$~44

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

\# **CNR No. DLHC010183332024**

\+ O.M.P. (COMM) 155/2024 & I.A. 7804/2024

M/S INTECH BRINECHEM LIMITED .....Petitioner

Through: Mr. Jagdeep Kumar Sharma, Sr. Adv. with Ms. Rakhi Sharma, Mr. Kartikay Sharma, Ms. Ishika Ahluwalia, Ms. Rakhi Sharma and Ms. Kirti Gupta, Advs.

versus

M/S DE DIETRICH INDIA PRIVATE LIMITED .....Respondent

Through: Mr. Neil Hildreth and Mr. Kshitiz Arya, Advs.

CORAM:
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT(ORAL)

% 28.10.2026

1. The present petition under Section 34 of the Arbitration and Conciliation Act, 1996[1] assails an Arbitral Award dated 02.02.2024 passed by the learned Sole Arbitrator, in disputes arising out of the Agreement dated 03.05.2022 between the parties for a work related to detailed Engineering, supply of Outside Battery Limits[2] equipment and allied services for a Bromine Plant at Rann of Kutch, Gujarat.

2. The total contact value was Rs.53 crores. The Petitioner paid an advance of Rs.5.30 crores against a performance bank guarantee furnished by the Respondent.

[1] "Act" hereinafter

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

3. Disputes arose regarding performance of the engineering and other contractual obligations. It is the case of the petitioner that the Respondent submitted defective engineering drawings and designs relating to the project and despite repeated emails between June and September 2022 requesting corrections and review of the drawings, respondent allegedly failed to provide the contractually obligated work and ultimately abandoned the work in September 2022.

4. On the other hand, the Respondents' case is that Petitioner was itself responsible for the delay and non-execution of work because it had not obtained the necessary statutory approvals, and did not have the required land available for the project. Further, the respondent also alleges that the petitioner failed to make further contractual payments.

5. It emerges from the facts of the present case, that the Petitioner, in view of the aforesaid dispute, invoked the Bank Guarantee of Rs. 5.30 crore on 07.10.2022 and immediately thereafter initiated arbitration on 31.10.2022.

6. The Respondent also raised counterclaims for its engineering work executed, damages due to cancellation and other losses.

7. By way of the Impugned Award dated 02.02.2024, the learned Sole Arbitrator although held both parties as contributory responsible for the failure and termination of the Contract dated 03.05.2022, however, awarded a sum to the tune of Rs. 4 crores to Respondent.

8. The learned Sole Arbitrator held that the Respondent had

---

1 "OSBL" hereinafter

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

abandoned the work, for reasons attributable to the Petitioner as they had failed to obtain the necessary statutory approvals and permissions for establishing the project.

9. The learned Sole Arbitrator rejected the Respondent's counterclaims towards damages for cancellation, loss due to manpower and etc. on the ground that the Respondent had failed to substantiate the same through cogent evidence.

10. The learned Sole Arbitrator also observed that the Respondent had undertaken certain engineering work in execution of the said contract and that some layout plans and technical documents had been approved by the Petitioner.

11. Accordingly, despite rejecting the aforesaid counterclaims of the Respondent, the learned Sole Arbitrator awarded a sum of Rs. 4 crores in favour of the Respondent towards the work undertaken by it, along with interest at the rate of 10% per annum, *pendente lite* and post award. The learned Sole Arbitrator also awarded Rs. 7,00,000/- towards litigation costs incurred in proceedings before the Commercial Court of Paris.

12. Mr. Jagdeep Kumar Sharma, learned Senior Counsel appearing on behalf of the Petitioner does not wish to press its challenge to the rejection of its claim towards loss of profit. Additionally, he does not challenge the rejection of the Respondent's other counter claims, which were rejected in favour of the Petitioner.

13. The hinge of the challenge of the Petitioner is directed against

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

the award of Rs.4 crores with interest towards the alleged work executed, which has been described by the learned Arbitrator as a "*Guesstimates*" for the work executed and has as such also awarded an amount of Euros 8000, towards litigation costs relating to the previous proceedings.

14. Mr. Sharma submits that the learned Sole Arbitrator, despite rejecting the Respondent's counterclaims for want of sufficient evidence, proceeded to award a sum of Rs. 4 crore along with interest at 10% per annum merely on the basis of "*guesstimates*", without any supporting material.

