* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 16th JULY, 2026

IN THE MATTER OF:

\+ **O.M.P. (COMM) 70/2026 & I.A. 3245/2026**

M/S SDB CONSULTANTS PVT. LTD. .....Petitioner

Through: Mr Akshay Joshi and Mr. Sameer Abhyankar, Advocates

versus

SMC PNEUMATICS (I) PVT . LTD. .....Respondent

Through:

CORAM:
HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

JUDGMENT

1. The present Petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996 [“**Arbitration Act**”], against the Arbitral Award dated 27.09.2025 passed by the learned Sole Arbitrator, whereby the Petitioner was held entitled to recover a sum of Rs. 4,48,316/- along with interest at the rate of 18% per annum w.e.f. 20.07.2014 till realization [“**Impugned Award**”].

2. A brief factual background borne out from the material on record is as under:

(i) The Petitioner is a company incorporated under the Companies Act, 1956, engaged in the business of architects, engineering and project management, having an industry experience of over 60 years, while the Respondent is engaged in the business of manufacturing.

(ii) The Respondent, in relation to the project of constructing a factory and office at Plot No. D-107 to 112, Phase II Extension, Sector 84, Noida, Gautam Budh Nagar, Uttar Pradesh ["**the Project**"], approached the Petitioner for providing professional services. For this purpose, the parties entered into an Architectural, Engineering, Project Management and Consultancy Agreement dated 23.08.2012 ["**the Contract**"].

(iii) Under and as per Part 1 and Part 2 of the Contract, the Petitioner was supposed to *inter alia* supervise the construction of the Respondent's factory and office at the Project Site, assist in finalizing drawings and selecting a contractor. The Petitioner was also obligated to assist and advice the Respondent in the tender process and thereafter, select an appropriate contractor for carrying out the works at the Project Site. Further, as per the Clause 10 of the Contract, the duties and obligations of the Petitioner would continue for 12 months after the date of completion of the Project, as per the completion certificate issued by the authority. Clause 10 of the Contract reads as under:

> "*The duties and obligation of SDB shall commence with the signing of this Agreement and shall continue for a period of 12 months after the date of completion of Project as per completion certificate issued by the authority.*"

(iv) After a detailed discussion, the Contract Price was set at INR 31 Lakhs, which was mentioned in Clause 3 of the Contract. Payment of the Contract Price was governed by Clauses 4 and 5 of the Contract, which read as under:

S. No.	*Stage of Project*	*Payment Due*
1.	*Along with contract*	*10%*
2.	*Submission of layout drawings, detailed elevation drawings, corp. drawings and obtain approval from Local Authorities* *Completion of construction documentation listed in clause II of detailed Scope of work including tender documents.*	*10%* *10%*
3.	*Completion of structure and brick work*	*20%*
4.	*Completion of Electrical, Plumbing & HVAC work*	*10%*
5.	*On virtual completion including landscaping*	*20%*
6.	*At completion (on obtaining Certification of completion from the local authorities, submission of as-built drawings & documentation in soft & hard certified format, final settlement of accounts of contractors & handing over of complete site to SMC Pneumatics.)*	*15%*
7.	*After Twelve months of completion.*	*5%*
	Total (Rupees Thirty One Lacs only)	*100%*

5. The payment will be made on the basis of the above-agreed stages against bills submitted by SDB from time to time. The service tax shall be extra as applicable."

(v) About six months later, the Respondent chose to award the Contract to M/s Rohan Builders (India) Pvt. Ltd. ["**the Contractor**"] *vide* an Agreement dated 14.02.2013, in terms of which the Project was to be completed by 31.08.2013, i.e., within six months from the date of the Agreement. The Petitioner's role was to supervise the construction work being undertaken by the Contractor and it was agreed that this role would also cease by 31.08.2013.

(vi) During the pendency of the construction works, the plan for construction of a guest room on the second floor of the new building was changed to ground floor of the existing building, in accordance to which, the Petitioner issued revised drawings. Certain other drawing and design changes were carried out during the course of construction, for which admittedly, the Petitioner ensured to issue revised drawings and sought the Respondent's approval.

(vii) Material on record indicates that certain delay was brought upon by the Contractor in performance of its obligations, for which the Respondent levied Liquidated Damages to the tune of approximately INR 55 Lakhs.

