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

% ***Judgment reserved on: 29.10.2026***

Judgment pronounced on: 03.11.2026

Judgment uploaded on: 03.11.2026

\# **CNR No. DLHC010518552026**

\+ FAO(OS) (COMM) 292/2026, CM APPL. 74557/2026, CM APPL. 74558/2026 & CM APPL. 74559/2026

DELHI DEVELOPMENT AUTHORITY .....Appellant

Through: Mr. Kailash Vasdev, Sr. Adv. and Ms. Shobhana Takiar, SC along with Mr. Kuljeet Singh, Ms. Anushka Mamgain, Ms. Shivani Sethi, Mr. Umrao Singh Rawat and Ms. Neoma Vasdev, Advs.

versus

S K SINGLA & ANR. .....Respondents

Through: Mr. Harish Malhotra, Sr. Adv. along with Mr. Rajinder Aggarwal, Adv.

CORAM:
HON'BLE MR. JUSTICE ANIL KSHETARPAL
HON'BLE MR. JUSTICE BHARAT PARASHAR

J U D G M E N T

ANIL KSHETARPAL, J.:

1. The present Appeal, preferred under Section 37(1)(c)[1] of the Arbitration and Conciliation Act, 1996[2], assails the judgment dated 17.02.2026[3] passed by the learned Single Judge in O.M.P. (COMM.) 175/2020, whereby the petition[4] preferred by the Appellant-Delhi

[1] Hereinafter, the 'Section 37'
[2] Hereinafter, the 'A&C Act'
[3] Hereinafter, the 'Impugned Judgment'
[4] Hereinafter, the 'Section 34 Petition'

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Development Authority[5] under Section 34 of the A&C Act[6], challenging the arbitral award dated 21.12.2010[7], came to be dismissed. The Appellant also assails the Award. The subsequent order dated 03.09.2026, passed in the review proceedings initiated by the Appellant in respect of the issue of pecuniary jurisdiction, is referred to herein only to place the subsequent procedural history on record. The said order is not independently under challenge in the present Appeal.

2. The challenge to the Impugned Judgment is founded principally on the following grounds: *first*, that the learned Single Judge lacked the requisite commercial and pecuniary jurisdiction to entertain the Section 34 Petition; *second*, that the learned Arbitral Tribunal proceeded on an erroneous factual premise that Plot No. E-265, Amar Colony, Lajpat Nagar-IV, New Delhi[8] was not included in the layout plan of the area; *third*, that the directions issued by the learned Arbitral Tribunal travel beyond the contractual arrangement between the parties and impermissibly trench upon the statutory planning framework; and, *lastly*, that the learned Single Judge failed to consider material documents which DDA sought to introduce by way of I.A. No. 8004/2013, including the subsequent sanction of the building plan.

FACTUAL MATRIX:

3. The relevant facts, necessary for adjudication of the present Appeal, may be briefly noticed.

[5] Hereinafter, the 'DDA'
[6] Hereinafter, the 'Section 34'
[7] Hereinafter, the 'Award'
[8] Hereinafter, the 'Plot'

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4. DDA conducted an open auction on 23.09.1996 in respect of the Plot, on an 'as is where is' basis. The Respondents emerged as the highest bidder with a bid of Rs.60,05,000/- and, on the same day, deposited 25% of the bid amount, amounting to Rs.15,01,250/-. DDA accepted the bid on 09.10.1996 and, *vide* demand notice dated 18.11.1996, called upon the Respondents to deposit the balance 75% of the bid amount, along with documentation charges, by 15.12.1996. The Respondents thereafter deposited a sum of Rs.45,03,795/- with DDA. A further sum of Rs.30,303/- was deposited towards stamp duty in January 1997.

5. In the interregnum, the Respondents received a letter dated 02.12.1996 from one Raj Rani Khanna, claiming ownership of the Plot on the basis of adverse possession and intimating the Respondents about pending proceedings concerning the Plot. It is stated that the Respondents were also impleaded in the said proceedings. The Award, however, records that a writ petition bearing CW-(C) 2991/1997, filed by the said claimant, came to be dismissed by this Court *vide* order dated 24.02.1999.

6. Thereafter, in anticipation of execution of the lease deed, DDA, *vide* letter dated 09.06.1997, called upon the Respondents to take possession of the Plot on 01.07.1997. Accordingly, possession was handed over to the Respondents on the said date. However, upon taking possession, the Respondents noticed the existence of a stone boundary wall and chain-link fencing on the Plot, which allegedly impeded its use. The Respondents brought the encroachment to the notice of DDA and asserted that ground rent would not be payable until the Plot was made available for construction.

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7. DDA, *vide* letter dated 18.01.1999, informed the Respondents that the departmental files relating to the Plot were not traceable and called upon the Respondents to furnish documents to enable reconstitution of the records. The Respondents thereafter furnished a copy of the Perpetual Lease Deed, duly stamped by the Collector of Stamps, and reiterated its request for removal of the encroachment. Meanwhile, DDA, *vide* letter dated 17.09.1999, raised a demand of Rs.4,26,129.50 towards ground rent from 01.07.1997, along with interest. The Respondents disputed the demand, contending that ground rent would be payable only from the date on which the Plot became available for construction. The encroachment was eventually removed by DDA on 14.10.1999.

