



**HIGH COURT OF JUDICATURE FOR RAJASTHAN AT
JODHPUR**

S.B. Civil Writ Petition No. 1724/2024

Pradeep Singh S/o Ranjeet Singh, Aged About 36 Years, By
Caste Jat Sikh, R/o Chak 46 F, Tehsil Srikaranpur, District
Sriganganagar(Raj.).

----Petitioner

Versus

1. Union Of India, Through Secretary, Ministry Of
Transportation And Road Highway, New Delhi.
2. Project Director, National Highway Tribunal Working Unit
Hanumangarh Junction.
3. District Collector (Authorized Arbitral Tribunal),
Sriganganagar.
4. Competent Authority (Land Acquisition) And Sub
Divisional Officer (Revenue) Srikaranpur, District
Sriganganagar.

----Respondents

Connected With

S.B. Civil Writ Petition No. 458/2024

Sukhdarshan Singh S/o Resham Singh, Aged About 70 Years, By
Caste Jat Sikh, R/o Chak 46 F, Tehsil Srikaranpur, District
Sriganganagar (Raj.).

----Petitioner

Versus

1. Union Of India, Through Secretary, Ministry Of
Transportation And Road Highway, New Delhi.
2. Project Director, National Highway Tribunal Working Unit
Hanumangarh Junction.
3. District Collector, (Authorized Arbitral Tribunal)
Sriganganagar.
4. Competent Authority (Land Acquisiton) And Sub
Divisional Officer (Revenue), Srikaranpur, District
Sriganganagar.

----Respondents

S.B. Civil Writ Petition No. 459/2024

Ranjeet Singh S/o Pala Singh, Aged About 65 Years, By Caste Jat
Sikh, R/o Chak 46 F, Tehsil Srikaranpur, District Sriganganagar
(Raj.).

----Petitioner

Versus

1. Union Of India, Through Secretary, Ministry Of
Transportation And Road Highway, New Delhi.
2. Project Director, National Highway Tribunal Working Unit
Hanumangarh Junction.





3. District Collector, (Authorized Arbitral Tribunal) Sriganganagar.
4. Competent Authority (Land Acquisiton) And Sub Divisional Officer (Revenue), Srikaranpur, District Sriganganagar.

-----Respondents

S.B. Civil Writ Petition No. 1720/2024

Jitendra Singh S/o Malkiyat Singh, Aged About 47 Years, By Caste Jat Sikh, R/o Chak 46 F, Tehsil Srikaanpur, District Sriganganagar (Raj.).

-----Petitioner

Versus

1. Union Of India, Through Secretary, Ministry Of Transportation And Road Highway, New Delhi.
2. Project Director, National Highway Tribunal Working Unit Hanumangarh Junction.
3. District Collector (Authorised Arbitral Tribunal), Sriganganagar.
4. Competent Authority (Land Acquisition), And Sub Divisional Officer (Revenue) Srikaranpur, District Sriganganagar.

-----Respondents

For Petitioner(s) : Mr. Gopi Ram Goyal
For Respondent(s) : Mr. Sanjay Raj Paliwal, GC
Mr. Devki Nandan Vyas

HON'BLE MR. JUSTICE SANJEET PUROHIT

Order

Reportable

08/05/2026

1. Present bunch of writ petitions has been filed challenging order dated 16.11.2023 passed by Respondent No. 3 - learned Arbitrator-cum-District Collector, Sriganganagar, refusing to entertain applications submitted by petitioners under Section 3G(5) of the National Highways Act, 1956 ("*the Act of 1956*") and also declining to adjudicate upon the objections raised by petitioners regarding quantum of compensation determined by the Competent Authority for Land Acquisition ("*CALA*"), particularly in





relation to denial of compensation for trees standing upon acquired land.

2. Learned Arbitrator had returned the applications on the ground that, since no amount of compensation under the head of standing trees had been quantified, determined, or awarded by the CALA, applications preferred under Section 3G(5) of the Act of 1956 are not maintainable.

