IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMM ARBITRATION PETITION NO. 543 OF 2025

Municipal Corporation of Greater Mumbai ...Petitioner

Versus

1. Kekobad Dossabhoy Doongriwalla
2. Khorshed Navzar Wadia

...Respondents

WITH
INTERIM APPLICATION (L) NO. 23543 OF 2023
IN
COMM. ARBITRATION PETITION NO. 543 OF 2025

Mr. Yashodeep Deshmukh, a/w Ms. Pooja Yadav and Mr. Shivprasad Borade, for the Petitioner.
Mr. Rashmin Khandekar, a/w Ms. Dhawani Bokaria, Ms. Akshata Modi, Ms. Praharshi Saxena and Mr. Rahul Agrawal i/b M/s. Purnanand & Co., for the Respondents.

CORAM: N. J. JAMADAR, J.
RESERVED ON: 15th JULY, 2026
PRONOUNCED ON: 29th JULY, 2026

JUDGMENT :

1. This petition is filed to set aside an interim award dated 15th February, 2023, passed by the learned Sole Arbitrator, under the provisions of Section 34 of the Act, 1996 ("the Act, 1996").

2. The background facts leading to this petition can be summarised as under:

2.1 Late Dinshaw Cawasji Doongriwalla was the owner of the land admeasuring 11 Gunthas 2 Annas/1113.2 sq. mtrs., bearing Survey No. 121, Hissa No. 2, situated at Village Majiwada, Thane, ("the subject property"). Respondent Nos. 1 and 2 – original claimants are the successors-in-interest of late Dinshaw. Out of the subject property, a portion admeasuring 14 Annas came to be acquired by the Petitioner - Municipal Corporation for constructing Tansa Lake pipeline protective wall and other buildings for the Corporation. An award was passed by the Assistant Collector, Thane on 16th November, 1951.

2.2 Proceedings ensued between the Predecessor-in-title of the claimants and the Municipal Corporation, culminating in an order dated 7th July, 2014 in SA/1216/2005, whereby the parties were referred to arbitration for the determination of the market value and compensation of the acquired land. An award was passed by the Arbitrator on 31st July, 2015 in accordance with the provisions of the Land Acquisition Act, 1894.

2.3 In a challenge at the instance of the Respondents, the said award was set aside by this Court, and it was held that the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("LARR Act, 2013") governed the reference, and 7th July, 2014 was fixed as the date for determining the market value of the acquired land.

2.4 The Respondents invoked the arbitration afresh. By an order dated 24th August, 2018 under Section 11(6) of the Act, 1996, a Sole Arbitrator came to be appointed to determine the market value of the subject property and the consequential entitlements under the LARR Act, 2013.

2.5 In the arbitral proceedings, on 12th April, 2021, the Municipal Corporation filed its Statement of Defence. In the said Statement of Defence, the Municipal Corporation purportedly made an express admission in regard to the entitlement of the claimants for compensation and annexed a statement of calculation thereto.

2.6 On the basis of the said admission, the learned Sole Arbitrator was persuaded to pass an interim award dated 15th February 2023 under Section 31(6) of the Act, 1996. The learned Arbitrator was of the view that, in the Statement of Defence, the Municipal Corporation had contended that the market value of the acquired land as specified under the Indian Stamp Act, 1899, as of the year 2014, was Rs.28,500 per sq. mtr. Construing the said statement as an admission, the learned Sole Arbitrator passed the impugned interim award, observing *inter alia* that, in view of the provisions contained in Section 26 of the LARR Act, 2013, the value of the land would be higher of the market value specified under the Indian Stamp Act under clause (a), the average sale price for similar type of land under clause (b), or the consented amount of compensation as agreed upon under Sub-section (2) of Section 2, under clause (c). Resultantly, irrespective of the acceptance of the claimants claim as to the market value of the acquired land, the compensation to be awarded to the claimants would be calculated, at least, at the rate of Rs. 28,500/- per sq. mtr.. Thus, the learned Sole Arbitrator computed the compensation at the rate of Rs. 28,500/- per sq. mtr. and the admissible entitlements under the provisions of the LARR Act, 2013. Consequently, the impugned award was passed directing the Municipal Corporation to pay an amount of Rs. 14,15,90,119 as interim compensation, along with further interest up to the date of payment.

3. Being aggrieved, the Municipal Corporation has filed this petition seeking to set aside the interim award. A slew of exceptions are taken to the interim award. It was, *inter alia*, contended that the learned Sole Arbitrator has transgressed the jurisdictional limit in passing the impugned interim award. The interim award is patently illegal and the perversity therein stares in the face. The learned Sole Arbitrator has passed the interim award by completely misreading and misconstruing the pleadings. Neither were the parties put to notice that the Sole Arbitrator would take up the matter for passing an interim award, nor any issue was framed. The learned Sole Arbitrator did not decide any issue and, thus, the interim award is beyond the scope of the power conferred under Section 31(6) of the Act, 1996. In fact, when the arbitral proceeding was ripe for final arguments, the learned Sole Arbitrator *suo motu* passed the interim award and, thus, the interim award is in contravention of the fundamental policy of Indian law.

4. An affidavit in reply has been filed on behalf of the Respondents.

5. I have heard Mr. Yashodeep Deshmukh, the learned Counsel for the Petitioner, and Mr. Rashmin Khandekar, the learned counsel for the Respondents, at some length. The learned Counsel took the Court through the pleadings before the Arbitral Tribunal, the impugned interim award and the material on record.

6. Mr. Yashodeep Deshmukh, the learned counsel for the Petitioner, submitted that the impugned interim award is *ex* *facie* perverse and patently illegal. The Respondents-claimants had not made any application for passing the interim award. Thus, the Municipal Corporation was never called upon to meet a situation where it was required to resist the passing of the interim award. The Sole Arbitrator proceeded to pass the interim award *suo motu,* when the arbitral proceeding was fixed for final arguments. On this count itself, the impugned interim award deserves to be quashed and set aside.