15. The learned Senior Counsel submits that the Respondent had failed to establish the actual work and expenditure incurred with cogent materials and admittedly had itself abandoned the project and therefore it was absolutely perverse and patently illegal for the learned Sole Arbitrator to grant any compensation by going beyond the pleadings and contractual provisions.

16. Learned Senior Counsel further contends that the learned Sole Arbitrator erroneously attributed responsibility for the failure of the project to both parties on the ground that the Petitioner had not obtained statutory approvals and secured possession of the land. According to him, the learned sole arbitrator overlooked the fact that the contract did not require physical possession of the land for the Respondent to perform its engineering obligations.

17. It is also submitted that the Arbitrator wrongly awarded Rs. 7 lakhs towards litigation costs, despite the fact that those proceedings

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

were initiated by the Respondent to prevent encashment of the bank guarantee and were ultimately dismissed. Reliance is placed for the same on ***PSA Sical Terminals Pvt. Ltd. v. Board of Trustees of V.O. Chidambranar Port Trust***[3]***, Associate Builders v. DDA***[4] ***and M.O.H. Uduman v. M.O.H. Aslum***[5] to contend that an Arbitrator cannot rewrite the contract, and grant relief beyond its terms or pass an award without evidentiary foundation.

18. *Per contra*, Mr. Neil Hildreth, learned Counsel for the Respondent submits that the Respondent had undertaken substantial engineering and design work under the Contract, which was duly accepted and utilised by the Petitioner.

19. It is further submitted that the Petitioner itself was responsible for the failure of the project, as they failed to procure the requisite land, obtain environmental clearances and place orders for essential components.

20. Moreover, as per the learned Counsel for the Respondent, after utilising the Respondent's engineering designs, the Petitioner attempted to unilaterally reduce the contractual value from Rs. 53 crore to Rs. 3.75 crore and subsequently recovered the entire advance payment of Rs. 5.30 crore by encashing the bank guarantee.

21. Learned Counsel submits that the Respondent had claimed Rs.9,79,16,092/- towards expenses incurred in executing the contract, apart from Rs.42.50 crore towards loss of profits, and the learned Sole

---

[3] **2021 SCC OnLine SC 508**
[4] **(2015) 3 SCC 49**
[5] **(1991) 1 SCC 412**

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

Arbitrator, having correctly found that work was actually performed but its precise value could not be established, reasonably assessed compensation at Rs.4 crore on the principle of guesstimate.

22. It is contended that such estimation is permissible where the entitlement to compensation is established but its exact quantification is difficult. In these circumstances, according to Mr. Hildreth, the Arbitrator did not travel beyond the contract and exercise equitable jurisdiction under Section 28(2).

23. It is further submitted that the award of Rs. 7 lakh towards litigation costs arising from proceedings before the Paris Commercial Court was justified, because the Petitioner had recovered the advance amount through encashment of the bank guarantee.

24. Lastly, learned Counsel submits that the Petitioner is merely seeking reappreciation of evidence and reconsideration of factual findings, which is impermissible under Section 34, particularly when the Arbitrator's interpretation represents a plausible and reasonable view.

25. Accordingly, he prays for dismissal of the petition with exemplary costs.

26. I have heard both the parties at length and perused the record in its entirety.

27. The scope of interference of Section 34 Courts is settled. I do not wish to burden this judgment with a detailed discussion on the Jurisdiction.

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

28. It is a settled law that petition under Section 34 is not an appeal on facts. The Court exercising Section 34 jurisdiction cannot re-assess the evidence merely because another view is possible, and cannot substitute its own assessment of the merit for that of the Arbitral Tribunal.

29. Additionally, the scope of a Court's jurisdiction under Section 34 is circumscribed by the grounds expressly stipulated therein. Especially, in case of a domestic award, Section 34(2)(a) permits interference where patent illegality appears on the face of the award.

30. Thus, this Court shall decide the present dispute with the limited scope of interference available under the contours of Section 34.

31. The central plank of the Petitioner's submission is that the learned Arbitral Tribunal has awarded amount on the basis of "*guesstimate*", despite its express finding that no cogent evidence had been adduced in support thereof.

32. Thus, in order to determine whether the Impugned Award on the subject matter deserves interference, I shall examine the findings of the learned Sole Arbitrator through the prism of Section 34 and figure out if any interference is warranted.