3. Since all petitioners are aggrieved by orders of identical nature passed on the same date, and common questions of law are involved, this Court deems it appropriate to decide present bunch of petitions by way of a common order.

4. For the sake of convenience, facts pertaining to S.B. Civil Writ Petition No. 1724/2024 are being taken into consideration.

4.1 Learned counsel for petitioner stated that for the purpose of construction of the Bharatmala Project Package 3 (Part-I), khatedari land of petitioner situated in Chak 46 F Moda, Tehsil Sri Karanpur, District Sri Ganganagar, was acquired. It is contended that during the pendency of acquisition proceedings, Respondent No. 4 – CALA obtained a report from Tehsildar, in which report it was clearly recorded that an orchid existed upon petitioner's land and kinnu and khajoor (date palm) trees were standing thereon.

4.2 It is further stated that despite said report, the CALA, while passing award dated 24.06.2022, refused to grant any compensation in respect of said trees. Such compensation was denied on the ground that the trees appeared to have been planted / grown solely with a view to claim enhanced





compensation and, therefore, petitioner was held disentitled to compensation in respect thereof.

4.3 Being aggrieved by quantum of compensation determined, and more particularly by denial of compensation under the head of standing trees, petitioner preferred an application under Section 3G(5) of the Act of 1956 before learned Arbitrator-cum-District Collector, Sri Ganganagar. However, learned Arbitrator refused to entertain said application vide its order dated 16.11.2023 holding the same as not maintainable and returned the same to petitioner for availing appropriate remedy before competent forum. Learned Arbitrator held that since no amount had been quantified by CALA under the head of compensation for standing trees, thus, the same did not amount to "*determination of amount*" within the meaning of Section 3G(5) of the Act of 1956 and, therefore, no dispute regarding inadequacy or insufficiency of compensation in respect thereof could arise.

4.4 Challenging said order, present writ petitions have been filed.

5. Learned counsel for petitioners submitted that impugned order dated 16.11.2023 passed by learned Arbitrator is wholly erroneous, arbitrary, and contrary to scheme and spirit of the Act of 1956. It is contended that while determining compensation payable to petitioners, CALA specifically denied compensation for standing trees by assigning its own reasons, and such denial itself amounts to determination of compensation under that particular head. Therefore, application under Section 3G(5) of the Act of 1956 before learned Arbitrator was, in fact, maintainable.





5.1 It is further contended that learned Arbitrator adopted a narrow and hyper-technical interpretation of Section 3G(5) of the Act of 1956. It is contended that whenever compensation under a particular head is refused or denied by CALA, such denial also amount to determination of compensation and legality and correctness of such denial can also be adjudicated by Arbitrator under Section 3G(5) of the Act of 1956 and by no other forum.

6. *Per contra*, learned counsel for respondents, while supporting impugned order dated 16.11.2023, submitted that rejection of applications by learned Arbitrator is wholly justified. It is argued that, after coming to know about proposed acquisition proceedings, petitioners had planted and grown kinnu and date palm trees with the sole view to claim an inflated amount of compensation. Therefore, CALA rightly declined to grant compensation under said head.

6.1 It is further argued that as no amount of compensation had been determined by CALA towards standing trees, thus, applications under Section 3G(5) were not maintainable, as said provision contemplates adjudication only in relation to the amount determined by the CALA. On aforesaid basis, learned counsel for respondents prayed for dismissal of writ petitions.

7. Heard learned counsel for the parties and perused the material available on record.

8. The sole question involved in present litigation pertains to interpretation of Section 3G(5) of National Highways Act, 1956, namely, whether an application under Section 3G(5) is maintainable where compensation under a particular head has





been denied by Competent Authority for Land Acquisition while determining compensation.