7. Secondly, Mr. Deshmukh assiduously submitted that there was no admission as such, which could be attributed to the Municipal Corporation. The learned Sole Arbitrator had completely misconstrued the pleadings of the Municipal Corporation by resorting to a selective reading of the Statement of Defence. It was submitted that the statement made by the Municipal Corporation that the suit property was included in Zone-6/26 in the Annual Statement of Rates and for which the rate was Rs. 28,500/- per sq. mtr. was to controvert the statement made on behalf of the claimants that in the Statement of Claim that, as per the Ready Reckoner issued by the Government of Maharashtra, the value of the open land per square meter was Rs. 35,500/-. Such refutation on the part of the Municipal Corporation could not have been construed as an admission.

8. Amplifying the submissions, Mr. Deshmukh would urge to pass a judgment on admission under Order XII Rule 6 of the Code of Civil Procedure, 1908, as is well recognised, the admission must be clear, unequivocal, and unqualified. In the absence of such a clear and unequivocal admission, the Court/Arbitral Tribunal does not get jurisdiction to pass a judgment on admission, thereby foreclosing not only the right of defence but even an appeal against such an order/ award. To this end, Mr. Deshmukh placed a very strong reliance on the decisions of the Supreme Court in the cases of ***Vikrant Kapila and another vs. Pankaja Panda and others***[1] and ***Pushpa and others vs. Dayawati and others***[2]***.***

9. Thirdly, Mr. Deshmukh would urge, compensation for acquisition of the land can never be paid in a piecemeal manner. The award of solatium under Section 30 and the interest under Section 80 of the LARR Act, 2013 can only be on the compensation finally determined. By awarding solatium and interest on the amount of interim compensation, the learned

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1 (2024) 18 Supreme Court Cases 695.

2 2026 SC OnLine SC 1013.

Sole Arbitrator has destroyed the very integrity of the arbitral proceedings. Thus, the interim award, being in breach of the express statutory provisions, can only be said to be against the fundamental policy of Indian law.

10. Lastly, the impugned interim award is clearly in excess of the powers conferred under Section 31(6) of the Act, 1996. The Sole Arbitrator has neither conducted any inquiry nor determined any issue while passing the impugned interim award *suo motu*. The interim award is, in a sense, *de hors* the matter with respect to which the learned Sole Arbitrator may make a final arbitral award.

11. In opposition to this, Mr. Khandekar, the learned Counsel for the Respondents, supported the impugned interim award. Refuting the submission on behalf of the Petitioner that an interim award could not have been passed without an application, Mr. Khandekar submitted that the plain text of Section 31(6) read with Section 2(1)(c) of the Act, 1996 makes it abundantly clear that the Arbitral Tribunal is empowered to pass an interim award, “at any time” and “on any matter” which the Tribunal may finally decide. Therefore, the challenge to the interim award on the premise that it was passed *suo motu* has no substance.

12. Mr. Khandekar would further urge that, in the case at hand, the submission on behalf of the Petitioner that, the interim award was passed without a formal application or posting the arbitral proceedings for consideration on the aspect of passing of interim award, does not carry any substance. The Petitioner was fully cognizant of the admission in the Statement of Defence, which was sought to be taken into account and on the basis of which an interim award was proposed to be passed. The Petitioner was given full opportunity to explain its position in regard to that admission. No grievance could thus be made that the Petitioner was not provided an efficacious opportunity of hearing. In any event, the provisions contained in Order XII Rule 6 of the Code, 1908 empower the Court/Arbitral Tribunal to pass a decree on admission of its own motion. Therefore, the absence of a formal application for an interim award is of no consequence.

13. In regard to the contention of the Petitioner that there was no admission in the Statement of Defence in regard to the Ready Reckoner rate of the subject land, Mr. Khandekar would urge, before the learned Arbitrator, no such ground was ever raised. In the absence of such ground having been raised before the learned Arbitrator, it is not permissible for the Petitioner to challenge the award on the said ground before this Court under Section 34 of the Act, 1996. Mr. Khandekar would urge that, the admissions in the Statement of Defence in regard to the Ready Reckoner rate of the subject land are clear and explicit and leave no room for doubt that the Petitioner conceded that the Ready Reckoner rate of the acquired land was Rs.28,500/- per sq. mtr.. What accentuates the situation, according to Mr. Khandekar, was the fact that the Corporation had also annexed a calculation sheet to the Statement of Defence to indicate the market value of the acquired land in accordance with the Ready Reckoner rate. As the admissions in the Statement of Defence were clear, categorical, and unqualified, the learned Sole Arbitrator committed no error in passing the impugned interim award, submitted Mr. Khandekar

14. Mr. Khandekar would submit that the learned Sole Arbitrator has applied the correct test in passing a decree on admission, as the admission in question is a judicial admission and, thus, by itself, can be made the foundation of the rights of the parties. To this end, reliance was placed on the judgments of the Supreme Court in the cases of **Nagindas Ramdas vs. Dalpatram Ichharam alias Brijram and others**[3], and

3 (1974) 1 SCC 242.

Ahmedsaheb (dead) by LRs. and others vs. Sayed Ismail[4].

15. Mr. Khandekar urged with tenacity that the provisions contained in Section 31(6) make it explicitly clear that an interim award can be passed on any matter. The submission on behalf of the Municipal Corporation that determination of an issue is a precondition for passing an interim award is completely misconceived. The Arbitral Tribunal is empowered to pass an interim award on any point of dispute which the Tribunal is required to answer. The term "matter" is used in Section 31(6) of the Act, 1996, in a wider sense and is not restricted to the determination of a particular issue. To lend support to this submission, Mr. Khandekar placed reliance on the judgment of the Supreme Court in the case of **Indian Farmers Fertilizer Cooperative Limited vs. Bhadra Products**[5], and a judgment of this Court in the case of **Palmview Investments Overseas Limited vs. Ravi Arya and others**[6].

