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

Date of decision: 28.04.2026

\+ O.M.P. (COMM) 380/2025 & I.A. 23412/2025

AGRICULTURE INSURANCE COMPANY OF INDIA LIMITED .....Petitioner

Through: Mr. Rana Mukherjee, Sr.Adv. with Ms. Surabhi Guleria, Adv.

versus

SEMANTIC TECHNOLOGIES AND AGRITECH SERVICES PVT. LTD. .....Respondent

Through: Ms. Fereshte D. Sethna, Mr. Prakalathan Bathey & Mr. Abhishek Chauhan, Advs.

CORAM:
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN SHANKAR

% JUDGEMENT (ORAL)

1. The present Petition has been filed under Section 34 of the **Arbitration and Conciliation Act, 1996**[1], seeking partial setting aside of the **Arbitral award dated 30.04.2025**[2] passed by the **learned Sole Arbitrator**[3] in the arbitration proceedings titled as "*Semantic Technologies and Agritech Services Pvt. Ltd vs. Agriculture Insurance Company of India Ltd.*".

2. Mr. Rana Mukherjee, learned Senior Counsel, appearing on behalf of the Petitioner, submits that the challenge to the Impugned award is confined to Claim No. 10, pertaining to the Kharif Season

[1] A&C Act
[2] Impugned Award
[3] Arbitrator

2022 in the State of Maharashtra.

3. It is contended by the learned Senior Counsel that the finding returned by the learned Arbitrator suffers from perversity, since certain material aspects, including the communication dated 07.08.2023 *inter se* the parties and the conduct of the Respondent in accepting payments, have not been duly considered whilst adjudicating upon the Claim No. 10 in the Impugned award.

4. It is submitted that the Communication dated 07.08.2023, read in conjunction with the conduct of the Respondent, precludes the Respondent from raising any further claim for payment against the Petitioner. In support of this contention, learned counsel draws the attention of this Court to the aforementioned communication dated 07.08.2023, addressed by the Respondent to the Petitioner, which reads as follows:

> "Dear Sir,
> We thank you for the payment against our invoices dated 18.07.2023 for Osmanabad, Nandurbar, Sangli, Gadchiroli, Washim and Amravati Districts.
>
> It is apparent from the payment made by AIC till date that a large number of surveys have been rejected. Kindly inform us the details of the ILA surveys rejected from each of the above districts. This information is required to enable us to make balance payments due to the field surveyors along with informing them the details of the surveys rejected against their account.
>
> We request you to kindly return the rejected ILA Forms to our office at Pune, along with a declaration from AIC RO Mumbai stating that the data in the rejected ILA survey forms have not been used by AIC for Claim Settlement."

5. Learned Senior Counsel, therefore, submits that a perusal of the aforesaid communication would indicate that the said e-mail constitutes an acknowledgement on the part of the Respondent that the payments made against the invoices dated 18.07.2023 were in full and

final discharge of all dues in respect of the Kharif Season 2022 in the State of Maharashtra.

6. He further submits that the payments, in fact, continued to be made till as late as August 2023, and at no point in time did the Respondent raise any protest or reservation while accepting the same.

7. It is contended by the learned Senior Counsel that the payments which were made by the Petitioner were accepted unconditionally and without *demur*. Reliance is placed upon the ruling of the Hon'ble Supreme Court in ***Nathani Steels Ltd. v. Associated Constructions***[4], particularly paragraph no. 3 thereof, to contend that once a settlement is arrived at, no arbitrable dispute survives. Paragraph no. 3 of the said judgment is extracted herein below for ready reference:

> ***"3.*** The appellant has invited our attention to two decisions of this Court. The first dated 1-10-1993 in ***P.K. Ramaiah and Co.*** **v.** ***Chairman & Managing Director, National Thermal Power Corpn.*** **[1994 Supp (3) SCC 126]** and second, dated 4-2-1994 in ***State of Maharashtra*** **v.** ***Nav Bharat Builders*** **[1994 Supp (3) SCC 83]**. In the first mentioned case the parties had resolved their disputes and differences by a settlement pursuant whereto the payment was agreed and accepted in full and final settlement of the contract. Thereafter, brushing aside that settlement the Arbitration clause was sought to be invoked and this Court held that under the said clause certain matters mentioned therein could be settled through Arbitration but once those were settled amicably by and between the parties and there was full and final payment as per the settlement, there existed no arbitrable dispute whatsoever and, therefore, it was not open to invoke the Arbitration clause. In the second mentioned case the respondent-Contractor acknowledged the receipt of the amount paid to him and stated that there was unconditional withdrawal of his claim in the suit in respect of the labour escalation. There was, thus, full and final settlement of the claim and it was contended that no arbitrable dispute survived in relation thereto. Other claims, if any, and which were not settled by and between the parties could be raised and it would be open to consider whether the arbitrable dispute arose under the contract necessitating reference to arbitration. Dealing with this question also this Court after referring to the decision in ***P.K. Ramaiah***