8. The Respondents also claimed to have subsequently discovered that the Plot had not been included in the layout plan of the area, as a result of which no building plan could be sanctioned in respect thereof. The Respondents approached the National Consumer Disputes Redressal Commission[9], claiming, *inter alia*, compensation of Rs.91,27,143/- on account of the alleged delay in handing over effective possession and the demands raised by DDA. The NCDRC, *vide* order dated 01.03.2004, held DDA liable for deficiency in service, observed that the possession handed over on 01.07.1997 was ineffective in view of the encroachment and that ground rent could not have been demanded from that date. The NCDRC also directed DDA to execute the lease deed in respect of the Plot within eight weeks. Aggrieved by the said order, both parties preferred cross-appeals before the Supreme Court, being Civil Appeal No. 3474/2004 filed by

[9] Hereinafter, the 'NCDRC'

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the Respondents and Civil Appeal No. 661/2005 filed by DDA. The Supreme Court, *vide* order dated 24.01.2010, referred the disputes between the parties to arbitration and appointed a Sole Arbitrator.

9. During the arbitral proceedings, the Respondents contended that the Plot had not been included in the layout plan of the area and, consequently, no building plan could be sanctioned in respect thereof. The learned Arbitral Tribunal accepted the said contention and held that the Plot had been auctioned by DDA despite not being included in the layout plan. It further observed that an auction purchaser would ordinarily proceed on the assumption that the plot being auctioned was included in the layout plan and was free from encumbrances. The learned Arbitral Tribunal also rejected DDA's contention that the Respondents ought to have undertaken due diligence before participating in the auction, observing that the responsibility to prepare the master plan, zonal plan and layout plan rested with DDA under the Delhi Development Act, 1957[10].

10. Accordingly, *vide* the Award, the learned Arbitral Tribunal directed DDA to take steps for inclusion of the Plot in the layout plan within three months and to intimate the Respondents of such inclusion. It further directed that no ground rent would be payable until such inclusion and intimation, and that ground rent would become payable thereafter. The learned Arbitral Tribunal also awarded interest at the rate of 9% per annum on the sum of Rs.15,01,250/- from 23.09.1996 and on the sum of Rs.45,03,795/- from 18.12.1996. The interest accrued up to 23.12.2010 was

[10] Hereinafter, the 'DDA Act'

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quantified at Rs.76,00,134/-, with further interest at the same rate, subject to the condition stipulated in the Award. Costs of Rs.1,50,000/- were also awarded in favour of the Respondents.

11. Aggrieved by the Award, DDA preferred a Section 34 Petition. During the pendency of the said proceedings, DDA also filed I.A. No. 8004/2013 seeking permission to place additional documents on record, including documents concerning the alleged inclusion of the Plot in the layout plan in 1984.

12. The learned Single Judge, *vide* the Impugned Judgment, dismissed the Section 34 Petition, holding that the findings of the learned Arbitral Tribunal did not suffer from perversity or patent illegality. The learned Single Judge also declined to permit reliance upon the additional documents sought to be placed on record by DDA, taking into consideration the varying stands adopted by DDA before the NCDRC, the learned Arbitral Tribunal and the Court.

13. It is further relevant to note that, upon the pronouncement of the Impugned Judgment, DDA invoked the review jurisdiction of this Court, *inter alia*, raising the issue concerning the pecuniary jurisdiction of the learned Single Judge. The said review proceedings came to be disposed of *vide* order dated 03.09.2026. The said subsequent order is not the subject matter of challenge in the present Appeal and is noticed only to record the procedural history and the steps taken by DDA in pursuing its objection to the jurisdiction of the learned Single Judge.

14. Aggrieved thereby, DDA has preferred the present Appeal.

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CONTENTIONS OF THE PARTIES:

15. Heard learned senior counsel representing the parties at length and with their able assistance, perused the paper book.

16. Learned senior counsel representing the Appellant has made the following submissions:

i. Learned Arbitral Tribunal proceeded on an erroneous factual premise in holding that the Plot was not included in the layout plan. It was contended that the Plot had been handed over to the DDA by the Department of Rehabilitation/Settlement Wing on 18.01.1984, along with the layout plan. However, the relevant departmental records could not be traced despite efforts undertaken by the DDA and were, therefore, not available during the arbitral proceedings. The documents subsequently sought to be placed on record before the learned Single Judge, including those relating to the sanction of the building plan, were stated to substantiate that the Plot was already included in the layout plan.

ii. In this regard, learned senior counsel fairly acknowledged that the scope for permitting additional evidence in proceedings under Section 34 is limited. However, it was submitted that the present case falls within the exceptional circumstances warranting consideration of such evidence. Reliance was placed on ***Fiza Developers and Inter-Trade P. Ltd. v. AMCI (I) Pvt. Ltd. & Ors.***[11]**;** ***Alpine Housing Development Corporation Pvt. Ltd. v. Ashok S. Dhariwal & Ors.***[12]**;** **and**

[11] (2009) 17 SCC 796
[12] (2023) 19 SCC 629

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Emkay Global Financial Services Ltd. v. Girdhar Sondhi[13]. It was contended that the documents sought to be brought on record were material to the controversy and could not be produced earlier for reasons beyond the DDA's control. The learned Single Judge, therefore, should have considered whether the circumstances pleaded by the DDA justified the reception of such evidence, instead of declining the application for additional documents.

iii. It was further submitted that, in the absence of execution of the Perpetual Lease Deed, the Plot could not have been included in the layout plan, and that the execution of the Lease Deed was itself impeded by the Respondents' failure to discharge its liability towards ground rent. The Respondents, having purchased the Plot on an "as is where is" basis and having taken possession thereof, could not avoid its liability to pay ground rent from the date of handing over possession. The learned Arbitral Tribunal, therefore, erred in suspending the liability to pay ground rent until the inclusion of the Plot in the layout plan and in awarding interest on the amounts paid by the Respondents.

iv. Learned senior counsel also assailed the direction issued by the learned Arbitral Tribunal requiring the DDA to take steps for inclusion of the Plot in the layout plan. It was contended that such a direction travels beyond the contractual arrangement between the parties and, in effect, trenches upon the statutory framework governing planning and development under the DDA

[13] (2018) 9 SCC 49

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Act. The DDA could not be directed to secure an alteration or inclusion in a layout plan contrary to the procedure contemplated under the applicable statutory framework.

v. On the question of jurisdiction, learned senior counsel submitted that the dispute arose out of the allotment of a residential Plot and did not constitute a commercial dispute within the meaning of Section 2(1)(c)(vii) of the Commercial Courts Act, 2015[14]. It was further contended that the pecuniary value of the dispute could not be determined merely on the basis of the claims raised before the learned Arbitral Tribunal, particularly when such claims were stated to travel beyond the proceedings before the NCDRC and the reference made by the Supreme Court. It was, therefore, urged that the learned Single Judge lacked the requisite commercial and pecuniary jurisdiction to entertain the Section 34 Petition.