16. Lastly, Mr. Khandekar would urge, the award of solatium and interest was essentially consequential to the determination of interim compensation based on the market value as admitted by the Petitioner. There is no prohibition for grant of solatium

4 (2012) 8 SCC 516.

5 (2018) 2 SCC 534.

6 2023 SCC OnLine Bom 966.

and interest on interim compensation. In fact, the award of solatium and interest is a facet of a statutory mandate and no discretion is left with the authority in the matter of enforcement of the obligation of the acquiring body to pay solatium and interest. A very strong reliance was placed by Mr. Khandekar on the judgments in the cases of **Sundar vs. Union of India**[7], and **Union of India vs. Tarsem Singh & Ors**[8]**.**

17. Premised on the aforesaid submissions Mr. Khandekar would urge that, the scope of interference under Section 34 of the Act, 1996, is statutorily circumscribed. It is not open for the Court to interfere with the award unless it suffers from patent illegality or perversity which stares in the face. Since in the case at hand, the learned Sole Arbitrator has passed the interim award on the premise that, even at the lowest, the Respondents – claimants would be entitled to the compensation at the ready reckoner rate, which is admitted by the Petitioner, there is hardly any scope for interference with the interim award. In order to buttress the aforesaid submissions, Mr. Khandekar placed reliance on the judgments of the Supreme Court in the cases of **Ssangyong Engineering and Construction Company**

7 (2001) 7 SCC 211.

8 (2019) 9 SCC 304.

Limited vs. National Highways Authority of India[9], **Dyna Technologies Private Limited vs. Crompton Greaves Limited**[10], **McDermott International Inc. vs. Burn Standard Co. Ltd.**[11], and **MMTC Limited vs Vedanta Limited**[12].

18. The aforesaid submissions now fall for consideration.

19. To begin with, it may be apposite to appreciate the contours of the power of the Arbitral Tribunal to pass an interim award. A brief resume of the relevant provisions of the Act, 1996, may be in order. Under clause (c) of Section 2(1) of the Act, 1996, "arbitral award" includes an interim award. Section 31 of the Act, 1996 deals with the form and contents of an arbitral award. Sub-section (6) of Section 31, with which we are primarily concerned in this petition, provides that, the Arbitral Tribunal may, at any time, during the arbitral proceedings, make an interim arbitral award on any matter with respect to which it may make a final arbitral award. Section 32 deals with termination of proceedings. Sub-section (1) of Section 32 provides that the arbitral proceedings shall be terminated by the final arbitral award or by an order of the arbitral Tribunal under sub-section (2). Section 34 of the Act, 1996, which is subsumed

9 (2019) 15 SCC 131.
10 (2019) 20 SCC 1.
11 (2006) 11 SCC 181.
12 (2019) 4 SCC 163.

under Chapter VII titled "Recourse Against Arbitral Award", provides that recourse to a Court against an arbitral award may be made only by an application for setting aside such award in accordance with sub-sections (2) and (3).

20. On a conjoint reading of the aforesaid provisions, it becomes abundantly clear that an interim award is an award within the meaning of Section 2(1)(c), and even against an interim award, recourse to a Court can be made only by an application for setting aside such award in accordance with the provisions contained in sub-sections (2) and (3) of Section 34. Yet, the arbitral proceedings do not terminate until the final award is passed or an order is passed by the Arbitral Tribunal under sub-section (2) of Section 32.

21. The phraseology of sub-section (6) of Section 31 indicates that it is of wide amplitude. Firstly, there is no restraint as to the stage of the arbitral proceedings. The Arbitral Tribunal may pass an interim award <u>at any time</u> during the arbitral proceedings. Secondly, the power to pass such an interim award is also couched in broad terms. The Arbitral Tribunal may pass an award <u>on any matter</u> with respect to which it may make a final arbitral award. Thus, the power to pass an interim award is, in a sense, co-extensive with the power to pass a final arbitral award. Thirdly, the use of the term "matter" in sub-section (6) of Section 31 again emphasises the latitude that the arbitral Tribunal has on the aspect of making an award. The Parliament has not confined the power to pass an interim award with respect to the specified issues. The term "matter" subsumes in its fold all the points over which the parties are at issue.

22. In the backdrop of the aforesaid capacious nature of the power to pass an interim award, the submission of Mr. Deshmukh that, without determining an issue, the Tribunal could not have passed an interim award, deserves to be appreciated. On a bare textual reading of Section 31(6), and the the use of expressions “at any time” and “on any matter” which do not seem to limit the arbitral Tribunal's power to pass an interim award, save and except that such an award must relate to any matter with respect to which the Arbitral Tribunal may make a final arbitral award, the aforesaid submission premised on the determination of an issue that has been framed or arises for consideration, cannot be acceded to. The true test would be, whether the parties are at issue over a particular matter in respect of which the Arbitral Tribunal is called upon to make a final arbitral award? If the answer is in the affirmative, then the aspect as to whether an issue is settled for determination or not, pales in significance.

23. A profitable reference can be made to the judgment of the Supreme Court in the case of **Indian Farmers Fertilizer Cooperative Limited** (supra), wherein the Supreme Court enunciated that, any point of dispute between the parties which has to be answered by the Arbitral Tribunal can be the subject matter of an interim arbitral award. The observations of the Supreme Court in paragraphs 7 and 8 are instructive. They read as under:

> "7. As can be seen from Section 2(c) and Section 31(6), except for stating that an arbitral award includes an interim award, the Act is silent and does not define what an interim award is. We are, therefore, left with Section 31(6) which delineates the scope of interim arbitral awards and states that the arbitral tribunal may make an interim arbitral award on any matter with respect to which it may make a final arbitral award.
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> 8. The language of Section 31(6) is advisedly wide in nature. A reading of the said sub-section makes it clear that the jurisdiction to make an interim arbitral award is left to the good sense of the arbitral tribunal, and that it extends to "any matter" with respect to which it may make a final arbitral award. The expression "matter" is wide in nature, and subsumes issues at which the parties are in dispute. It is clear, therefore, that any point of dispute between the parties which has to be answered by the arbitral tribunal can be the subject matter of an interim arbitral award. However, it is important to add a note of caution. In an appropriate case, the issue of more than one award may be necessitated on the facts of that case. However, by dealing with the matter in a piecemeal fashion, what must be borne in mind is that the resolution of the dispute as a whole will be delayed and parties will be put to additional expense. The arbitral tribunal should, therefore, consider whether there is any real advantage in delivering interim awards or in proceeding with the matter as a whole and delivering one final award, bearing in mind the avoidance of delay and