(viii) Subsequently, the Petitioner withdrew its Site Engineer from the Project Site on or around 07.06.2014, when the construction works were yet to be completed, meaning thereby, that no completion certificate was issued. Notwithstanding the same and prior to withdrawing its Site Engineer in June 2014, the Petitioner under Clause 3 of the Contract, raised a bill dated 04.04.2014 for a sum of INR 17,41,580/-, alleging that the entire work assigned to it under the Contract was completed and therefore, 100% of the payment under the Contract became due and payable. On the contrary, the Petitioner raised another bill dated 11.04.2014, as per which it claimed payment of fee only for the first four (4) stages as specified under Clause 4 of the Contract.

(ix) On 20.06.2014, the Petitioner invoked the arbitration clause under the Contract, being aggrieved *inter alia* by the non-payment of bills by the Respondent. The arbitration clause, being Clause 11 of the Contract, reads as under:

> "*11. All questions and disputes under this Agreement shall be submitted for adjudication to Mr. D.C. Sidana, Director (Operations) of company, and a representative of SDB shall be dealt with in accordance with the provisions of Indian Arbitration Act, 1996. The courts as Delhi alone shall have jurisdiction in all connected matters.*"

(x) When no response was received from the Respondent, the Petitioner approached this Court by way of a petition under Section 11 of the Arbitration Act bearing ARB. P. 552/2014. This Court, *vide* Order dated 26.05.2015 appointed Sh. Rajesh Kumar, learned ADJ (Retd.) to adjudicate upon the disputes between the parties. Later, on account of the demise of the above-named, this Court *vide* Order dated 24.08.2017 passed in a petition under Sections 14 and 15 of the Arbitration Act, being O.M.P (T) COMM. 59/2017, appointed the learned Sole Arbitrator herein to adjudicate upon the disputes.

(xi) The Petitioner filed its Statement of Claims on 01.09.2015, claiming an amount of INR 84,91,827/- along with future interest. On the other hand, the Respondent came to file its

Statement of Defence along with Counter-Claims on 12.10.2015, for an amount of INR 6,23,67,500/-.

(xii) The following issues were framed by the erstwhile arbitrator, on which basis the learned Sole Arbitrator adjudicated the disputes:

> "*Issue No. 1. Whether claimant completed the project in terms of clause 10 of the Agreement dated 23.08.2012? OBP.*
>
> *A. Whether Claimant is entitled to an amount of Rs.177,41,480/- towards its invoice dated 04.04.2014? OPC.*
>
> *B. Whether Claimant is entitled to an amount of Rs.60,67,440/- towards its supplementary bill/invoice dated 01.06.2014? OPC.*
>
> *C. Whether Claimant is entitled to interest on the amounts claimed? if so, at what rate and for what period?*
>
> *D. Whether Respondent is entitled to Rs.1,54,35,000/- on account of loss due to delay in completion of construction project? OPR.*
>
> *E. Whether Respondent is entitled to Rs.38,00,000/- towards cost of relaying production floor? OPR.*
>
> *F. Whether Respondent is entitled to Rs.4,31,32,500/- towards loss of profit due to relaying of floor? OPR.*
>
> *G. Whether Respondent is entitled to future interest @ 18% p.a. till the date of actual payment? OPR.*
>
> *H. Relief.*"

(xiii) After the completion of pleadings, evidence and oral arguments, the learned Sole Arbitrator passed by the Impugned Award, dismissing all the counter-claims of the Respondent and partly allowing the claims of the Petitioner to the extent of INR 4,48,316/- with interest at the rate of 18% p.a. w.e.f. 20.06.2014 till realization.

3. Against the Impugned Award, the Petitioner has raised the following grounds, specifically against the Issues No. 1, A and B being awarded in favor of the Respondent:

(i) Despite uncontroverted evidence of prolonged delays, admitted changes in scope, and Respondent having deposited TDS, the learned Sole Arbitrator allowed the Petitioner's claims only to a nominal extent of INR 4,48,316/- with interest, rejecting the substantial monetary claims without proper appreciation of contractual provisions and material evidence on record.

(ii) The learned Sole Arbitrator failed to read the terms of the Contract in a manner that is reasonable, equitable and instead read it in a manner that flouted business common-sense.