[4] 1995 Supp (3) SCC 324

> ***case*** **[1994 Supp (3) SCC 126]** concluded that in relation to the claim under the head 'labour escalation' there did not remain any arbitrable dispute which could be referred to arbitration. It would thus be seen that once there is a full and final settlement in respect of any particular dispute or difference in relation to a matter covered under the Arbitration clause in the contract and that dispute or difference is finally settled by and between the parties, such a dispute or difference does not remain to be an arbitrable dispute and the Arbitration clause cannot be invoked even though for certain other matters, the contract may be in subsistence. Learned counsel for the respondent, however, placed great emphasis on an earlier decision of this Court in ***Damodar Valley Corpn.*** **v.** ***K.K. Kar*** **[(1974) 1 SCC 141]** and in particular to the observations made in paras 11 to 13 of the judgment. It may, at the outset, be pointed out that a similar argument was advanced based on the observations made in this decision, in ***Ramaiah case*** **[1994 Supp (3) SCC 126]** also (vide para 7) but the same was rejected holding that on the facts since the respondent did not give any receipt accepting the settlement of the claim, the payment made by the other side was only unilateral and hence the dispute subsisted and the Arbitration clause in the contract could be invoked. Therefore, that decision can be distinguished on facts. Even otherwise we feel that once the parties have arrived at a settlement in respect of any dispute or difference arising under a contract and that dispute or the difference is amicably settled by way of a final settlement by and between the parties, unless that settlement is set aside in proper proceedings, it cannot lie in the mouth of one of the parties to the settlement to spurn it on the ground that it was a mistake and proceed to invoke the Arbitration clause. If this is permitted the sanctity of contract, the settlement also being a contract, would be wholly lost and it would be open to one party to take the benefit under the settlement and then to question the same on the ground of mistake without having the settlement set aside. In the circumstances, we think that in the instant case since the dispute or difference was finally settled and payments were made as per the settlement, it was not open to the respondent unilaterally to treat the settlement as non est and proceed to invoke the Arbitration clause. We are, therefore, of the opinion that the High Court was wrong in the view that it took."

8. In view thereof, he submits that the conduct of the Respondent when seen in totality, clearly evidences a concluded settlement between the parties, thereby estopping the Respondent from raising any further claims over and above what had already been acknowledged as the final payment in respect of the Kharif Season

2022 in the State of Maharashtra.

9. He further submits that as per the arrangement between the parties and as communicated by the Petitioner, the Respondent was to ensure that all the ILA survey forms were to be submitted by 30.04.2023 and there was no obligation on the part of the Petitioner to entertain any forms post this date. The rejection en masse of forms submitted after this date does not suffer from any infirmity.

10. It is thus contended by the learned Senior Counsel that the learned Arbitrator, having failed to consider the aforesaid aspects, has rendered an award which is vitiated and liable to be set aside.

11. ***Per contra***, learned counsel appearing on behalf of the Respondent, submits that the Impugned award is well reasoned and does not suffer from any infirmity warranting interference under Section 34 of the A&C Act.

12. She submits that the learned Arbitrator has duly considered all relevant aspects of the matter, including the express terms of the contract, and has correctly observed that no such deadline, as is now sought to be asserted by the Petitioner, was ever stipulated therein.

13. She further submits that the learned Arbitrator has also taken into account the contemporaneous correspondence exchanged between the parties, including the email dated 27.04.2023, read in conjunction with the minutes of meetings held on various dates, which, according to her, clearly indicate that the alleged deadline of 30.04.2023 was introduced for the first time only by way of the said email.

14. It is further submitted that the jurisdiction of this Court under Section 34 of the A&C Act is extremely circumscribed, and given the narrow scope of interference permissible thereunder, this Court ought not to interfere with the findings returned by the learned Arbitrator.

15. She, therefore, submits that no ground is made out for the exercise of jurisdiction by this Court under Section 34 of the A&C Act, and the present Petition is liable to be dismissed.

ANALYSIS:

16. This Court has carefully considered the submissions advanced on behalf of both sides and, with their able assistance, has perused the Impugned Award and the material placed before this Court.

17. At the outset, it is apposite to note that this Court remains conscious of the limited scope of its jurisdiction while examining an objection petition under Section 34 of the A&C Act. There is a consistent and evolving line of precedents whereby the Hon'ble Supreme Court has authoritatively delineated and settled the contours of judicial intervention in such proceedings.