> additional expense. Ultimately, a fair means for resolution of all disputes should be uppermost in the mind of the arbitral tribunal."
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> (emphasis supplied)

24. A Division Bench of this Court, in the case of **Palmview Investments Overseas Limited** (supra), after adverting to the aforesaid judgment in the case of **Indian Farmers Fertilizer Cooperative Limited** (supra) postulated that an order or decision is an interim award if it finally decides an issue or "matter" between the parties on which the Tribunal can make a final award, including an order determining whether the claimant is authorised to file the claim.

25. In the light of the aforesaid enunciation of law, the challenge to the impugned interim award on the count that the learned sole Arbitrator has not decided any issue that has been framed for determination, does not merit acceptance. In the facts of the case at hand, it could hardly be contested that the learned Arbitrator can make a final arbitral award in respect of the compensation for the acquired land. The learned Arbitrator has exercised the power to determine the market value of the acquired land in one of the modes prescribed under Section 26 of the LARR Act, 2013, construing it to be possibly the least that must be determined.

26. This propels me to the question as to whether the Arbitral Tribunal could have determined the market value on the basis of the purported admitted ready reckoner rate, i.e., the rates specified under the Stamp Act for the registration of the Sale Deeds in the area where the land is situated. As the question, as to whether there was an admission in the pleadings, is at the heart of the controversy, it may be apposite to extract the pleadings in paragraph 13 of the Statement of Claim and paragraph 9 of the second Statement of Defence, purportedly filed on 10th April, 2021, and the statement of calculation annexed as Exhibit R1.

27. It would be contextually relevant to note that, though alongwith the petition, the Municipal Corporation had filed the Statement of Defence dated 22nd January, 2015, yet, Mr. Deshmukh fairly submitted that the IInd Statement of Defence dated 10th April, 2021 was considered by the learned sole Arbitrator and the Petitioner Corporation did not annex the same to this petition, albeit inadvertently.

28. Paragraph 13 of the Statement of Claim reads as under:

> "13. The Claimants state that the as per the Ready Reckoner Issued by Government of Maharashtra the value open land per sq. mtrs; is Rs. 35, 500/-. Hereto annexed and marked as **Exhibit "E"** is the copy of the Ready Reckoner for the year 2014, issued by Government of Maharashtra."

29. The response of the Petitioner Corporation to the aforesaid assertions in the Statement of Claim reads as under:

> With reference to paragraph 13 of the statement of claim, the Respondent says that in this paragraph also, the Claimants have made a totally wrong and misleading statement. In the ready reckoner, the copy of which the Claimants have relied upon the value of the land per sq mtr is Rs.28,500/- which is the value in respect of zone 6/26. The suit property is included in zone 6/26 thus the correct value as per R.R. rate is Rs.28,500/- per sq mtrs., and not Rs.35,500/- as the rate of Rs.35,500/- is the rate for the property in zone 6/27 which is a different Zone and the suit property is not included in said Zone. The Respondent has prepared a Statement of calculation based on said R.R. rate as applicable to subject property and same is annexed as Exhibit R-1."

(Exhibit R-1)
MUNICIPAL CORPORATION OF GREATER MUMBAI
Hydraulic Engineer's Department / O. C. Division
No. DyHE (Operations)/ /Dis. Dt.

Sub: Acquisition of land in S.No. 121, H. No.2(pt) of village Majiwade admeasuring about 12 Gunthas for public purpose.

As directed by AMC (P) on 4.7.2014, the Ready Reckoner Rate of the land under reference for the year 1985, 1999, 2005, 2014 are obtained from Assistant District Registrar Class-I Thane. The statement showing the land value along with 6.25% interest as below:

Description	1985	1999	2005	2014
Area of land	11125.00 sq ft = 1033.54 sq. m	11125.00 sq ft =1033.21 sq m	11125.00 sq ft = 1033.54 sq m	11125.00 sq ft=1033.54 sq m
Ready Recknor Rate	Rs.33/- sq ft	Rs.205/- sq ft	Rs.4000/- sq m	Rs.28500/- sq m
Land Value	Rs.367125/-	Rs.2280625/-	Rs.4134160/-	Rs.29455890/-
Interest up to date with simple interest	Rs.665414/-	Rs.2138086/-	Rs.2325465/-	----
Total amount of compensation	Rs.1032539/-	Rs.4418711/-	Rs.6459625/-	Rs.29455890/-

30. If the aforesaid contentions in paragraph 9 of the IInd Statement of Defence are read in juxtaposition with the assertions in paragraph 13 of the Statement of Claim, the following facts emerge:

30.1 First, the Corporation claimed that, the claimants have wrongly claimed that the ready reckoner rate of the acquired land was Rs.35,500/- per sq. mtr., and that rate pertains to the properties included in Zone-6/27.

30.2 Second, the acquired property is included in Zone-6/26.

30.3 Third, the correct value as per the ready reckoner rate for the property included in Zone-6/26, which includes the acquired land), is Rs.28,500/- per sq. mtr.

30.4 Fourth, the Corporation has prepared a statement of calculation based on the said ready reckoner rate as applicable to the subject property as per annexure (Exhibit R-1), extracted above.

31. Mr. Deshmukh, the learned counsel for the Petitioner, made a strenuous effort to drive home the fact that the aforesaid contentions in paragraph 9 do not constitute admissions. It was urged that those statements were made in response to a patently wrong assertion in the Statement of Claim. Therefore, it cannot be said that the Petitioner Corporation admitted that the ready reckoner rate applicable to the acquired property is Rs.28,500/- per sq. mtr.