(iii) The learned Sole Arbitrator, while dealing with Claim A raised as per the Bill dated 04.04.2014, though noted the fact that Respondent accepted the invoice and paid the TDS, ignored the said bill, payment of TDS on it by Respondent and the admissions regarding completion of building, but took note of another invoice which was issued on request of Respondent for a stage prior to completion, this bill was a sub part of the holistic bill dated 04.04.2014 on which TDS was paid by the Respondent.

(iv) It is submitted that the above errors render the Impugned Award in violation of the public policy of India and vitiated by patent illegality on its face.

4. In support of its arguments, learned Counsel for the Petitioner has relied upon the judgment of the Apex Court in DMRC Ltd. v. Delhi Airport Metro Express (P) Ltd., **(2024) 6 SCC 357** and a judgment rendered by a Division Bench of this Court in Jindal Rail Infrastructure Limited v. Union of India & Anr., **[FAO (OS) COMM 196/2022]**.

5. Evidently, the Petitioner lays a limited challenge to the Impugned Award, adjudication of which, in the opinion of this Court, did not warrant issuance of a notice to the Respondent. Resultantly, the matter was reserved on 06.07.2026 after hearing the oral arguments advanced by the learned Counsel for the Petitioner.

6. Before dealing with the merits of the case, this Court deems it fit to recall the contours within which an application under Section 34 of the Arbitration Act can be adjudicated upon, with specific emphasis on the parameters of challenge based on 'public policy' and 'patent illegality'.

7. It is trite law that a challenge to the arbitral award can only be on the grounds provided under Section 34 of the Arbitration Act. The award should not be interfered with until the conclusion arrived at is perverse. Proceedings under Section 34 of the Arbitration Act cannot be equated with appellate jurisdiction and the court cannot reappreciate evidence. Accordingly, interference by the court is limited to the grounds specified under the Arbitration Act, including violation of public policy, fundamental principles of Indian law or patent illegality going to the root of the matter. Mere errors

of law or reassessment of evidence do not justify setting aside an arbitral award. Reference is made of the Judgment of the Apex Court in MMTC Ltd. v. Vedanta Ltd., (**2019) 4 SCC 163**, wherein the following observations were made:

> "***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 [Associated Provincial Picture Houses Ltd. v. Wednesbury Corpn., (1948) 1 KB 223 (CA)] reasonableness. Furthermore, "patent illegality" itself has been held to 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. DDA*

[Associate Builders v. DDA, (2015) 3 SCC 49 : (2015) 2 SCC (Civ) 204] . Also see ONGC Ltd. v. Saw Pipes Ltd. [ONGC Ltd. v. Saw Pipes Ltd., (2003) 5 SCC 705] ; Hindustan Zinc Ltd. v. Friends Coal Carbonisation [Hindustan Zinc Ltd. v. Friends Coal Carbonisation, (2006) 4 SCC 445] ; and McDermott International Inc. v. Burn Standard Co. Ltd. [McDermott International Inc. v. Burn Standard Co. Ltd., (2006) 11 SCC 181])

13. *It is relevant to note that after the 2015 Amendment 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 (2-A) has been inserted in 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 reappreciation of evidence.*

14. *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.*"

8. Reference is also made to the judgment of the Apex Court in OPG Power Generation (P) Ltd. v. Enexio Power Cooling Solutions (India) (P) Ltd., **(2025) 2 SCC 417**, wherein the following discussion regarding how the term 'patent illegality' is to be construed:

> "***Patent illegality***
> ***65.*** *Sub-section (2-A) of Section 34 of the 1996 Act, which was inserted by the 2015 Amendment, provides that an arbitral award not arising out of international commercial arbitrations, may also be set aside by the Court, if the Court finds that the award is visited by patent illegality appearing on the face of the award. The proviso to sub-section (2-A) states that an award shall not be set aside merely on the ground of an erroneous application of the law or by reappreciation of evidence.*
>
> ***66.*** *In ONGC Ltd. v. Saw Pipes Ltd., (2003) 5 SCC 705, while dealing with the phrase "public policy of India" as used in Section34, this Court took the view that the concept of public policy connotes some matter which concerns public good and public interest. If the award, on the face of it, patently violates statutory provisions, it cannot be said to be in public interest. Thus, an award could also be set aside if it is patently illegal. It was, however, clarified that illegality must go to the root of the matter and if the illegality is of trivial nature, it cannot be held that award is against public policy.*
>
> *67. In Associate Builders v. DDA, (2015) 3 SCC 49, this Court held that an award would be patently illegal, if it is contrary to:*
> *(a) substantive provisions of law of India;*
> *(b) provisions of the 1996 Act; and*
> *(c) terms of the contract [See also three-Judge Bench decision of this Court in State of Chhattisgarh v. SAL Udyog (P) Ltd., (2022)2 SCC 275].*