9. It is pertinent to observe at the outset that the National Highways Act, 1956 is a complete code in itself and provides a comprehensive mechanism not only for acquisition of land through designated authorities, but also for determination of compensation and adjudication of disputes relating thereto.

9.1 In order to appreciate the controversy involved herein and adjudicate the issue raised, this Court deems it appropriate to take into account relevant provisions of National Highways Act, which are reproduced below :

Section 3(b) of the Act defines "land as under:-

"3. Definitions.— In this Act, unless the context otherwise requires,—

(b) "land" includes benefits to arise out of land and things attached to the earth or permanently fastened to anything attached to the earth."

Section 3G(5) of the Act reads as under:-

"3G. Determination of amount payable as compensation.—

(5) If the amount determined by the competent authority under sub-section (1) or sub-section (2) is not acceptable to either of the parties, the amount shall, on an application by either of the parties, be determined by the arbitrator to be appointed by the Central Government."

A reading of Section 3(b) makes it clear that definition of "land" provided therein is inclusive in nature and covers within its





purview, inter alia, things attached to the earth. It is settled proposition of law that standing trees constitute things attached to the earth, thus, final determination of compensation of land, therefore, necessarily includes determination of compensation of things attached to such land including trees.

9.2 This view finds support from judgment passed by Hon'ble Calcutta High Court in the case of **Sagar Dey vs. State of West Bengal & Ors., reported in 2018 SCC OnLine Cal 9747**, wherein, while interpreting Sections 3(b) and 3G(5) of the Act of 1956, it has been held that disputes pertaining to compensation in respect of structures standing on the acquired land as well as other rights arising out of land are equally amenable to arbitration under Section 3G(5). Relevant paras are extracted below: -

"8. Therefore, when the amount determined - either for land or for the said rights arising out of land, as mentioned in sub-sections (1) and (2) respectively - is not acceptable to either of the parties, and either party has been allowed to apply to the Central Government for appointment of an arbitrator to determine the amount, it naturally refers to compensation for land including structures standing thereon, as also the compensation for the said stated rights arising out of land.

9. I can put it even more simply - any reference to arbitration may be either because a party does not accept the compensation determined by the competent authority for the land and the structure because land includes the structure standing thereon, or because he does not accept the compensation determined by the competent authority for the acquisition of the said rights arising out of the land.

10. *****





11. *The statutory scheme indicates that the only recourse given to a person whose land, including structures thereon and/or rights in land are acquired or affected by acquisition for such public purpose as aforesaid, and who is not satisfied with the compensation determined by the competent authority, is arbitration. This was the intention of the legislature. Therefore, any interpretation which advances this legislative intention, which also minimizes the time and expense of a protracted formal litigation, is to be preferred over any interpretation which would leave the person concerned without a remedy in a law providing for expropriation. If the interpretation advanced by the Learned Advocates of the State, that since "structure" or building is not separately and specifically mentioned in sub-sections (1), (2) or (5) of Section 3G, therefore, no arbitration is possible in case of the acquisition of the structure, standing on the land which is acquired, is accepted, then it will make mince-meat out of the legislative intention, and hence, such interpretation is expressly repelled.*

12. *Therefore, I hold that acquisition of land under the said Act of 1956 includes acquisition of the permanent structures on the said land, including buildings, and the compensation amount determined under Section 3G(1) of the Act of 1956 must also include in terms of what the competent authority determines under sub-section (7), the fair market value of the permanent structures thereon, and a person aggrieved by the amount of compensation even in case of the amount or sum determined for the structure, can seek reference of that dispute before the arbitrator to be appointed under subsection (5) of Section 3G and if he seeks such reference, the arbitrator is duty bound to decide the dispute and enhance or refuse to enhance the compensation even on that count, but is not entitled to refuse to accept such reference or refuse to consider such dispute."*

9.3 This Court is of considered opinion that once the CALA examined the claim relating to such trees and declined





compensation by assigning reasons, the same constituted a determination under that particular head of compensation. Consequently, if such determination, even in the form of denial was not acceptable to petitioners, recourse to arbitration under Section 3G(5) of the Act of 1956 could not have been denied to them.