17. *Per contra*, learned senior counsel representing the Respondents submits that the DDA had taken inconsistent and mutually contradictory stands at different stages of the proceedings. It was pointed out that, in the Section 34 Petition, the DDA itself had contended that the Plot could not be included in the layout plan in the absence of execution of the Perpetual Lease Deed, which, according to the DDA, had not been executed on account of the Respondents' alleged failure to pay ground rent. The DDA had also sought to attribute the responsibility for obtaining sanction of the layout plan to the Respondents. Having taken such a stand, the DDA could not now

[14] Hereinafter, the 'CC Act'

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contend that the Plot had already been included in the layout plan in 1984.

18. It is further submitted that the application seeking to place additional documents on record was rightly declined by the learned Single Judge. The DDA had failed to furnish any satisfactory explanation for not producing the documents before the learned Arbitral Tribunal. The subsequent sanction of a building plan, in any event, could not retrospectively establish that the Plot formed part of the layout plan at the time of its auction. It was submitted that the learned Arbitral Tribunal had considered the pleadings, evidence and contemporaneous correspondence exchanged between the parties before arriving at the finding that the Plot was not included in the layout plan. The said finding was a plausible view based on the material available on record and did not warrant interference under Section 34.

19. It was lastly submitted that the grounds urged by the DDA essentially seek a re-appreciation of the evidence and a reconsideration of the factual findings returned by the learned Arbitral Tribunal, which is impermissible within the limited scope of interference under Sections 34 and 37.

20. No other submission has been advanced by learned senior counsel representing the parties.

ANALYSIS AND FINDINGS:

21. This Court has considered the submissions advanced by learned senior counsel representing the parties and examined the Impugned

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Judgment, the Award and the material placed on record. Before adverting to the specific grounds urged in the present Appeal, it would be apposite to delineate the scope of interference available to this Court under Section 37.

22. The jurisdiction exercised by a Court under Section 34 is supervisory and limited in nature. It does not permit the Court to sit in appeal over an arbitral award or to undertake a fresh appraisal of the evidence and contractual provisions merely because a different view may also be possible. The interpretation of the contract, in the first instance, falls within the domain of the learned Arbitral Tribunal. An award cannot, therefore, be set aside merely because the Court would have arrived at a different conclusion on the facts or adopted another interpretation of the contract. Interference is permissible only where a ground contemplated under Section 34 is made out.

23. In this regard, the Supreme Court, in ***Ssangyong Engineering and Construction Co. Ltd. v. National Highways Authority of India***[15], has explained that the scope of interference on the ground of public policy of India has been narrowed by the amendments to the A&C Act. It has further clarified that patent illegality under Section 34(2A) must go to the root of the matter and cannot be equated with every erroneous application of law. A mere erroneous interpretation of the contract or re-appreciation of evidence would not furnish a ground for setting aside an award. At the same time, an award may be vulnerable where the learned Arbitral Tribunal has arrived at a finding based on no evidence, disregarded vital evidence in a manner that

[15] (2019) 15 SCC 131

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goes to the root of the matter, or adopted an interpretation which no fair-minded or reasonable person could have arrived at. The principles laid down in ***Associate Builders v. Delhi Development Authority***[16], must accordingly be understood in the context of the statutory limits clarified in ***Ssangyong Engineering*** *(supra)*.

24. The limits of scrutiny under Section 37 are narrower still. The present proceedings do not constitute an appeal against the Award on its merits. The enquiry of this Court is confined to examining whether the learned Single Judge, while exercising jurisdiction under Section 34, acted within the bounds of that provision. In ***MMTC Ltd. v. Vedanta Ltd.***[17], the Supreme Court emphasised that the jurisdiction under Section 37 cannot travel beyond the restrictions imposed by Section 34. The relevant observations are as follows:

> *"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****."*
>
> ***(Emphasis supplied)***

25. The same position was reiterated by the Supreme Court in ***Punjab State Civil Supplies Corpn. Ltd. v. Sanman Rice Mills***[18], wherein it was held that the appellate power under Section 37 is confined to examining whether the Court exercising jurisdiction under

[16] (2015) 3 SCC 49
[17] (2019) 4 SCC 163
[18] 2024 SCC OnLine SC 2632

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Section 34 has acted within the limits prescribed by that provision. The appellate Court cannot reassess the evidence or substitute its own view on the merits of the dispute as though it were exercising ordinary appellate jurisdiction. The relevant observations are as follows:

> ***"20. In view of the above position in law on the subject, the scope of the intervention of the court in arbitral matters is virtually prohibited, if not absolutely barred and that the interference is confined only to the extent envisaged under Section 34 of the Act. The appellate power of Section 37 of the Act is limited within the domain of Section 34 of the Act. It is exercisable only to find out if the court, exercising power under Section 34 of the Act, has acted within its limits as prescribed thereunder or has exceeded or failed to exercise the power so conferred. The Appellate Court has no authority of law to consider the matter in dispute before the arbitral tribunal on merits so as to find out as to whether the decision of the arbitral tribunal is right or wrong upon reappraisal of evidence as if it is sitting in an ordinary court of appeal. It is only where the court exercising power under Section 34 has failed to exercise its jurisdiction vested in it by Section 34 or has travelled beyond its jurisdiction that the appellate court can step in and set aside the order passed under Section 34 of the Act.*** *Its power is more akin to that superintendence as is vested in civil courts while exercising revisionary powers. The arbitral award is not liable to be interfered unless a case for interference as set out in the earlier part of the decision, is made out. It cannot be disturbed only for the reason that instead of the view taken by the arbitral tribunal, the other view which is also a possible view is a better view according to the appellate court."*
>
> ***(Emphasis supplied)***

26. The distinction between the limited jurisdiction under Section 34 and the still narrower appellate scrutiny under Section 37 was also affirmed by the Supreme Court in ***UHL Power Co. Ltd. v. State of Himachal Pradesh***[19]. The Court observed:

> *"15. This Court also accepts as correct, the view expressed by the appellate court that the learned Single Judge committed a gross error in reappreciating the findings returned by the Arbitral Tribunal and taking an entirely different view in respect of the interpretation of the relevant clauses of the implementation agreement governing the parties inasmuch as it was not open to the said court to do so in*

[19] (2022) 4 SCC 116

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proceedings Under Section 34 of the Arbitration Act, by virtually acting as a court of appeal.

16. ***As it is, the jurisdiction conferred on courts Under Section 34 of the Arbitration Act is fairly narrow, when it comes to the scope of an appeal Under Section 37 of the Arbitration Act, the jurisdiction of an appellate court in examining an order, setting aside or refusing to set aside an award, is all the more circumscribed.****"*

(Emphasis supplied)

27. The supervisory character of the Court's jurisdiction in arbitral matters was also explained in ***McDermott International Inc. v. Burn Standard Co. Ltd.***[20]. The Supreme Court observed that the Court's role is to ensure fairness in the arbitral process and not to correct errors by substituting its own interpretation of the contract for that of the learned Arbitral Tribunal. It further recognised that the construction of a contract is ordinarily within the jurisdiction of the arbitrator and that the conduct of the parties and the correspondence exchanged between them are relevant considerations in undertaking such construction. The relevant observations are as follows:

*"**52.** The 1996 Act makes provision for the supervisory role of courts, for the review of the arbitral award only to ensure fairness.* ***Intervention of the court is envisaged in few circumstances only, like, in case of fraud or bias by the arbitrators, violation of natural justice, etc.*** *The court cannot correct errors of the arbitrators. It can only quash the award leaving the parties free to begin the arbitration again if it is desired. So,* ***the scheme of the provision aims at keeping the supervisory role of the court at minimum level and this can be justified as parties to the agreement make a conscious decision to exclude the court's jurisdiction by opting for arbitration as they prefer the expediency and finality offered by it****.*

***

112. *It is trite that the terms of the contract can be express or implied. The conduct of the parties would also be a relevant factor in the matter of construction of a contract. The construction of the contract agreement is within the jurisdiction of the arbitrators having regard to the wide nature, scope and ambit of the arbitration agreement and they cannot be said to have misdirected themselves in passing the award by taking into consideration the conduct of the parties. It is also*

[20] (2006) 11 SCC 181

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trite that correspondences exchanged by the parties are required to be taken into consideration for the purpose of construction of a contract. Interpretation of a contract is a matter for the arbitrator to determine, even if it gives rise to determination of a question of law. (See Pure Helium India (P) Ltd. v. ONGC [(2003) 8 SCC 593] and D.D. Sharma v. Union of India [(2004) 5 SCC 325] .)

113. <u>Once, thus, it is held that the arbitrator had the jurisdiction, no further question shall be raised and the court will not exercise its jurisdiction unless it is found that there exists any bar on the face of the award.</u>

114. *The above principles have been reiterated in Chairman and MD, NTPC Ltd. v. Reshmi Constructions, Builders & Contractors [(2004) 2 SCC 663] , Union of India v. Banwari Lal & Sons (P) Ltd. [(2004) 5 SCC 304] , Continental Construction Ltd. v. State of U.P. [(2003) 8 SCC 4] and State of U.P. v. Allied Constructions [(2003) 7 SCC 396] .”*

(Emphasis supplied)

28. The aforesaid principles, also reflected in the decisions of the Supreme Court in ***Vedanta Ltd. v. Shenzhen Shandong Nuclear Power Construction Co. Ltd.***[21]***; ONGC Ltd. v. Western Geco International Ltd.***[22]***; Numaligarh Refinery Ltd. v. Daelim Industrial Co. Ltd.***[23]***; Tata Hydro-Electric Power Supply Co. Ltd. v. Union of India***[24]**;** and ***National Highways Authority of India v. M. Hakeem***[25], make it clear that the Court's interference with an arbitral award is confined to the grounds and limits prescribed under Section 34.

29. Consequently, this Court, in the present Appeal, is required to examine whether the learned Single Judge applied the correct statutory standard while considering DDA's objections to the Award and whether the Impugned Judgment discloses any failure to exercise, or exercise beyond, the jurisdiction conferred under Section 34. This

[21] (2019) 11 SCC 465
[22] (2014) 9 SCC 263
[23] (2007) 8 SC 466
[24] (2003) 4 SCC 172
[25] (2021) 9 SCC 1

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Court cannot undertake a fresh assessment of the evidence or the contractual provisions merely because another view may be possible. Equally, the limited scope of appellate scrutiny would not preclude interference if the learned Single Judge has failed to examine an objection falling within the statutory grounds under Section 34 or has otherwise acted contrary to the limits of that provision. Keeping in view the aforementioned legal framework, this Court now adverts to the issues in the present case.