> *The Court clarified that if an award is contrary to the substantive provisions of law of India, in effect, it is in contravention of Section 28(1)(a) of the 1996 Act. Similarly, violating terms of the contract, in effect, is in contravention of Section 28(3) of the 1996Act.*
>
> ***68.** In Ssangyong Engg. & Construction Co. Ltd. v. NHAI, (2019)15 SCC 131 this Court specifically dealt with the 2015Amendment which inserted sub-section (2-A) in Section 34 of the1996 Act. It was held that "patent illegality appearing on the face of the award" refers to such illegality as goes to the root of matter, but which does not amount to mere erroneous application of law. It was also clarified that what is not subsumed within "the fundamental policy of Indian law", namely, the contravention of a statute not linked to "public policy" or "public interest", cannot be brought in by the backdoor when it comes to setting aside an award on the ground of patent illegality [See Ssangyong Engg. &Construction Co. Ltd. v. NHAI, (2019) 15 SCC 131]. Further, it was observed, reappreciation of evidence is not permissible under this category of challenge to an arbitral award [See Ssangyong Engg. & Construction Co. Ltd. v. NHAI, (2019) 15 SCC 131].*"

9. Now, this Court shall deal with the objections raised by the Petitioner against the findings in the Impugned Award.

10. The very first contention of the Petitioner is that the Contract stipulated a completion period of 6 months and thereafter, the 12-month defect liability period would commence. On this argument, the learned Sole Arbitrator observed that there was no document which would support this stand of the Petitioner, as Clause 10 of the Contract merely stated that the duties and obligations shall commence with the signing of the Contract and continue for a period of 12 months after the date of completion of Project as

per the completion certificate issued by the authority. To arrive at this conclusion, the learned Sole Arbitrator relied upon the examination of the Claimant's Witness – CW-1 as well as the cross-examination of Respondent's Witness – RW-1, who corroborated the position that there was no explicit 6-month timeline under the Contract. In particular, the learned Sole Arbitrator referred to the Question No. 56 put to RW-1, which is being extracted below fir reference:

> *"Q 56 Is it correct that the claimant had suggested that the construction of the building would take about one year?*
> *A Yes."*

11. The learned Sole Arbitrator also observed that since Clause 10 of the Contract remained unamended even after the Agreement with the Contractor was executed, there is no merit in the 6-month completion period argument of the Petitioner. This entire conclusion was also buttressed by Sections 91 and 92 of the Indian Evidence Act, 1862, to observe that the version of 'understood between the parties' was not only unproved but would also be inadmissible on account of being an oral understanding.

12. With the above conclusion that no 6-month completion period was prescribed under the Contract, the learned Sole Arbitrator undertook to adjudicate Issue No. 1, as to whether the Petitioner completed the Project in terms of Clause 10 of the Contract. The nail was put into this issue against the Petitioner on the very fact that the Petitioner withdrew its Site Engineer from the Project Site on or around 07.06.2014, in addition to the fact that even the Bill dated 11.04.2014 raised by the Petitioner was only till Stage 4 as envisioned in Clause 4 of the Contract. As such, Issue No. 1 was decided

against the Petitioner to conclude that the Petitioner failed to complete the Project in terms of Clause 10 of the Project.

13. It is evident that apart from the repeated averment of the Petitioner, there is no material on record to show that the completion period of the Project was 6 months. Clause 10 merely states that the duties and obligations shall commence with the signing of the Contract and continue for a period of 12 months after the date of completion of Project as per the completion certificate issued by the authority. No other provision in the Contract deals with the completion period. In any event, the fact that the Petitioner withdrew its Site Engineer on or around 07.06.2014, a position which the Petitioner admitted in its Letter dated 10.06.2014, is enough to show that the Project was virtually abandoned by the Petitioner. Relevant part of the Letter dated 10.06.2014 is being extracted below:

> " *xxx*
> *Please refer to your E-mail dated June 7th 2014 drawing our attention to the withdrawal of our Site Engineers from site.*
>
> *It may please be noted that we had no alternate but to take this step, after you have failed to respond to our requests from time to time release our professional fees which becomes payable in accordance with our agreement for Architectural and Engineering Services.*
> *xxx"*

14. Accordingly, this Court sees no reason to interfere with the above-discussed findings of the learned Sole Arbitrator, having been based squarely on the appreciation of the evidence, interpretation of the terms of the Contract between the parties as well as supported by applicable legal provisions.