18. In this regard, a 3-Judge Bench of the Hon'ble Supreme Court, after an exhaustive consideration of a catena of earlier judgments, in ***OPG Power Generation Pvt. Ltd. v. Enexio Power Cooling Solutions (India) Pvt. Ltd***[5] *(supra),* while dealing with the grounds of conflict with the public policy of India, perversity and patent illegality, grounds which have also been urged in the present case, made certain pertinent observations, which are reproduced hereunder:

> *"**Relevant legal principles governing a challenge to an arbitral award***
> **30.** Before we delve into the issue/sub-issues culled out above, it would be useful to have a look at the relevant legal principles governing a challenge to an arbitral award. Recourse to a court against an arbitral award may be made through an application for setting aside such award in accordance with sub-sections (2), (2-A) and (3) of Section 34 of the 1996 Act. Sub-section (2) of Section 34 has two clauses, (*a*) and (*b*). Clause (*a*) has five sub-clauses which are not relevant to the issues raised before us. Insofar as clause (*b*)

[5] (2025) 2 SCC 417

is concerned, it has two sub-clauses, namely, (*i*) and (*ii*). Sub-clause (*i*) of clause (*b*) is not relevant to the controversy in hand. Sub-clause (*ii*) of clause (*b*) provides that if the Court finds that the arbitral award is in conflict with the public policy of India, it may set aside the award.

Public policy

31. "Public policy" is a concept not statutorily defined, though it has been used in statutes, rules, notification, etc. since long, and is also a part of common law. Section 23 of the Contract Act, 1872 uses the expression by stating that the consideration or object of an agreement is lawful, unless, inter alia, opposed to public policy. That is, a contract which is opposed to public policy is void.

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37. What is clear from above is that for an award to be against public policy of India a mere infraction of the municipal laws of India is not enough. There must be, inter alia, infraction of fundamental policy of Indian law including a law meant to serve public interest or public good.

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The 2015 Amendment in Sections 34 and 48

42. The aforementioned judicial pronouncements were all prior to the 2015 Amendment. Notably, prior to the 2015 Amendment the expression "in contravention with the fundamental policy of Indian law" was not used by the legislature in either Section 34(2)(*b*)(*ii*) or Section 48(2)(*b*). The pre-amended Section 34(2)(*b*)(*ii*) and its Explanation read:

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44. By the 2015 Amendment, in place of the old Explanation to Section 34(2)(*b*)(*ii*), *Explanations 1 and 2* were added to remove any doubt as to when an arbitral award is in conflict with the public policy of India.

45. At this stage, it would be pertinent to note that we are dealing with a case where the application under Section 34 of the 1996 Act was filed after the 2015 Amendment, therefore the newly substituted/added Explanations would apply [***Ssangyong Engg. & Construction Co. Ltd.* v. *NHAI*, (2019) 15 SCC 131**].

46. The 2015 Amendment adds two Explanations to each of the two sections, namely, Section 34(2)(*b*)(*ii*) and Section 48(2)(*b*), in place of the earlier Explanation. The significance of the newly inserted *Explanation 1* in both the sections is two-fold. First, it does away with the use of words : (*a*) "*without prejudice to the generality of sub-clause (ii)*" in the opening part of the pre-amended Explanation to Section 34(2)(b)(ii); and (b) "*without prejudice to the generality of clause (b) of this section*" in the opening part of the pre-amended Explanation to Section 48(2)(*b*); secondly, it limits the expanse of public policy of India to the three specified categories by using the words "*only if*". Whereas, *Explanation 2* lays down the standard for adjudging

whether there is a contravention with the fundamental policy of Indian law by providing that a review on merits of the dispute shall not be done. This limits the scope of the enquiry on an application under either Section 34(2)(*b*)(*ii*) or Section 48(2)(*b*) of the 1996 Act.

47. The 2015 Amendment by inserting sub-section (2-A) in Section 34, carves out an additional ground for annulment of an arbitral award arising out of arbitrations other than international commercial arbitrations. Sub-section (2-A) provides that the Court may also set aside an award if that is vitiated by patent illegality appearing on the face of the award. This power of the Court is, however, circumscribed by the proviso, which 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.

48. *Explanation 1* to Section 34(2)(*b*)(*ii*), specifies that an arbitral award is in conflict with the public policy of India, *only if*:

(*i*) the making of the award was induced or affected by fraud or corruption or was in violation of Section 75 or Section 81; or

(*ii*) it is in contravention with the fundamental policy of Indian law; or

(*iii*) it is in conflict with the most basic notions of morality or justice.

49. In the instant case, there is no allegation that the making of the award was induced or affected by fraud or corruption, or was in violation of Section 75 or Section 81. Therefore, we shall confine our exercise in assessing as to whether the arbitral award is in contravention with the fundamental policy of Indian law, and/or whether it conflicts with the most basic notions of morality or justice. Additionally, in the light of the provisions of sub-section (2-A) of Section 34, we shall examine whether there is any patent illegality on the face of the award.

50. Before undertaking the aforesaid exercise, it would be apposite to consider as to how the expressions:

(*a*) "in contravention with the fundamental policy of Indian law";

(*b*) "in conflict with the most basic notions of morality or justice"; and

(*c*) "patent illegality" have been construed.