Objection concerning the jurisdiction of the learned Single Judge

30. DDA has questioned the commercial and pecuniary jurisdiction of the learned Single Judge on the ground that the dispute arose from the auction of a residential Plot and, therefore, did not constitute a commercial dispute within the meaning of Section 2(1)(c)(vii) of the CC Act, 2015. It is further contended that the valuation of the proceedings before the NCDRC should have governed the determination of the specified value and that the claims subsequently raised before the learned Arbitral Tribunal could not be relied upon to confer jurisdiction.

31. The objection concerning pecuniary jurisdiction was also raised by DDA in the Review Petitions filed after the Impugned Judgment. The learned Single Judge, while dismissing the Review Petitions *vide* order dated 03.09.2026, examined the claim statement and the counterclaim filed before the learned Arbitral Tribunal. It was noticed that the Respondents had raised monetary claims exceeding Rs.2 crores and that DDA had also preferred a counterclaim. Having regard to Section 12(2) of the CC Act, which provides that the aggregate

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value of the claim and counterclaim in an arbitration of a commercial dispute would determine the specified value, the learned Single Judge held that the combined value exceeded the prescribed threshold.

32. The contention that the original claim before the NCDRC should have been the sole basis for determining the pecuniary jurisdiction was specifically considered and rejected in the review proceedings. The learned Single Judge held that the present proceedings arose from a challenge to an arbitral award and that the determination of specified value was consequently governed by Section 12(2), rather than Section 12(1), of the CC Act. The said order has not been independently assailed in the present Appeal.

33. In these circumstances, DDA cannot secure an indirect reconsideration of the determination rendered in the review proceedings merely by reiterating the same objection in the present Appeal. The claims and counterclaims forming the subject matter of the arbitral proceedings, rather than the valuation of the earlier consumer proceedings alone were relevant to the determination under Section 12(2). The learned Single Judge has considered the objection and returned a reasoned finding that the aggregate value exceeded Rs.2 crores. No material has been placed before this Court to warrant a contrary conclusion. The objection concerning pecuniary jurisdiction, therefore, does not furnish a ground for interference.

34. As regards the contention that the dispute did not possess the character of a commercial dispute, the fact that the Plot was residential in nature is undoubtedly a relevant consideration while examining the applicability of Section 2(1)(c)(vii) of the CC Act. However, DDA has

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not demonstrated how, in the facts of the present case and in the face of the subsequent determination in the review proceedings, the Impugned Judgment is liable to be set aside on this ground. The order dated 03.09.2026, which specifically dealt with the objection to the jurisdiction of the learned Single Judge, remains undisturbed. This Court, therefore, finds no reason to interfere with the Impugned Judgment on this count.

Whether the finding regarding non-inclusion of the Plot in the layout plan is perverse

35. The principal controversy between the parties concerns the status of the Plot in the layout plan of the area. DDA auctioned the Plot on 23.09.1996 for a consideration of Rs.60,05,000/-. The Respondents deposited the earnest money and thereafter the balance consideration. Possession was handed over on 01.07.1997. The possession receipt and the subsequent correspondence also reflected the existence of a stone boundary wall and chain-link fencing on the Plot. Although the encroachment was eventually removed on 14.10.1999, the Respondents maintained that the Plot could not be put to use for construction as it had not been included in the layout plan of the area.

36. The learned Arbitral Tribunal considered the rival positions concerning the handing over of possession, removal of the encroachment, demands for ground rent and the Respondents' inability to obtain sanction for construction. It noticed that DDA was insisting upon payment of ground rent while, at the same time, relying upon the alleged default in payment of ground rent as a reason for not executing the Perpetual Lease Deed. The learned Arbitral Tribunal

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also considered DDA's defence that the auction had been conducted on an "as is where is" basis and that the Respondents should have undertaken due diligence before participating in the auction.

37. Upon consideration of the material before it, the learned Arbitral Tribunal concluded that the Plot had not been included in the layout plan and that, in the circumstances obtaining in the case, the Respondents could not be called upon to pay ground rent until the Plot was included in the layout plan and such inclusion was duly intimated. The learned Single Judge, upon examining the arbitral record, found no perversity or patent illegality in the aforesaid conclusion.

38. This Court finds no basis to hold that the aforesaid finding was one based on no evidence. The contention that the Respondents failed to establish the absence of the Plot from the layout plan, or that the learned Arbitral Tribunal should have drawn a different inference from the auction documents and the terms of possession, essentially invites this Court to reassess the evidentiary material. The fact that the Plot was identifiable and was offered for auction does not, by itself, establishes that it formed part of the approved layout plan. These are distinct matters. The learned Arbitral Tribunal was required to consider whether the Plot, as offered and handed over, could be put to the use contemplated by the transaction and whether the Respondents' liability to pay ground rent could be enforced in the circumstances.

39. It is also material that DDA's own case before the learned Single Judge, as pleaded in the Section 34 Petition, was not that the Plot had already been included in the layout plan in 1984. Rather, DDA contended that the Plot could not be included in the layout plan

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without execution of the Perpetual Lease Deed, the Lease Deed could not be executed because the Respondents had allegedly failed to pay ground rent and that it was for the owner to obtain sanction of the layout plan from the Municipal Corporation.

40. The aforesaid stand assumes significance when considered alongside the case now sought to be advanced by DDA. Having defended the Award on the footing that the layout plan was yet to be sanctioned and that the Respondents were responsible for taking steps in that regard, DDA sought, through I.A. No. 8004/2013, to place on record documents to advance a materially different factual case, namely, that the Plot had already been handed over to DDA in 1984 along with the layout plan. The learned Single Judge was, therefore, justified in examining the application in the context of the stand taken by DDA before the learned Arbitral Tribunal as well as in the Section 34 Petition.