15. The next issue being Issue No. A was to determine whether the Petitioner was entitled to an amount of INR 17,41,480/- towards the Invoice dated 04.04.2014. This issue was framed by the learned Sole Arbitrator on the basis of Claim No. 1 raised by the Petitioner, alleging that the entire sum of INR 31 lakhs became due and payable on part of the Respondent. Details of the Invoice dated 04.04.2014 is being extracted below:

> "***Professional fee for Construction of New Factory Building and Office at D107 to 112, Phase-II Extn, Sector 84, Noida.***

Total fees due under Clause No.3 of our agreement.	*Rs. 31,00,000.00*
Fee now due on Completion of Work @100%	*Rs. 31,00,000.00*
Add Service Tax @12.36%	*Rs. 3,83,160.00* -------------------
Less Amount already Received vide Cheque No.108697 dated 24.08.2012or Rs.2,79,000.00 TDS deduct Rs.31,000.00	*Rs. 3, 10,000. 00*
Less Payment received through NIFT in ICICI on 30.03.2013 for Rs.6,61,453.00 TDS deduct Rs. 73,495.00	*Rs. 7, 34,948.00*
Less Payment received through NIFT in ICICI on 27.03.2014or Rs.6,96,632.00 including TDS	*Rs.6,96,632.00* ------------------
Balance Now Due	*Rs.17,41,580*

> *(Rupees Seventeen lakhs Forty One Thousand Five Hundred Eighty Only)."*

16. The learned Sole Arbitrator observed that for adjudication of this Issue No. A, the factum of 100% completion of works had to be established. For this purpose, the learned Sole Arbitrator took note of the Letter dated 10.06.2014 sent by the Petitioner to the Respondent as well as the Petitioner's Statement of Claims. In particular, it referred to Paragraph No. 32 of the Statement of Claims, which is being extracted below:

> *"32. **That since the Respondent and its contractor had failed to complete the construction and the Respondent had failed to clear the professional fees of the Claimant, it was left with no other alternate but to withdraw its Site Engineer from the Site on or around 07.06.2014**. Further, Claimant vide its letter dated 10.06.2014 informed the Respondent inter alia that **despite the building being far from complete**, at the asking of the Respondent, it had issued completion drawings to the Respondent for submission to Local authorities; despite the incompetency of the contractor, Respondent was ready to take up the final bill of the contractor for payment whereas it had refused to pay the Claimant and the payment towards A the same have been held up without any reason. That inspite of insulting, inhuman, unethical and highly unprofessional attitude towards the Claimant, it continued to extend full cooperation with the Respondent, however, the Respondent had held up the professional charges liable to be paid to the Claimant. In the circumstances, the Claimant requested the Respondent to make the payment of its bill for supplementary services within seven days, failing which it would be restrained to take all steps stipulated and permissible by law."*
>
> (Emphasis Supplied)

17. The learned Sole Arbitrator held that since the Petitioner itself claimed that Stages 1 to 4 under Clause 4 were completed and on this basis, raised the Invoice/Bill dated 04.04.2014, only an amount of INR 20,89,896/-

would be due and payable by the Respondent. He further calculated the total balance due after subtracting amounts already paid, as INR 3,48,316/-. The learned Sole Arbitrator further notes that this Bill dated 04.04.2014 was produced by the Respondent itself and it was nowhere denied by the Respondent that the Petitioner had not completed the first four stages as enumerated in Clause 4 of the Contract. On this basis, the learned Sole Arbitrator partially decided Issue No. A in favor of the Petitioner, by holding the Petitioner as entitled to recover the sum of INR 3,48,316/- from the Respondent.

18. The above decision of the learned Sole Arbitrator appears to be reasonable and sound, as even though the Petitioner raised a bill on the basis of having completed all the stages under Clause 4, there is enough material on record to show admission on part of the Petitioner itself that the Project could not be completed. As such, no interference is warranted in the decision of the learned Sole Arbitrator on Issue No. A.