32. Secondly, Mr. Deshmukh would urge that, the claimants do not themselves admit that the ready reckoner rate is Rs.28,500/- per sq. mtr. The claimants categorically assert that the ready reckoner rate is more than Rs.28,500/- per sq. mtr. Thus, the Petitioner Corporation cannot be said to have admitted something which the claimants themselves dispute.

33. Thirdly, Mr. Deshmukh would urge that the aforesaid statements made in refutation of the wrong claim of the claimants can, by no stretch of imagination, be said to be clear, unequivocal and unqualified. Thus, the learned Arbitrator was wholly in error in passing an interim award construing a non-existent admission.

34. Order XXII, Rule 6 of the Code reads as under :-

> **"Order XII Rule 6 : Judgment on admissions :**
>
> (1) Where admissions of fact have been made either in the pleading or otherwise, whether orally or in writing, the Court may at any stage of the suit, either on the application of any party or of its own motion and without waiting for the determination of any other question between the parties, make such order or give such judgment as it may think fit, having regard to such admissions.
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> (2) Whenever a judgment is pronounced under sub-rule (1) a decree shall be drawn upon in accordance with the judgment and the decree shall bear the date on which the judgment was pronounced."

35. From the phraseology of the aforesaid sub-rule (1) of Rule

6, it becomes evident that the Legislature has designedly conferred jurisdiction on the Court to pass judgment on admission. The legislature has taken care to ensure that the source of admission is not of decisive significance. Firstly, the admissions can be found either in the pleadings or otherwise. Secondly, the insistence for admission being in writing is done away with. The admission may be oral or in writing. Thirdly, the stage of the suit does not matter. The Code expressly empowers the Court to pass a judgment on admission at any stage of the suit. The said aspect is further reinforced by the words *"without waiting for the determination of any other question between the parties".* Fourthly, the party, in whose favour the admission is made, need not apply. The Court, on its own motion, can pass a judgment on admission if it comes to the conclusion that the claim or part of the claim of one party is admitted by the other. Lastly, the exercise of the said power is undoubtedly discretionary. However, in view of the wide ambit and unhinged nature of the powers conferred on the Court to pass a judgment on admission, the Court may not be justified in refusing the relief where a case falls within the four corners of the said provision. For the ultimate object of the provision is to give an expeditious relief to a party when its claim is admitted by the adversary.

36. A profitable reference in this context can be made to the judgment of the Supreme Court in the case of **Uttam Singh Duggal & Co. Ltd. Vs. United Bank of India & Ors.**[13]**,** wherein the object of the aforesaid rule was expounded and the approach expected of the Court was delineated, in the following words :

> "12 As to the object of the Order 12 Rule 6, we need not say anything more than what the legislature itself has said when the said provision came to be amended. In the objects and reasons set out while amending the said rule, it is stated that where a claim is admitted, the court has jurisdiction to enter a judgment for the plaintiff and to pass a decree on admitted claim. The object of the Rule is to enable the party to obtain a speedy judgment at least to the extent of the relief to which according to the admission of the defendant, the plaintiff is entitled. We should not unduly narrow down the meaning of this Rule as the object is to enable a party to obtain speedy judgment. Where other party has made a plain admission entitling the former to succeed, it should apply and also wherever there is a clear admission of facts in the face of which, it is impossible for the party making such admission to succeed."
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> (emphasis supplied)

37. The aforesaid pronouncement was followed by the Supreme Court in the case of ***Karam Kapahi & Others Vs. Lal Chand Public Charitable Trust*** [14]***.*** The Supreme Court traced the historical backdrop of the said provision, including the amendment introduced therein by the Amendment Act, 1976, pursuant to the recommendations of the Law Commission, and,

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13 (2000) 7 SCC 120

14 (2010) 4 SCC 753

instructively enunciated the true nature and import of the said provision. The observations of the Court are as under :

> "37 The principles behind Order 12 Rule 6 are to give the plaintiff a right to speedy judgment. Under this Rule either party may get rid of so much of the rival claims about `which there is no controversy' [See the dictum of Lord Jessel, the Master of Rolls, in Thorp versus Holdsworth in (1876) 3 Chancery Division 637 at 640].
>
> 38 In this connection, it may be noted that order 12 Rule 6 was amended by the Amendment Act of 1976. Prior to amendment the Rule read thus:-
>
>> "6. Judgment on admissions. - Any party may, at any stage of a suit, where admissions of facts have been made, either on pleadings or otherwise, apply to the Court for such judgment or order as upon such admission he may be entitled to, without waiting for the determination of any other question between the parties and the Court may upon such application make such order or give such judgment, as the Court may think just."
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> 39 In the 54th Law Commission Report, an amendment was suggested to enable the Court to give a judgment not only on the application of a party but on its own motion. It is thus clear that the amendment was brought about to further the ends of justice and give these provisions a wider sweep by empowering judges to use it `ex debito justitial, a Latin term, meaning a debt of justice. In our opinion the thrust of the amendment is that in an appropriate case, a party, on the admission of the other party, can press for judgment, as a matter of legal right. However, the Court always retains its discretion in the matter of pronouncing judgment.
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> 40. If the provision of order 12 Rule 1 is compared with Order 12 Rule 6, it becomes clear that the provision of Order 12 Rule 6 is wider in as much as the provision of order 12 Rule 1 is limited to admission by `pleading or otherwise in writing' but in Order 12 Rule 6 the expression `or otherwise' is much wider in view of the words used therein namely: `admission of fact.........either in the pleading or otherwise, whether orally or in writing'.
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> 41. Keeping the width of this provision in mind this Court held that under this rule admissions can be inferred from facts and circumstances of the case [See Charanjit Lal Mehra and others v. Kamal Saroj Mahajan (Smt.) and another, (2005) 11 SCC 279 at page 285 (para 8)]. Admissions in answer to interrogatories are also covered