41. DDA seeks to explain the two positions as consistent, contending that the documents sought to be introduced merely demonstrate the historical inclusion of the Plot in the layout plan. This Court is unable to accept that the issue can be resolved merely by looking at the description of the documents. If the Plot had already formed part of the approved layout plan in 1984, DDA was required to explain why, in the proceedings under Section 34, it maintained that inclusion in the layout plan was yet to be secured and that the Respondents were required to take steps in that regard. The inconsistency is not merely one of terminology. It goes to the very factual foundation on which DDA sought to defend the Award before the learned Single Judge.

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42. The learned Single Judge also noticed that, if the additional documents sought to be introduced by DDA were to be considered, the documents sought to be relied upon by the Respondents, which according to the Respondents, demonstrated that the Plot was not included in the layout plan at the time of auction, would also require consideration. In this regard, the learned Single Judge referred to the communication dated 15.03.2004 issued by the Senior Town Planner to the Joint Director of DDA, bearing the subject "Incorporation of P. No. E-265 in the approved layout plan of Lajpat Nagar, Amar Colony, New Delhi". The date of this communication was subsequently corrected from 15.03.2024 to 15.03.2004 by the order dated 03.09.2026. The learned Single Judge considered the said communication along with the other material and found that the conclusion that the Plot was not included in the layout plan at the relevant time was not perverse.

43. This Court is unable to find any error in the approach adopted by the learned Single Judge. A party invoking Section 34 cannot be permitted to recast its factual case by introducing a materially different position and thereafter contend that the Award is perverse because the learned Arbitral Tribunal did not consider that position. The statutory grounds under Section 34 must be established on the basis of the case pleaded and the material which can lawfully be considered for that purpose. The jurisdiction under Section 34 is not intended to provide a fresh opportunity to a party to reconstruct its case after an Award has been rendered.

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Additional evidence in proceedings under Section 34

44. This Court now turns to the principal contention that the learned Single Judge should have considered the documents tendered by DDA through I.A. No. 8004/2013. DDA submits that the relevant layout-plan records were not available during the arbitral proceedings despite due diligence and that their non-production prevented DDA from effectively presenting its case. It is contended that the present case falls within the exceptional circumstances in which additional material may be received in proceedings under Section 34.

45. In ***Fiza Developers*** *(supra)*, the Supreme Court considered whether issues, as contemplated under Order XIV Rule 1 of the Civil Procedure Code, 1908, were required to be framed in proceedings under Section 34. The Court explained that proceedings under Section 34 are summary in nature, having regard to the limited grounds on which an award may be set aside and the legislative objective of expeditious resolution of arbitral disputes. It held that the procedure applicable to regular civil suits cannot be mechanically imported into proceedings under Section 34. The decision, therefore, primarily addresses the nature and procedure of Section 34 proceedings and does not lay down an unrestricted right to introduce additional evidence after the conclusion of arbitration.

46. The position was subsequently clarified in ***Emkay Global*** *(supra)*. The Supreme Court held that an application under Section 34 would ordinarily be decided on the basis of the record before the learned Arbitral Tribunal. However, where matters not forming part of that record are relevant to the determination of a ground under Section

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34(2)(a), they may be brought to the notice of the Court by way of affidavits. The Court also cautioned against permitting a mini-trial or routine cross-examination, emphasising that such recourse should be permitted only where absolutely necessary.

47. The principle emerging from ***Fiza Developers*** *(supra)* and ***Emkay Global*** *(supra)* is, therefore, that while the Court is not invariably precluded from considering material beyond the arbitral record, such consideration is exceptional and must remain tethered to the statutory grounds under Section 34. The mere fact that a document may have a bearing on the factual controversy or may persuade the Court to take a different view is not sufficient. The party seeking to introduce such material must demonstrate its relevance to a specific ground under Section 34 and explain why it could not be placed before the learned Arbitral Tribunal.

48. DDA has also placed reliance on ***Alpine Housing*** *(supra)*. In that case, the Supreme Court considered a situation where, after the passing of the Award, the competent authority had refused permission for amalgamation of plots, which had a direct bearing on the enforceability and legality of the relief of specific performance granted by the learned Arbitral Tribunal. The event was subsequent to the Award and, therefore, could not have formed part of the arbitral record. The Supreme Court found that the subsequent refusal raised a substantial issue concerning the statutory permissibility of the relief granted and constituted a strong exceptional circumstance warranting permission to place additional material on record. Significantly, the proceedings before the learned Arbitral Tribunal in that case were *ex parte* and no evidence had been led on behalf of the parties seeking to

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introduce the subsequent material.

49. The decision in ***Alpine Housing*** *(supra)* does not lay down that additional evidence must be permitted whenever a party seeks to place a document which it considers material to the dispute. The exceptional circumstances in that case arose from a subsequent development, which was not and could not have been part of the arbitral record, and which directly raised a question concerning the statutory permissibility of the relief granted under the Award. The Supreme Court also preserved the right of the opposite party to cross-examine and lead contrary evidence. The decision thus recognises a carefully circumscribed exception, rather than diluting the summary character of proceedings under Section 34.

50. Tested against the aforesaid principles, the present case does not stand on the same footing. The documents which DDA sought to introduce through I.A. No. 8004/2013 principally concern the alleged handing over of the Plot in 1984 along with the layout plan. These are historical records relating to a transaction and a statutory authority's own records, which existed well before the commencement of the arbitral proceedings. The documents do not concern a subsequent event which arose after the Award or a statutory prohibition which came into existence thereafter. DDA was, therefore, required to provide a satisfactory explanation as to why such records could not be traced or produced during the arbitral proceedings.