In contravention with the fundamental policy of Indian law

51. As discussed above, till the 2015 Amendment the expression "in contravention with the fundamental policy of Indian law" was not found in the 1996 Act. Yet, in ***Renusagar Power Co. Ltd.* v. *General Electric Co.*, 1994 Supp (1) SCC 644**, in the context of enforcement of a foreign award, while construing the phrase "contrary to the public policy", this Court held that for a foreign award to be contrary to public policy mere contravention of law would not be enough rather it should be contrary to:

(*a*) the fundamental policy of Indian law; and/or

(*b*) the interest of India; and/or

(*c*) justice or morality.

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55. The legal position which emerges from the aforesaid discussion is that after "the 2015 Amendments" in Section 34(2)(*b*)(*ii*) and Section 48(2)(*b*) of the 1996 Act, the phrase "in conflict with the public policy of India" must be accorded a restricted meaning in terms of *Explanation 1*. The expression "in contravention with the fundamental policy of Indian law" by use of the word "fundamental" before the phrase "policy of Indian law" makes the expression narrower in its application than the phrase "in contravention with the policy of Indian law", which means mere contravention of law is not enough to make an award vulnerable. To bring the contravention within the fold of fundamental policy of Indian law, the award must contravene all or any of such fundamental principles that provide a basis for administration of justice and enforcement of law in this country.

56. Without intending to exhaustively enumerate instances of such contravention, by way of illustration, it could be said that:

(*a*) violation of the principles of natural justice;

(*b*) disregarding orders of superior courts in India or the binding effect of the judgment of a superior court; and

(*c*) violating law of India linked to public good or public interest, are considered contravention of the fundamental policy of Indian law.

However, while assessing whether there has been a contravention of the fundamental policy of Indian law, the extent of judicial scrutiny must not exceed the limit as set out in *Explanation 2* to Section 34(2)(*b*)(*ii*).

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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 Section 34, 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 1996 Act.

68. In ***Ssangyong Engg. & Construction Co. Ltd.* v. *NHAI*, (2019) 15 SCC 131** this Court specifically dealt with the 2015 Amendment which inserted sub-section (2-A) in Section 34 of the 1996 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**].

Perversity as a ground of challenge

69. Perversity as a ground for setting aside an arbitral award was recognised in ***ONGC Ltd.* v. *Western Geco International Ltd.*, (2014) 9 SCC 263**. Therein it was observed that an arbitral decision must not be perverse or so irrational that no reasonable person would have arrived at the same. It was observed that if an award is perverse, it would be against the public policy of India.

70. In ***Associate Builders* v. *DDA*, (2015) 3 SCC 49** certain tests were laid down to determine whether a decision of an Arbitral Tribunal could be considered perverse. In this context, it was observed that where:
(*i*) a finding is based on no evidence; or
(*ii*) an Arbitral Tribunal takes into account something irrelevant to the decision which it arrives at; or
(*iii*) ignores vital evidence in arriving at its decision, such decision would necessarily be perverse.
However, by way of a note of caution, it was observed that when a court applies these tests it does not act as a court of appeal and, consequently, errors of fact cannot be corrected. Though, a possible view by the arbitrator on facts has necessarily to pass muster as the arbitrator is the ultimate master of the quantity and quality of

evidence to be relied upon. It was also observed that an award based on little evidence or on evidence which does not measure up in quality to a trained legal mind would not be held to be invalid on that score.

71. In ***Ssangyong Engg. & Construction Co. Ltd.* v. *NHAI*, (2019) 15 SCC 131**, which dealt with the legal position post the 2015 Amendment in Section 34 of the 1996 Act, it was observed that a decision which is perverse, while no longer being a ground for challenge under "public policy of India", would certainly amount to a patent illegality appearing on the face of the award. It was pointed out that an award based on no evidence, or which ignores vital evidence, would be perverse and thus patently illegal. It was also observed that a finding based on documents taken behind the back of the parties by the arbitrator would also qualify as a decision based on no evidence inasmuch as such decision is not based on evidence led by the parties, and therefore, would also have to be characterised as perverse [See ***Ssangyong Engg. & Construction Co. Ltd.* v. *NHAI*, (2019) 15 SCC 131**].

72. The tests laid down in ***Associate Builders* v. *DDA*, (2015) 3 SCC 49** to determine perversity were followed in ***Ssangyong Engg. & Construction Co. Ltd.* v. *NHAI*, (2019) 15 SCC 131** and later approved by a three-Judge Bench of this Court in ***Patel Engg. Ltd.* v. *North Eastern Electric Power Corpn. Ltd.*, (2020) 7 SCC 167**.

73. In a recent three-Judge Bench decision of this Court in ***DMRC Ltd.* v. *Delhi Airport Metro Express (P) Ltd.*, (2024) 6 SCC 357**, the ground of patent illegality/perversity was delineated in the following terms: (SCC p. 376, para 39)

> "*39.* In essence, the ground of patent illegality is available for setting aside a domestic award, if the decision of the arbitrator is found to be perverse, or so irrational that no reasonable person would have arrived at it; or the construction of the contract is such that no fair or reasonable person would take; or, that the view of the arbitrator is not even a possible view. A finding based on no evidence at all or an award which ignores vital evidence in arriving at its decision would be perverse and liable to be set aside under the head of "patent illegality". An award without reasons would suffer from patent illegality. The arbitrator commits a patent illegality by deciding a matter not within its jurisdiction or violating a fundamental principle of natural justice."