10. This Court further finds that the expression employed in Section 3G(5), namely, "if the amount determined by the competent authority is not acceptable to either of the parties," is of wide import and cannot be construed in a narrow or pedantic manner so as to exclude disputes where compensation under a particular head has been wholly denied.

10.1 This Court is of the considered opinion that claims relating to items attached to the acquired land, such as trees and structures, form part of the overall compensation payable. Consequently, any dispute concerning such claims—whether arising from undervaluation or complete denial—may validly be raised before the Arbitrator under Section 3G(5) of the Act.

The expression "amount determined" cannot be confined to the narrower meaning of "amount quantified." Determination is a process whereby a claim is examined in light of the material available on record and adjudicated upon after due application of mind and recording of reasons. Acceptance of a claim in whole or in part, or its rejection in toto or under a specific head, is merely the consequence of such determination.

10.2 The scope of adjudication by an Arbitrator under Section 3G(5) of the Act is sufficiently broad to determine the correct and





justified compensation payable under each head, and is not restricted merely to reviewing items already assigned a numerical value.

In other words, the Arbitrator is empowered to adjudicate all objections and disputes relating to each head of compensation, including claims that have been wrongly excluded or inadequately valued, and cannot reject such objections merely because the CALA did not assign a quantified amount to a particular head.

A decision refusing compensation, when supported by reasons, reflects due application of mind by the competent authority and therefore constitutes a "determination," albeit in the form of denial. In view of the foregoing discussion, such determination is amenable to arbitral scrutiny under Section 3G(5) of the Act of 1956.

11. If the interpretation adopted by the learned Arbitrator were accepted, a landholder whose claim under a particular head of compensation has been rejected outright by the CALA would be left without an effective remedy, leading to an anomalous situation concerning the adjudication of such claims.

For instance, where compensation awarded under certain heads is challenged as undervalued, while claims under other heads are entirely rejected, acceptance of the Arbitrator's interpretation done in present case, would result in strange situation where disputes regarding undervaluation being adjudicated by the Arbitrator, whereas disputes arising from complete denial under another head would have to be pursued before a different forum. Such an interpretation would defeat the legislative intent





underlying Section 3G(5) of the Act of 1956 and therefore cannot be sustained.

11.1 This Court is further of the considered opinion that claims which are undervalued and claims assigned a nil value cannot be treated differently. Section 3G(5) provides a statutory mechanism for adjudication of all disputes relating to the award of compensation under the National Highways Act. An omission or refusal by the CALA to value a compensable component itself constitutes a dispute falling within the jurisdiction of the Arbitrator. Since the Act provides a self-contained mechanism for resolution of disputes concerning the quantum of compensation, there remains no scope for relegating landowners to any other forum for adjudication of disputes of such nature.

12. As an upshot of above discussion, it is held that learned Arbitrator-cum-District Collector committed manifest illegality and jurisdictional error in rejecting applications preferred by petitioners under Section 3G(5) of National Highways Act, 1956 as not maintainable.

13. Consequently, present writ petitions are **allowed**. Impugned orders dated 16.11.2023 passed by learned Arbitrator-cum-District Collector, Sri Ganganagar are hereby quashed and set aside. It is held that objections regarding denial of claim under any head are also arbitrable and maintainable under Section 3G(5) of the NH Act. Matters are remanded back to learned Arbitrator-cum-District Collector, who shall restore applications to their original numbers and decide the same on merits, in accordance with law.





14. Since present writ petitions have been pending before this Court for last three years, learned Arbitrator is directed to decide applications of petitioners expeditiously, preferably within a period of three months from the date of receipt of a certified copy of this order.

15. Stay applications and all other applications, if any, are also **disposed of.**

(SANJEET PUROHIT),J

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