> under this Rule [See Mullas's commentary on the Code, 16th Edition, Volume II, page 2177].
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> 42. In the case of Uttam Singh Duggal & Co. Ltd., v. United Bank of India and others, (2000) 7 SCC 120, this Court, while construing this provision, held that the Court should not unduly narrow down its application as the object is to enable a party to obtain speedy judgment.
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> ....
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> 48 However, the provision under Order 12 Rule 6 of the Code is enabling, discretionary and permissive and is neither mandatory nor it is peremptory since the word "may" has been used. But in the given situation, as in the instant case, the said provision can be applied in rendering the judgment."
>
> (emphasis supplied)

38. In the case of **Himani Alloys Ltd. Vs. Tata Steel Ltd.**[15], the Supreme Court emphasized the discretionary nature of the jurisdiction under Order XII, Rule 6. The observations of the Supreme Court in paragraph 11 are material and, thus, extracted below :

> "11. It is true that a judgment can be given on an "admission" contained in the minutes of a meeting. But the admission should be categorical. It should be a conscious and deliberate act of the party making it, showing an intention to be bound by it. Order 12 Rule 6 being an enabling provision, it is neither mandatory nor peremptory but discretionary. The court, on examination of the facts and circumstances, has to exercise its judicial discretion, keeping in mind that a judgment on admission is a judgment without trial which permanently denies any remedy to the defendant, by way of an appeal on merits. Therefore unless the admission is clear, unambiguous and unconditional, the discretion of the Court should not be exercised to deny the valuable right of a defendant to contest the claim. In short the discretion should be used only when there is a clear "admission" which can be acted upon. (See also Uttam Singh Duggal & Co. Ltd. vs. United Bank of India [2000 (7) SCC 120], Karam Kapahi vs. Lal

15 (2011) 15 SCC 273

> Chand Public Charitable Trust [2010 (4) SCC 753] and Jeevan Diesels and Electricals Ltd. vs. Jasbir Singh Chadha [2010 (6) SCC 601]. There is no such admission in this case."
>
> (emphasis supplied)

39. In the case of **Vikrant Kapila** (supra), on which reliance was placed by Mr. Deshmukh, the Supreme Court expounded what constitutes an "admission". The observations in paragraphs 32 and 33 read as under:

> "32. Admission in pleadings means a statement made by a party to the legal proceedings, whether oral, documentary, or contained in an electronic form, and the said statement suggests an inference with respect to a fact in issue between the parties or a relevant fact. It is axiomatic that to constitute an admission, the said statement must be clear, unequivocal and ought not to entertain a different view. Coming to admission in pleadings, these are averments made by a party in the pleading, viz., plaint, written statement, etc., in a pending proceeding of admitting the factual matrix presented by the other side. To constitute a valid admission in pleading, the said admission should be unequivocal, unconditional, and unambiguous, and the admission must be made with an intention to be bound by it. Admission must be valid without being proved by adducing evidence and enabling the opposite party to succeed without trial. A court, while pronouncing a judgment on admission, keeps in its perspective the requirements in Order VIII Rule 5, Order XII Rule 6 and Order XV Rules 1 and 2 CPC read with Sections 17, 58 and 68 of the Indian Evidence Act.
>
> 33. The logic behind such jurisprudential examination of an admission is that a judgment pronounced on admission, not only denies the right of trial on an issue but denies the remedy of appeal. Hence, discretion has to be exercised judiciously and objectively while making a judgment on admission in a pleading. The existence of the power to pronounce a judgment on admission under Rule 6 of Order 12 and Rules 1 and 2 of Order 15, is not an issue in the appeal but rather the issue is whether pronouncing judgment on alleged admission is valid and legal."
>
> (emphasis supplied)

40. In the case of **Pushpa** (supra) the Supreme Court after adverting to the provisions of Sections 17 and 18 of the Evidence Act and Order XII Rule 6 of the Code, again emphasised that, to sustain a judgment on admission, the admission must be categorical, unambiguous, unconditional and unequivocal. The observations in paragraphs 33 and 34 read as under:

> "33. A plain reading of Order XII Rule 6 of the CPC indicates that the provision confers a discretionary power upon the Court to pronounce judgment on the basis of admission made either in pleadings or otherwise however the exercise of such power is conditioned upon the existence of a clear admission of fact. The object of the provision is to enable a party to obtain speedy relief where there is no substantial dispute requiring trial. At the same time, the provision cannot be invoked in a manner so as to deprive a party of adjudication where the controversy involves disputed questions of fact requiring evidence.
>
> 34. The term "admission" has been defined under Sections 17 and 18 of the Evidence Act, 1872, an admission is a statement which suggests any inference as to a fact in issue or relevant fact and is made by a party to the proceeding or by a person authorised by such party however every statement made by a party cannot automatically result in a decree under Order XII Rule 6 of the CPC. Thus, the admission must be categorical, unambiguous, unconditional and unequivocal."
>
> (emphasis supplied)

41. In the case of **Rajiv Ghosh vs. Satya narayan Jaiswal**[16] the Supreme Court again considered the historical background of the legislative change and the statement of objects and reasons for amendment in Rule 6 of Order XII, and, thereafter, enunciated the law as under:

> "28. The provisions of Rule 6 are enabling, discretionary and permissive. They are not mandatory, obligatory or peremptory. This is also clear from the use of the word "may"

16 2025 SCC OnLine SC 751.