Scope of interference with an arbitral award

74. The aforesaid judicial precedents make it clear that while exercising power under Section 34 of the 1996 Act the Court does not sit in appeal over the arbitral award. Interference with an arbitral award is only on limited grounds as set out in Section 34 of the 1996 Act. A possible view by the arbitrator on facts is to be

respected as the arbitrator is the ultimate master of the quantity and quality of evidence to be relied upon. It is only when an arbitral award could be categorised as perverse, that on an error of fact an arbitral award may be set aside. Further, a mere erroneous application of the law or wrong appreciation of evidence by itself is not a ground to set aside an award as is clear from the provisions of sub-section (2-A) of Section 34 of the 1996 Act.

75. In ***Dyna Technologies (P) Ltd.*** **v.** ***Crompton Greaves Ltd.*****, (2019) 20 SCC 1**, paras 27-43, a three-Judge Bench of this Court held that courts need to be cognizant of the fact that arbitral awards are not to be interfered with in a casual and cavalier manner, unless the court concludes that the perversity of the award goes to the root of the matter and there is no possibility of an alternative interpretation that may sustain the arbitral award. It was observed that jurisdiction under Section 34 cannot be equated with the normal appellate jurisdiction. Rather, the approach ought to be to respect the finality of the arbitral award as well as party's autonomy to get their dispute adjudicated by an alternative forum as provided under the law."

19. Having perused the limited contours of Section 34 of the A&C Act, this Court proceeds further to examine the challenge raised by the Petitioner pertaining to the finding of the learned Arbitrator in regard to the Claim No. 10. The relevant extract of the Impugned Award insofar as it pertains to the said claim, is reproduced herein below:

"Analysis and Reasons

53. As noted earlier, the first issue to be determined is whether the Respondent is in breach of its contractual obligations under the Tender dated 8th June 2020 together with the Corrigendum, the Agreement dated 14th August 2020 and the subsequent WOs in relation to:
    (a) Kharif season of 2020-21 of Rajasthan;
    (b) Kharif season of 2020-22 of Maharashtra;
    (c) Rabi season 2020-21 of Maharashtra.

54. Appendix-l to the written submissions of the Claimant further gives the breakup of the claims season-wise and state-wise. This indicates that for Kharif 2022 of the 10,15,766 ILA surveys, payment was made by the Respondent to the Claimant only in respect of 2,59,292 ILA surveys. The reasons for non-payment in respect of the remaining 7,56,474 ILA surveys involving an amount of Rs. 23,57,81,229/- (including an interest amount of Rs. 4,66,62,729/-) were under two broad heads: (i) 'Submitted After 30.04.2023' and (ii) "Sub-survey issue". As far as ground (i) is concerned, as many as 4,94,282 ILA surveys involving a sum of

Rs. 12,35,70,500/- were rejected only because they were submitted after 30th April 2023.

Rejection of claims on account of the 30h April 2023 deadline

55. It has been the contention of the Claimant that the rejection of so many ILA surveys for Kharif 2022, only on the ground that the forms were submitted after 30th April 2023, was totally arbitrary, particularly since a mere three-day advance intimation was given by the Respondent to the Claimant in this regard.

56. The Tribunal has carefully examined the email dated 27th April 2023 sent by the Respondent to the Claimant which is at Annexure-C-141 to the SoC. The subject matter of this communication reads 'Submission of Original Survey Form of Kharif 2022 on or before 30th April 2023'. The purport of this letter appears to be that the Claimant, had despite of several reminders by the Respondent submitted only partial survey forms (approximately 3,38,000) and photographs of the ILA surveys conducted under the PMFBY Kharif 2022 season. It further states that the District Authorities were repeatedly asking the Respondent to submit the survey forms. Thereafter, it states that the Claimant should submit all the remaining forms along with photographs on or before 30th April 2023 failing which the unsubmitted forms/ photographs will not be considered for payment'.

57. In response to the above mail, the Claimant replied on 27th April 2023, pointing out that of the 10,15,766 ILAs conducted by the Claimant in nine districts of Maharashtra during Kharif 2022, hard copies of 3,37,495 ILA surveys had in fact been submitted to the Respondent. The Claimant stated that it was not possible for it to submit the balance of more than 6lakh ILA survey forms, in hard copies, by 30th April 2023. It referred to an earlier email of 31st January 2023, setting out the reasons why it will take another three to four months to submit all the forms.