19. The last challenge laid by the Petitioner is against the decision of the learned Sole Arbitrator on Issue No. B, which was framed to determine whether the Petitioner was entitled to an amount of INR 60,67,440/- towards it supplementary bill/invoice dated 01.06.2014 or not. Details of the said bill are extracted below:

"For redesigning the total scheme after issuing G.F.C. Drawings	*Rs. 9,00,000.00*
Providing multiple Solutions / Options of different areas after issuing G.F.C. Drawings	*Rs. 9,00,000.00*
Re-drawing of all G.F.C. Drawings after revision of total scheme.	*Rs. 15,00,000.00*

Supervising the building beyond agreeable date of completion @ Rs. 60,000.00 per month for ten months	*Rs. 6,00,000.00*
Providing project management of building beyond agreeable date of completion @ Rs. 90,000.00 per month for ten months	*Rs. 9,00,000.00*
Cost of Maintaining the records of building beyond agreeable date of completion @ Rs.60,000.00 per month for ten months	*Rs. 6,00,000.00*

Total Supplementary Fee due till date	*Rs. 54,00,000.00*
Add Service Tax@12.36%	*Rs. 6,67,440.00*

Total amount due till date	*Rs. 60,67,440.00"*

20. The learned Sole Arbitrator at the very outset noted that the first three items enumerated in the above bill were for allegedly doing work beyond the agreeable date of completion for 10 months, despite the Contract not having specified any date of completion at all. Apart from this, the learned Sole Arbitrator also noted that there were several changes in the design and drawings by the Respondent, which were timely acted upon by the Petitioner. While opposing this Issue, the Respondent took support of Clause 6 of the Contract, to argue that the Petitioner cannot claim any amounts for deviations. Clause 6 of the Contract reads as under:

> "*The company shall consider all sketches, drawings, specifications proposal reports, agreement or other documents before inviting bids, laid before them by SDB and shall if considered necessary intimate in due and proper time to SDB all such deviation sought to be made from the original scheme and the same shall be carried out and implemented without any extra cost by SDB well in time so as not to delay the work.*"

21. The learned Sole Arbitrator observed that Clause 6 cannot aid the Respondent, since it was an admitted position that the deviations in design and drawings were done during the pendency of the Contract and not before inviting bids, as is provided for in Clause 6 extracted above. In addition, the learned Sole Arbitrator referred to the examination of the Petitioner's as well as Respondent's witness examinations, which indicated clearly that several deviations were made during the pendency of the Contract. For this reason, the learned Sole Arbitrator awarded the Petitioner an amount of INR 1 lakh, for the extra work carried out by the Petitioner on account of the deviations.

22. This Court finds itself in agreement with the in-depth analysis done by the learned Sole Arbitrator on Issue No. B, for the reason of it being based on the contractual provisions, evidence and the rival submissions of the parties. No patent illegality on the face of this portion of the Impugned Award is made out, and this Court does not deem it fit to go into the question as to whether the award of INR 1 lakh to the Petitioner is sufficient or not.

23. A careful and comprehensive perusal of the Impugned Award demonstrates that the learned Sole Arbitrator has examined the pleadings, documentary material, correspondence exchanged between the parties, and the evidence led in support of their respective claims and assertions. The Impugned Award reflects due consideration of the relevant facts and surrounding circumstances germane to the disputes.

24. The Impugned Award reflects a plausible and reasoned interpretation of the contract and an evaluation of evidence within the jurisdiction of the learned Sole Arbitrator. It is well settled that a court exercising limited supervisory jurisdiction under Section 34 of the Arbitration Act cannot re-

appreciate evidence or substitute its own interpretation of contractual clauses where the view taken by the learned Sole Arbitrator is a possible and reasonable one.

25. Viewed in its entirety, the Impugned Award reflects a reasoned and structured adjudication of the disputes by the learned Sole Arbitrator within the confines of the contractual terms agreed upon by the parties, the material placed on record, and the jurisdiction vested in the learned Sole Arbitrator. The Impugned Award demonstrates due application of mind to the pleadings, evidence, and relevant contractual provisions.

26. In view of the foregoing discussion, this Court is of the considered opinion that the Petitioners have failed to establish any ground under Section 34(2) or Section 34(2A) of the Arbitration Act warranting interference with the Impugned Award.

27. Accordingly, the present Petition, along with pending Application(s), if any, stands dismissed.

SUBRAMONIUM PRASAD, J

JULY 16, 2026
Rahul/AP