> in the rule.
>
> 29. The powers conferred on the court by this rule are untrammeled and cannot be crystallized into any rigid rule of universal application. They can be exercised keeping in view and having regard to the facts and varying circumstances of each case.
>
> 30. If the court is of the opinion that it is not safe to pass a judgment on admissions, or that a case involves questions which cannot be appropriately dealt with and decided on the basis of admission, it may, in exercise of its discretion, refuse to pass a judgment and may insist upon clear proof of even admitted facts.
>
> ……
>
> 35. The words "or otherwise" are wide enough to include all cases of admissions made in the pleadings or *de hors* the pleadings. Under Rule 6, as originally enacted, it was held that the words "or otherwise" without the words "in writing" used in Rule 1 showed that a judgment could be given upon oral or verbal admission also. [See: Beeny, re, (1894) 1 Ch D 499] The Amendment Act of 1976, however, made the position clear stating that such admissions may be "in the pleading or otherwise" and "whether orally or in writing". Thus, after the amendment in Rule 6, the admissions are not confined to Rule 1 or Rule 4 of Order 6, but are of general application. Such admissions may be express or implied (constructive); may be in writing or oral; or may be before the institution of the suit, after the suit is brought or during the pendency of proceedings.
>
> ……
>
> 42. Since the object of sub-rule (1) is to enable the plaintiff to get judgment on admission of the defendant to the extent of such admission, he must get the benefit thereof immediately without waiting for the determination of "non-admitted claim". Sub-rule (2) makes it imperative for the court to draw up a decree in terms of judgment on admission which can be executed by the plaintiff." [See: Uttam Singh (supra)]. In such cases, there may be two decrees; (i) in respect of admitted claim; and (ii) in respect of "non-admitted" or contested claim. [See: Bai Chanchal v. United Bank of India, AIR 1971 SC 1081]."

42. The legal proposition which thus emerges is that, the provisions contained in Order XII Rule 6 need not receive unduly restricted interpretation. Undoubtedly, the power to pass a decree on admission is discretionary. However, where the Court finds that the admission is clear and unequivocal, the Court would not be justified in declining to pass the decree on admission as that would defeat the object of Order XII Rule 6 of the Code, 1908.

43. On the aforesaid touchstone, reverting to the facts of the case, especially the contentions in para 9 of the second SOD, extracted above, it would be rather difficult to accede to the submission of Mr. Deshmukh that the said contentions do not amount to admission. The Court cannot loose sight of the fact that the specification of ready reckoner rate is an objective fact. Only the specified Annual Statement of Rates or R.R. Rates was to be placed on record. No disputed question of fact was to be determined. It was not the contention of the Municipal Corporation that there was no ready reckoner rate specified under the Stamp Act. On the contrary, it was categorically contended that the acquired land was included in Zone 6/26. Correct value as per the ready reckoner rate for the said Zone was Rs.28,550/-. The said stand of the Corporation becomes even more clear when it contended that the rate of Rs.35,500/- per sq.mtrs., (claimed by the claimants as ready reckoner rate for the acquired land) pertained to the properties included in Zone 6/27. Thus, the submission of Mr. Deshmukh that there was no clear and unqualified admission, and the consequent reliance on the judgments which enunciate the proposition that, in the absence of clear, categorical and unequivocal admission, the court ought not to pass a decree on admission, cannot merit acceptance.

44. Moreover, the Corporation did not remain contented with the denial that the ready reckoner rate was Rs.35,500/-, but went on to positively assert that the ready reckoner rate was Rs.28,500/- and even furnished a calculation sheet based on the ready reckoner rate, as applicable to the acquired property (Exh.R-1, extracted above).

45. In the aforesaid view of the matter, the Corporation cannot be now permitted to wriggle out of the situation by canvassing a submission that the admission was not clear, categorical and unqualified.

46. From this standpoint, this Court does not find any infirmity in the approach of the learned Arbitrator in construing the aforesaid contentions as admissions. It is trite, admissions in pleadings stand on a higher pedestal. They are considered as judicial admissions in contradistinction to the evidentiary admissions elicited during the course of evidence. Such judicial admissions constitute waiver of proof and can themselves form a foundation of the determination of the rights of the parties. **[Nagindas Ramdas (supra)]**.

47. What are the implications of the admissions as regards the ready reckoner rate ? Could the Arbitral Tribunal pass an award on the strength of such ready reckoner rate in respect of the acquired land ? The learned Arbitrator, after adverting to the provisions contained in Section 26 of the LARR Act, 2013, observed that since the market value under Section 26 is required to be determined on the basis of "higher" value under clauses (a), (b) or (c) of sub-section (1) of Section 26, the controversy would be confined to the question whether the market value of the acquired land would be Rs.28,500/- per sq. mtrs. (as per ready reckoner rate) or higher. Whether the aforesaid approach of the learned Arbitrator is justifiable ?

48. For an answer, a reference to the provisions contained in Section 26 of the LARR Act, 2013 and the significant departure it enshrined from the Land Acquisition Act, 1894, in the matter of determination of the market value, becomes necessary. Relevant part of Section 26 (1) of the LARR Act, 2013, reads as under :

> "**26. Determination of market value of land by Collector.** - (1) The Collector shall adopt the following criteria in assessing and determining the market

value of the land, namely: -

(a) the market value, if any, specified in the Indian Stamp Act, 1899 (2 of 1899) for the registration of sale deeds or agreements to sell, as the case may be, in the area, where the land is situated; or

(b) the average sale price for similar type of land situated in the nearest village or nearest vicinity area; or

(c) consented amount of compensation as agreed upon under sub-section (2) of section 2 in case of acquisition of lands for private companies or for public private partnership projects,

whichever is higher:

Provided that the date for determination of market value shall be the date on which the notification has been issued under section 11."

49. If the provisions contained in section 26 of the LARR Act, 2013 are compared and contrasted with the provisions contained in Section 11(1), 15 and 23 of the Land Acquisition Act, 1894, it becomes explicitly clear that LARR Act, 2013 introduced an element of certainty and scientificity in the matter of determination of the market value. The fragmented framework under the Land Acquisition Act, 1894 came to be replaced with a more certain and scientific method for the determination of the market value.

50. Clause 13 of Statement of Objects and Reasons of LARR Act, 2013 reads as under :

> "13. To ensure comprehensive compensation package for the land owners, a scientific method for calculation of the market value of the land has been proposed. Market value calculated will be multiplied by a factor of two in the rural areas. Solatium will also be increased upto 100 per cent of the total compensation. Where land is acquired for urbanization, 20 per cent of the developed land will be offered to the affected land owners."