58. A perusal of the emails of 31st January 2023, sent by the Claimant to the Respondent refers to the demand sent by the Mumbai RO of the Respondent that all the loss assessment forms of a Tehsil should be submitted in a "single lot' only. It was explained by the Claimant that sorting out of ILA forms '100% Tehsil-wise' before their despatch would not be possible' as this will further severely delay the whole process as explained above'. In a separate email of the same date, the Claimant informed the Respondent that it would take around three to four months for completion of the collection, sorting, labeling and dispatch of the entire lot of over ten lakh survey forms as proposed by you'. It is further pointed out that the Respondent had not made any payment to the Claimant for the completed WOs since September, 2022. The Claimant accordingly informed the Respondent, in the said email dated 31st January 2023 that it is not possible 'to collect all the

forms pertaining to even one WO'. It was stated further that as and when the Respondent released payments, the Claimant will 'pay the field staff and collect the balance ILA forms'.

59. In the email of 27th April 2023, the Claimant pointed out that at the meeting held on 19th January 2023, it had been agreed that the Respondent would release payments immediately on submission of hard copies of ILA survey forms. The Claimant further pointed out that they had been submitting ILA survey consignments since 6th March 2023, but had received the Respondent's first net interim remittance of Rs. 1,09,60,135/- (including GST) only on 21st April 2023. It was the delay in making the payments that had in turn delayed the collection of the forms from the field surveyors. The other reason was the insistence by the RO of the Respondent in Mumbai that the surveys had to be sorted village-wise. Accordingly, the Claimant pleaded to the Respondent that while it was making every effort to submit the balance forms, as early as possible, in view of the circumstances explained it is difficult to submit the remaining more than six lakh forms before 10th June 2023'.

60. However, from the email dated 27th April 2023 of the Respondent to the Claimant, it appears that the Respondent was insisting on the 30th April 2023 deadline and took the stand that "no further extension of time for submission will be allowed.' The Claimant's email of 29th April 2023 to the Respondent reveals the insistence by the Respondent that the Claimant should sort over ten lakh ILA forms, village-wise, was indeed a deviation from the standard procedure which was to deliver the ILA forms to the Respondent "WO wise'. By an email dated 31st January 2023, the Claimant pointed this out to the Respondent and reminded that this task would take around three to four months and that it had resulted in the Claimant having to create additional infrastructure/ manpower, whereby, the Claimant had to incur substantial losses. The 2nd May 2023 response of the Regional Manager of the Respondent at Mumbai to the Claimant was extremely curt and cryptic stating that "forms submitted before 30th April 2023 will only be considered for payment. Clearly, therefore, there was a kind of an impasse created.

61. On the above aspect, a pointed question was put by counsel for the Claimant to the witness for the Respondent (RW-1) during cross-examination as under:

> *"Q19 Would you agree that it is only by your email dated 27.04.2023, referred to in para 54 of your affidavit, that you informed the Respondent for the first time that the deadline for submission of hard copies of the ILA Forms*
>
> *Ans. Yes.* ***Volunteered****: In an earlier email dated 31.01.2023 of the Claimant, it was stated that it would take them three to four months to complete the task"*

62. In other words, there is a clear admission that prior to the email

dated 27th April 2023, there was no intimation by the Respondent to the Claimant that 30th April 2023 was the inviolable deadline for submission of the ILA forms. How this deadline was arrived at is not even attempted to be explained by the Respondent either in its SoD or even in the affidavits of evidence of the Respondent's two witnesses.

63. In the written submissions tendered by the Respondent, the line adopted by RW-1 in his above response, is sought to be reiterated viz. that the Claimant had itself conveyed by an email dated 31st January 2023 that it will take three to four months to dispatch the entire lot of forms. This could not by any stretch of imagination be construed as the Claimant having bound itself to a deadline of 30th April 2023. Apart from saying that the Claimant had been given sufficient amount of time' the Respondent does not appear to have any valid explanation for rejecting such a huge number of ILA survey forms for payment only because they were not submitted before 30th April 2023, which deadline is not found anywhere in the Tender document/conditions or in the Agreement dated 14th August 2020.

64. Reference could also be made at this juncture to the Minutes of Meeting held on 3rd March 2023, 24th March 2023 and 5th April 2023 (Annexures R-24, R-25 and R-26 to the SoD). During these meetings, the Respondent did not insist on any deadline of 30th April 2023 by which the ILA survey forms in hard copy were required to be submitted by the Claimant to the Respondent. This is not even adverted to in the meeting held on 22nd May 2023.

65. Interestingly, it is nowhere denied by the Respondent that as of 2nd April 2023, more than six lakh forms were still to be submitted by the Claimant to the Respondent. The Claimant had in its emails of 31st January 2023 to the Respondent, referred to hereinabove, given adequate reasons about the difficulty in collecting and submitting the ILA survey forms. This has not been refuted by the Respondent in its reply emails. In fact, those replies which rejected the earnest appeal of the Claimant for extension of the deadline, for submission of the ILA survey forms, were met with a curt one-line reply of the Respondent that there would be no extension of the deadline of 30th April 2023. In other words, the Respondent was not even prepared to consider the reasons being offered by the Claimant as to why the insistence upon a 30th April 2023 deadline, imposed on 27th April 2023, for submission of six lakh ILA survey forms, was both unfair and unrealistic.