51. The plea of due diligence has to be examined in the context of the fact that DDA is a statutory authority and the dispute concerns a Plot auctioned by it. The records relating to the transfer, planning and

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auction of the Plot would ordinarily be expected to form part of the official records maintained by the concerned authority. DDA's letter dated 18.01.1999, informing the Respondents that the departmental file was not traceable, may explain the difficulty in locating the file at that point in time. However, it does not, by itself, establish that the relevant records could not have been traced or produced during the subsequent arbitral proceedings, particularly when the issue concerning the layout plan was central to the dispute. No sufficient explanation has been demonstrated to show the efforts undertaken by DDA during the arbitral proceedings to retrieve the specific records now sought to be relied upon.

52. More importantly, the documents cannot be examined in isolation from the position adopted by DDA in the earlier proceedings. As noticed hereinabove, DDA's case before the learned Single Judge was that the Plot could not be included in the layout plan without execution of the Perpetual Lease Deed and that the Respondents were required to take steps for obtaining the necessary sanction. The attempt to now rely upon the 1984 documents to assert that the Plot had already been included in the layout plan raises a factual case materially different from the one previously advanced. The learned Single Judge was justified in taking this circumstance into account while considering whether the documents should be received.

53. The contention that the additional documents merely supplement the existing case of DDA does not adequately address this difficulty. The question is not whether the documents are relevant in the abstract, but whether their introduction at the Section 34 stage is necessary for deciding a statutory ground of challenge and whether

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DDA has furnished a satisfactory explanation for their non-production before the learned Arbitral Tribunal. The learned Single Judge considered the nature of the documents, the explanation offered for their non-production and the inconsistent positions taken by DDA. The decision to decline their reception was, therefore, not founded on an absolute prohibition against additional evidence in proceedings under Section 34.

54. This Court is also unable to accept that the present case is comparable to ***Alpine Housing*** *(supra)*. Unlike the subsequent refusal by the competent authority in that case, the documents relied upon by DDA here relate to facts and records which existed before the arbitral proceedings. Nor has DDA demonstrated that the Award has become statutorily incapable of implementation on account of any subsequent event. The present application essentially seeks to introduce historical material to displace the factual conclusion reached by the learned Arbitral Tribunal on the basis of the material then available. The distinction is material. The exception recognised in ***Alpine Housing*** cannot be extended to permit a party to introduce, at the Section 34 stage, an alternative factual case which it could have placed before the learned Arbitral Tribunal but failed to do so.

55. The reliance on ***Fiza Developers*** *(supra)* and ***Emkay Global*** *(supra)* also does not advance the Appellant's case. Those decisions recognise that additional material may be considered where it is relevant to a statutory ground under Section 34 and its reception is necessary for adjudicating that ground. They do not dispense with the requirement of establishing the circumstances warranting its introduction.

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Subsequent sanction of the building plan

56. DDA has also placed reliance on the fact that, during the pendency of the Section 34 proceedings, the Respondents were permitted to submit the building plan before the South Delhi Municipal Corporation[26] and that, by its communication dated 07.11.2017, SDMC informed the Court that the building plan had been sanctioned in favour of the Respondents. It is contended that this subsequent development establishes that the Plot formed part of the recognised layout and that the foundational premise of the Award was consequently incorrect.

57. The sanction of a building plan at a later point in time does not, without more, conclusively establish the precise status of the Plot in the layout plan as on the date of auction in 1996. The subsequent sanction may establish that the Respondents were ultimately able to obtain permission for construction. It does not, by itself, establish that such permission could have been obtained at the time when the Plot was auctioned or that the factual position considered by the learned Arbitral Tribunal was incorrect.

58. The distinction between the subsequent ability to obtain a building sanction and the historical position of the Plot at the time of auction is material. The Award was rendered on the basis of the circumstances which prevailed when the Plot was offered for auction, possession was handed over and ground rent was demanded. A subsequent development cannot, merely because it may affect the present utility of the Plot, retrospectively alter the rights and liabilities

[26] Hereinafter, the 'SDMC'

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which had accrued between the parties during the relevant period.

59. Further, the subsequent sanction of the building plan cannot be treated as a substitute for the layout-plan document itself. DDA has not demonstrated that the communication dated 07.11.2017 conclusively records that the Plot had formed part of the approved layout plan in 1996. In the absence of such material, the said communication cannot be regarded as demolishing the factual basis of the Award. The learned Single Judge was, therefore, justified in not treating the subsequent sanction as conclusive of the controversy adjudicated by the learned Arbitral Tribunal.

Statutory framework and jurisdiction of the learned Arbitral Tribunal

60. DDA has next contended that the learned Arbitral Tribunal exceeded its jurisdiction by directing it to take steps for inclusion of the Plot in the layout plan. It is submitted that the preparation, sanction and modification of layout plans are governed by the DDA Act and the statutory planning framework, and that the learned Arbitral Tribunal could not have directed a statutory authority to exercise its powers in a particular manner.

61. There can be no dispute with the general proposition that an arbitral tribunal cannot direct a statutory authority to act contrary to the governing statute or dispense with a statutory procedure. Equally, an arbitral tribunal cannot confer upon itself a power which the parties have not conferred upon it under the arbitration agreement. However, the Award has to be examined in the context of the dispute referred to arbitration and the precise nature of the directions issued.

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62. The dispute referred to the learned Arbitral Tribunal arose out of the auction of the Plot by DDA, the handing over of possession, the alleged encroachment, the non-execution of the Perpetual Lease Deed and the demand for ground rent. The Respondents' case was that the Plot could not be put to the use for which it had been auctioned because it was not included in the layout plan. The relief sought was, *inter alia*, for directions to DDA to take steps for inclusion of the Plot and for consequential relief concerning ground rent and the amounts deposited towards the auction consideration.