51. The use of the expression "shall" under Section 26(1) makes it peremptory for the Collector to adopt the criteria prescribed in clauses (a), (b) or (c) thereof. The linchpin of the said provisions is the three words that follow, namely, "whichever is higher". The Collector is, thus, enjoined to determine the market value which is higher of the values obtained upon applying the criteria prescribed in sub-section (1) of section 26.

52. In this sense, if there is a market value specified under the Stamp Act for the registration of the sale deed or agreements to sale in the area where the land is situated, the market value cannot be lower than the one so specified, even if the market value obtained under clauses (b) or (c) is lower. The legislature has, thus, made it abundantly clear that the higher of the market value as determined by following the criterias specified under sub-section (1) of Section 26 must be reckoned for the determination of the compensation.

53. Thus, the Arbitral Tribunal, in the considered view of this Court, was well within its jurisdiction in holding that the market value as specified in the ready reckoner rate would be the minimum, on the basis of which the compensation can be determined. In the light of the text of Section 26(1) of the LARR Act, 2013, and the indisputable fact that the market value in respect of the acquired land has been specified in the Ready Reckoner, no other inference is possible.

54. I do not find any substance in the submission of Mr. Deshmukh that the solatium and interest could not have been awarded on the amount of compensation determined by the learned Arbitrator in conformity with the provisions contained in LARR Act, 2013. The submission that the solatium and interest can only be awarded on the total compensation looses sight of the fact that the solatium and interest is in relation to the amount of compensation determined on the basis of the market value in accordance with clauses (a) of Section 26 (1), which the Collector is enjoined to award, even if the market value as determined under clauses (b) or (c) happens to be on the lower side.

55. This propels me to the aspect of the scope of interference under Section 34 of the Act, 1996. The position in law is well settled. The limited scope of interference in an arbitral award has been emphasised in a catena of decisions. Suffice to make a reference to the judgment in the case of **MMTC Ltd. V/s. Vedanta Limited**[17], wherein the Supreme Court elucidated the nature of the jurisdiction exercised by the Court under Section 34 of the Act, 1996, pre and post 2015 Amendment to Section 34. The observations in paragraphs 11 to 13 read as under :

> "11. As far as Section 34 is concerned, the position is well-settled by now that the Court does not sit in appeal over the arbitral award and may interfere on merits on the limited ground provided under Section 34(2)(b)(ii), i.e. if the award is against the public policy of India. As per the legal position clarified through decisions of this Court prior to the amendments to the 1996 Act in 2015, a violation of Indian public policy, in turn, includes a violation of the fundamental policy of Indian law, a violation of the interest of India, conflict with justice or morality, and the existence of patent illegality in the arbitral award. Additionally, the concept of the "fundamental policy of Indian law" would cover compliance with statutes and judicial precedents, adopting a judicial approach, compliance with the principles of natural justice, and Wednesbury[18] reasonableness. Furthermore, "patent illegality" itself has been held to

17 (2019) 4 SCC 163

18 Associated Provincial Picture Houses V/s. Wednesbury Corpn. (1948) 1 KB 223 (CA) mean contravention of the substantive law of India, contravention of the 1996 Act, and contravention of the terms of the contract.

12. It is only if one of these conditions is met that the Court may interfere with an arbitral award in terms of Section 34(2)(b) (ii), but such interference does not entail a review of the merits of the dispute, and is limited to situations where the findings of the arbitrator are arbitrary, capricious or perverse, or when the conscience of the Court is shocked, or when the illegality is not trivial but goes to the root of the matter. An arbitral award may not be interfered with if the view taken by the arbitrator is a possible view based on facts. (See Associate Builders V/s. DDA[19]. Also see ONGC Ltd. V/s. Saw Pipes Ltd.[20]; Hindustan Zinc Ltd. V/s. Friends Coal Carbonisation[21]; and Mcdermott International V/s. Burn Standard Co. Ltd.[22]

13. It is relevant to note that after the 2015 amendments to Section 34, the above position stands somewhat modified. Pursuant to the insertion of Explanation 1 to Section 34(2), the scope of contravention of Indian public policy has been modified to the extent that it now means fraud or corruption in the making of the award, violation of Section 75 or Section 81 of the Act, contravention of the fundamental policy of Indian law, and conflict with the most basic notions of justice or morality. Additionally, sub-section (2A) has been inserted in

19 (2015) 3 SCC 49
20 (2003) 5 SCC 705
21 (2006) 4 SCC 445
22 (2006) 11 SCC 181

Section 34, which provides that in case of domestic arbitrations, violation of Indian public policy also includes patent illegality appearing on the face of the award. The proviso to the same states that an award shall not be set aside merely on the ground of an erroneous application of the law or by re-appreciation of evidence."

56. Viewed through the aforesaid prism, this Court does not find that the award is in contravention with the fundamental policy of Indian law or in conflict with most basic notions of morality or justice. Nor can it be said that the award is vitiated by the patent illegality appearing on the face of the record.

57. To conclude, the Court cannot be oblivious to the hard facts that the Collector passed the award almost 75 years ago, and the land owners are yet to be paid compensation. At any rate, under the regime of LARR Act, 2013, the market value of the acquired land cannot be lower than that specified as Ready Reckoner Rate. Thus, on the aspect of propriety and justifiability as well, no fault can be found with the interim award. Resultantly, the challenge to the impugned interim award fails.

58. Hence, the following order:

: O R D E R :

(i) The petition stands dismissed with costs.

(ii) In view of the dismissal of the petition, IA(L)/23543/2023 stands disposed.

[N. J. JAMADAR, J.]

59. At this stage, the learned Counsel for the petitioner, seeks stay to the execution and operation of the impugned award for a period of six weeks.

60. Having regard to the period of almost 75 years that has elapsed since the acquisition of land, the prayer for stay to the execution and operation of the impugned award does not merit acceptance.

61. Thus, the oral Application for stay stands rejected.

[N. J. JAMADAR, J.]