66. Turning to the Tender itself, the specific clauses that might be relevant for the issue are the following:

> ***"4.21.2 Payment shall be released after receipt of satisfactory reports as specified by AIC in desired formats in conformity with scope of work specified and compliance with the terms/ conditions/ requirements under Tender document/ Work Order.***

4.21.3 Agency shall submit the reports in the formats as desired by AIC in the mode (Offline/Online) as specified in the work order. On verification of the reports, AIC will approve the eligible surveys as per the terms and conditions of the work order / Tender document for the payment. Thereafter, Agency may raise the Invoice for payment.

4.21.4 Incomplete report / non submission / partial submission of specified documents, photos, videos etc. will not be considered for payment.

4.21.6 No Payment shall be made in the following cases.

a. Less than 50% of the work order of each activity is completed.

b. Less than 50% of the total assigned survey / CEs conducted in each notified area crop combination. For this purpose, the CCEs conducted without intimation would not be included provided the agency raised valid objections for those CCEs.

c. Merely "submitting the report as per the formats provided " without performing the awarded work or merely Yield data collection or CCEs report submission without co-observing the CCEs or merely present during CCEs and submitting duly filled CCE co-observation form.

d. The surveys are not conducted as specified in the Scope of Work and operational guidelines of the prevailing PRBY/RWBCIS Other Crop Insurance products guidelines and IRDAI regulations in force."

67. Even the Claimant does not dispute the requirements, spelt out under the above clauses. The reason why the Respondent rejected as many as 4,94,282 ILA survey forms for the Kharif 2022 for Maharashtra was only because they were not submitted before the deadline of 30th April 2023. That is not even a condition spelt out in any of the above clauses.

68. Having considered the relevant clauses of the Agreement (including clauses in the Tender and the Corrigendum thereto), the evidence on record in its totality and the submissions of learned counsel for the parties, the Tribunal concludes that there was no justification whatsoever factually or legally for the Respondent to have denied payment in respect of 4,94,282 ILA survey forms for the Maharashtra Kharif 2022 season involving payment of Rs. 12,35,70,500/-. Accordingly, the Tribunal holds that the aforementioned sum is due and liable to be paid by the Respondent to the Claimant forthwith together with the interest as prayed for by the Claimant."

20. This Court has carefully perused the aforesaid findings of the

learned Arbitrator as well as the material placed on record. A reading of the Impugned award demonstrates that the learned Arbitrator has undertaken a detailed examination of the contractual provisions, the correspondence exchanged between the parties, and the evidence led during the proceedings.

21. The learned Arbitrator, upon due consideration, has returned a categorical finding that the rejection of the ILA survey forms on the ground of the alleged deadline of 30.04.2023 was unjustified. In support of the said conclusion, the learned Arbitrator has, *inter alia*, noted that the said deadline was introduced for the first time by way of an email dated 27.04.2023, that no such stipulation finds place in the contractual documents, and that the same was not reflected in any of the meetings held prior thereto.

22. In the backdrop of the aforesaid findings, the contention of the Petitioner, premised on the communication dated 07.08.2023, also does not merit acceptance. The said communication, when read in the context of the dispute as examined by the learned Arbitrator, does not advance the case of the Petitioner.

23. At this juncture, it is also pertinent to note that the learned Arbitrator has consciously adverted to and examined the said communication. The relevant extract of paragraph 107 of the Impugned Award, wherein the learned Arbitrator has specifically considered the said communication, is reproduced herein below for ready reference:

> "**107.** The clauses as they read do appear to favour the interpretation placed on them by the Respondent. The clauses do not require the Respondent to furnish to the Agency, the reasons for rejecting surveys or reports. In its written submissions, a pointed reference is made by the Respondent to the admission by CW-1 in his cross-examination on 5th September 2024 that the Claimant had

> sent the email dated 7th August 2023. A perusal of that email would show that the Claimant thanked the Respondent for the payment against the invoices dated 18th July 2023. Although, the Claimant did ask for the details of the ILA surveys rejected, it really did not insist on the reasons for the rejection, much less raised the protest that it was accepting the said position and raising invoices only for the approved surveys due to financial constraints. The Respondent is right in its contention that it is not the case of the Claimant that it was coerced or pressurized by the Respondent into accepting the rejection of a large number of its reports / surveys / CCEs."

24. A reading of the aforesaid paragraph indicates that the learned Arbitrator has not only adverted to the communication dated 07.08.2023 but has also examined its contents in the course of its analysis and therefore, mere observation, that the Respondent did not insist upon the reasons for rejection of the surveys or raise an emphatic protest cannot, by itself, in the facts of the present case, be construed as an unconditional and unequivocal acceptance of the rejection of the surveys as final and binding.

25. In the considered opinion of this Court, the absence of protest by the Respondent in the said communication, in the facts and circumstances of the present case, is not synonymous with acceptance of the settlement.