63. The learned Arbitral Tribunal, while adjudicating the *inter se* rights and obligations of the parties, directed DDA to take steps for inclusion of the Plot in the layout plan. The direction was issued against DDA in the context of its obligations arising from the auction and the subsequent dealings with the Respondents. It did not purport to amend the Master Plan or the Zonal Development Plan, nor did it direct the Municipal Corporation to sanction a building plan or dispense with any statutory requirement. The direction, therefore, cannot be read as an adjudication binding upon a statutory planning authority which was not a party to the arbitration.

64. Significantly, DDA's own case before the learned Single Judge was that it was not the sanctioning authority of the layout plan and that the Respondents were required to fulfil the requirements for obtaining such sanction from the Municipal Corporation. The Appellant cannot rely upon the statutory planning framework in the abstract, without demonstrating how the direction issued by the learned Arbitral Tribunal necessarily required DDA to act in breach of any identified statutory provision. No such statutory prohibition has

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been established before this Court.

65. The learned Arbitral Tribunal was required to determine whether DDA, having auctioned the Plot and received the entire consideration, could insist upon payment of ground rent in circumstances where the Respondents were asserting that the Plot could not be utilised for construction on account of its absence from the layout plan. That controversy arose from the contractual and transactional relationship between the parties and was capable of adjudication in arbitration. The fact that the dispute required consideration of the statutory planning framework does not, by itself, render the dispute non-arbitrable or establish that the learned Arbitral Tribunal acted beyond its jurisdiction.

66. DDA has also referred to Section 21 of the DDA Act and the broader statutory scheme governing planned development in Delhi. However, a mere reference to the statutory framework does not establish that the Award is in conflict with the fundamental policy of Indian law. The Appellant was required to identify the specific statutory provision which the Award violates and demonstrate how the directions issued by the learned Arbitral Tribunal compel DDA to act contrary to that provision. Such a case has not been made out.

Contractual obligations, ground rent and interest

67. The next submission is that the learned Arbitral Tribunal has effectively rewritten the auction and lease arrangement by making the Respondents' liability to pay ground rent contingent upon inclusion of the Plot in the layout plan. DDA contends that the auction was conducted on an "as is where is" basis, possession was handed over on

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01.07.1997 and ground rent was payable in accordance with the auction conditions. It is argued that the learned Arbitral Tribunal could not have suspended the Respondents' contractual obligation merely because the Respondents were dissatisfied with the status of the Plot.

68. The submission overlooks the basis on which the learned Arbitral Tribunal proceeded. The dispute was not confined to the physical handing over of the Plot. The Respondents' case was that the Plot was affected by an encroachment and, even after removal of the same, could not be put to the use for which it had been auctioned because it was not included in the layout plan. The learned Arbitral Tribunal considered the effect of these circumstances on the Respondents' liability to pay ground rent.

69. The expression "as is where is" cannot be read in isolation or as an absolute exclusion of every obligation which may arise from the conduct of the authority auctioning the property. The learned Arbitral Tribunal was entitled to examine the nature of the property offered, the circumstances surrounding the auction, the subsequent handing over of possession and the conduct of the parties. The conclusion that the Respondents' liability to pay ground rent would arise upon inclusion of the Plot in the layout plan was reached in the context of the findings recorded by the learned Arbitral Tribunal. Whether another interpretation of the auction conditions was possible is not a matter which can be re-examined in the present proceedings.

70. It is also relevant that DDA's own case before the learned Single Judge was that the Perpetual Lease Deed could not be executed

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because the Respondents had failed to pay ground rent, whereas the Respondents' case was that the Plot could not be utilised because of the absence of the layout-plan approval. The learned Arbitral Tribunal considered this interdependent position and found against DDA. The conclusion may not be the one which DDA would have preferred, but that is not sufficient to establish that the Award is *dehors* the contract or suffers from patent illegality.

71. As regards interest, the learned Arbitral Tribunal awarded interest at the rate of 9% per annum on the earnest money of Rs.15,01,250/- from 23.09.1996 and on the balance amount of Rs.45,03,795/- from 18.12.1996. The interest was quantified at Rs.76,00,134/- up to 23.12.2010, with further interest directed in terms of the Award. The grant of interest was consequential to the findings recorded by the learned Arbitral Tribunal concerning the Respondents' inability to obtain effective use of the Plot and the liability of DDA in the circumstances of the case.

72. DDA has not demonstrated that the grant of interest at the rate of 9% per annum is prohibited by the contract or any statutory provision. Nor has it established that the learned Arbitral Tribunal lacked the power to award interest in accordance with Section 31(7) of the A&C Act. The challenge to the interest component is substantially premised on the contention that the foundational finding concerning the layout plan is erroneous. Once that contention is not accepted, the consequential challenge to the award of interest and costs also does not survive.

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CONCLUSION:

73. The jurisdiction under Section 37 cannot be invoked to undertake a fresh examination of the merits of the arbitral dispute. Unless the decision of the learned Single Judge suffers from an error falling within the permissible grounds of interference under Section 34, this Court would not be justified in substituting its own view merely because another interpretation of the record or the contract may be possible. DDA has failed to make out any such ground in the present case.

74. Accordingly, the present Appeal is dismissed. The Impugned Judgment dated 17.02.2026 passed by the learned Single Judge in O.M.P. (COMM.) 175/2020 is affirmed. The order dated 03.09.2026 passed in Review Petition Nos.122/2026 and 123/2026 is not independently under challenge and, therefore, no separate order is called for in respect thereof.

75. The pending applications also stand closed.

ANIL KSHETARPAL, J.

BHARAT PARASHAR, J.

NOVEMBER 03, 2026
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