on the face of the award. However, a finding based on no evidence at all or an award which ignores vital evidence in arriving at its decision would be perverse and liable to be set aside on the ground of patent illegality.

30. To appreciate the test of perversity, the Hon'ble Supreme Court in **PSA Sical Terminals Private Limited** (supra) in para 42 has further held as under :-

"42. To understand the test of perversity, it will also be appropriate to refer to paragraph 31 and 32 from the judgment of this Court in Associate Builders (supra), which read thus:

31. The third juristic principle is that a decision which is perverse or so irrational that no reasonable person would have arrived at the same is important and requires some degree of explanation. It is settled law that where:

(i) a finding is based on no evidence, or

(ii) an Arbitral Tribunal takes into account something irrelevant to the

decision which it arrives at; or

(iii) ignores vital evidence in arriving at its decision,

such decision would necessarily be perverse.

32. A good working test of perversity is contained in two judgments. In *Excise and Taxation Officer-cum-Assessing Authority v. Gopi Nath & Sons* [1992 Supp (2) SCC 312], it was held:

"7. ... It is, no doubt, true that if a finding of fact is arrived at by ignoring or excluding relevant material or by taking into consideration irrelevant material or if the finding so outrageously defies logic as to suffer from the vice of irrationality incurring the blame of being perverse, then, the finding is rendered infirm in law."

In *Kuldeep Singh v. Commr. of Police* (1999) 2 SCC 10, it was held:

"10. A broad distinction has, therefore, to be maintained between the decisions which are perverse and those which are not. If a decision is arrived at on no evidence or evidence which is thoroughly unreliable and no reasonable person would act upon it, the order would be perverse. But if there is some evidence on record which is acceptable and which could be relied upon, howsoever compendious it may be, the conclusions would not be

treated as perverse and the findings would not be interfered with.”

31. The Hon’ble Supreme Court at para 14 in the case of **MMTC Limited Vs. Vendanta Limited reported in (2019) 4 SCC 163** has further observed that as far as interference with an order made under Section 34, as per Section 37, is concerned, it cannot be disputed that such interference under Section 37, cannot travel beyond the restrictions laid down under Section 34. In other words, the Court cannot undertake an independent assessment of the merits of the award, and must only ascertain that the exercise of power by the Court under Section 34 has not exceeded the scope of the provision. Thus, it is evident that in case an arbitral award has been confirmed by the Court under Section 34 and by the Court in an appeal under Section 37, this Court must be extremely cautious and slow to disturb such concurrent findings.

32. As observed in above noted Judgment of Supreme Court i.e. **PSA and M.M.T.C.**, (Supra) the power of this Court to interfere with an arbitral award is extremely limited. Unless the award suffers from *patent illegality* or falls within the limited grounds contemplated under Section 34 of the Arbitration and Conciliation Act, 1996, interference would not be warranted. The scope of interference becomes even narrower while

exercising appellate jurisdiction under Section 37 of the said Act.

33. This Court has also taken into consideration that in respect of the same acquisition proceedings, several other awards have attained finality on account of delay in filing application under Section 34 of the Act.

34. Considering the totality of the circumstances, this Court is of the opinion that no case is made out for interference with the award passed by the Arbitrator. The Arbitrator has assessed the value of the land considering the relevant material before him and has granted compensation for severance, loss of business, and loss of easementary rights. The same is based on the material on record and is in accordance with the law as noted in the above-referred judgments of this Court. Consequently, while exercising jurisdiction under Section 37 of the Arbitration and Conciliation Act, 1996, this Court finds no reason to interfere with the impugned judgment under Section 34 and the award, passed by the Arbitrator.

35. In view of the orders passed in all the arbitration appeals today, all civil applications seeking withdrawal of amounts are allowed. However, since the National Highway Authority intends to challenge this order, the

applicants shall furnish an undertaking to this Court stating that, in the event any favourable order is passed in favour of the National Highway Authority, they will redeposit the amount withdrawn within a period of four weeks.

36. All other pending applications for interim relief/ stay stand disposed of.

**( ARUN R. PEDNEKER, J. )**

*vj gawade/-.*