26. It is a well-settled proposition of law that, for a plea of full and final settlement to be sustained and for an estoppel to arise therefrom, there must exist a clear, conscious, and unequivocal agreement between the parties. Such an agreement must be bilateral in nature and must demonstrably reflect a meeting of minds, whereby the payment tendered is expressly accepted by the receiving party as being in complete and final discharge of all subsisting claims, without any protest, demur, reservation, or indication to the contrary.

27. In the absence of such clear and unambiguous acceptance, a

mere reference to an expression "full and final settlement" in an email trail, by itself, cannot be construed as evidencing a concluded and binding agreement. In the considered opinion of this Court, such a reference, without any demonstrable meeting of minds or unequivocal consent of the parties, is insufficient to establish that a binding settlement has come into existence.

28. In the present case, the communication dated 07.08.2023, also examined by the learned Arbitrator in paragraph 107 of the Impugned Award, falls far short of satisfying the aforesaid legal threshold of a concluded and binding settlement. The contents of the said communication neither evidence any unequivocal acceptance of the payment as being in full and final satisfaction of claims nor disclose any conscious relinquishment of rights by the Respondent. In view thereof, it cannot, by any stretch of imagination, be construed as giving rise to an estoppel so as to preclude the Respondent from raising disputes or asserting its claims arising therefrom.

29. Consequently, the reliance placed upon ***Nathani Steels Ltd.*** *(supra)* by the learned Senior Counsel for the Petitioner to contend that once payment is accepted in full and final discharge extinguishes any arbitrable dispute, does not merit acceptance in the facts of the present case. As the principle laid down therein proceeds on the existence of a clear, unequivocal and bilateral settlement between the parties, without any reservation or protest. However, in the present case, the contemporaneous conduct of the Respondent, as borne out from the material on record, does not evince the existence of any such settlement that transpired *inter se* the parties.

30. Insofar as the contention regarding the alleged non-consideration or inadequate weight accorded to the communication

dated 07.08.2023 in the adjudication of Claim No. 10 by the learned Arbitrator is concerned, it is well settled that an arbitral award is not required to expressly advert to or discuss each and every document placed on record. It is sufficient if the award, on a holistic reading, reflects due application of mind to the material issues arising for consideration and demonstrates that the Arbitrator has taken into account the substance of the dispute and the evidence placed before it.

31. In this regard, reference may be made to the judgment of the Division Bench of this Court in ***Delhi Transco Limited v. Hindustan Urban Infrastructure Limited***[6], wherein, upon placing reliance on the decision of the Hon'ble Supreme Court in ***Board of Mining Examination and Chief Inspector of Mines v. Ramjee***[7], it was held that an Arbitral Tribunal is not required to deal with every contention or submission in a mechanical or pedantic manner. Rather, it is sufficient if the authority addresses those issues which are material and have a direct bearing on the outcome of the dispute. Consequently, an Arbitral Tribunal is not obligated to advert to each and every document or contention placed on record. It is well within its jurisdiction to confine its analysis to those aspects which are germane and central to the controversy, so long as the essential issues in dispute stand duly considered and adjudicated.

32. In the present case, the Impugned Award, when read as a whole, clearly demonstrates that the learned Arbitrator by diligently examining the chain of correspondence, including the emails dated 31.01.2023 and 27.04.2023, the responses thereto, the Minutes of Meetings held on various dates, and the relevant contractual clauses

[6] 2025:DHC:8941-DB
[7] (1977) 2 SCC 256

governing payment obligations has duly applied its judicious mind to the core issues arising between the parties and has rendered findings based on the material available on record. The learned Arbitrator has also taken note of the statement of RW-1 in cross-examination that the deadline of 30.04.2023 was communicated for the first time by way of the email dated 27.04.2023.

33. The conclusion arrived at by the learned Arbitrator, *namely*, that the rejection of the ILA survey forms solely on the basis of a deadline which was neither contractually stipulated nor communicated in advance was justified, does not warrant interference. Consequently, the mere absence of a specific reference to the communication dated 07.08.2023 in regard to Claim No. 10 in the Impugned Award does not, in the facts and circumstances of the present case, vitiate the Award.

34. Upon a careful examination of the record, including the documentary evidence and the email correspondence exchanged between the parties, the learned Arbitrator has arrived at a reasoned conclusion which is borne out by and in consonance with the material on record. Having regard to the limited scope of jurisdiction under Section 34, this Court finds that the contentions advanced by the Petitioner do not merit acceptance and are accordingly rejected.

DECISION:

35. In view of the foregoing, this Court is of the considered opinion that the limited challenge raised by the Petitioner in the present Petition does not fall within the narrow confines of interference contemplated under Section 34 of the A&C Act. The findings returned by the learned Arbitrator are founded upon a due and proper

appreciation of the material on record, represent a plausible and reasonable view, and do not suffer from any patent illegality or perversity so as to warrant interference by this Court in exercise of its jurisdiction under Section 34.

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

37. No Order as to Costs.

HARISH VAIDYANATHAN SHANKAR, J.

APRIL 28, 2026/v/jk