33. At the outset, before understanding the findings rendered by the learned sole Arbitral Tribunal, it would be apposite to understand the scope of "guesswork" in arbitral awards.

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

34. The Division Bench of this Court in ***Radiance Infracon and Developers Pvt. Ltd. v. GLS Infratech Pvt. Ltd.***[6] held that although reasonable guesswork is permissible, the Arbitrator must identify some evidentiary basis, or rational connection between the material available and the amount awarded. The relevant paragraphs from the said judgment are being delineated as follows:

> *"60. Thus, in order to assess whether the reliance on guesswork by the Arbitrator finding is permissible and consistent with applicable law,* ***it is necessary to understand the scope of "guesswork" in the context of arbitral awards.***
>
> *61. This Court is aware that reliance on a "rough and ready" estimate or guesswork is not alien to arbitral jurisprudence and has received recognition from the Supreme Court as well as this Court.*
>
> ***62. In DDA v. Anand and Associates (supra)****, the methodology of adopting some degree of guesswork was affirmed. The relevant observations are as follows:*
>
> > *"6. ...It is true that while awarding a sum of Rs. 1,91,659/- towards increase in the labour charges and Rs. 3,50,000/- on account of the increase in the price of materials, the arbitrator has observed that no books of accounts had been produced before him and that he has determined the amount from whatever is available on record yet interference with that part of the award would also not be justified in view of the settled legal positions that the court would not set aside an award simply because it was to an extent based upon some guesswork. Reference may in this regard be made to* ***Mohd. Salamatullah and Ors. v. Government of Andhra Pradesh*** *1977 SC 1481 where the court has observed:—*
> >
> > > *"We are not able to discern any tangible material on the strength of which the High Court reduced the damages from 15% of the*

[6] **2026:DHC:3043-DB**

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

> *contract price to 10% of the contract price. If the first was a guess, it was at least a better guess than the second one. We see no justification for the appellate court to interfere with a finding of fact given by the trial Court unless some reason, based on some fact, is traceable on the record. There being none we are constrained to set aside the judgment of the High Court in regard to the assessment of damages for breach of contract."*
>
> ***(emphasis supplied)***

63. *Similarly, a Division Bench of this Court in* ***Cobra Instalaciones Y Servicios, S.A. (supra)****, while considering* ***Construction Design (supra)****, observed that such a method is a permissible tool available to an arbitrator, particularly in a situation where material exists to show that loss has been suffered, but does not furnish granular details for precise quantification.*

64*. More recently, another Division bench of this Court in* ***Bharat Heavy Electricals Ltd. (supra)*** *taking into account* ***Cobra Instalaciones Y Servicios (supra)****, affirmed the adoption of honest guesswork in the following terms:*

> *35. In our opinion, there may be three situations. First, there is no evidence of any loss to a party raising a claim. In such situation arbitrator cannot presume any loss and award compensation. Second, where there is evidence of loss as well as evidence on quantum of damages. This would be an ideal situation in awarding damages and compensation. Third is the situation where there is evidence of loss but either there is meager evidence or absence of evidence in support of claim of damages. In such situation the arbitrator can use rough and ready method by using a practical guess work to determine the damages and compensation. But such compensation should be reasonable in the sense that in given situation no man of prudence would call it excessive. The third situation occurs in the present case and therefore, while exercising very limited jurisdiction under Section 37, we have only to see as to whether the damages/compensation awarded to Delkon is reasonable or not.*
>
> ****
>
> ***39.*** *The counter claim no. 3 is towards cost of pre assembly and part wielding completed. The*

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

Arbitrator had relied upon the report of Local Commissioner and awarded lesser amount of interest at the rate of 12% (against 15% as per clause 57.3 (1) (A) (i) of the contract) of the contract rate as appropriate and reasonable and held that value for 12.908 MT works out to Rs. 4182/-. In appeal the appellant submits that clause 57.2 (1A)(i) does not deal with the breakup of the cost but instead pertains to the payment milestone. Again in our considered view, even if the aforesaid clause is misapplied, the awarded amount of Rs. 4182/- is so meager that it has to be accepted as the cost of pre assembly and part wielding completed.

****

46. *The argument of learned Counsel for the appellant is that there is no evidence on record to show that value of T&P was Rs. 40 lakhs. Further, no evidence has been led to prove respondent's claim on damages. Learned counsel for the appellant assailed the method adopted by the Arbitrator for calculating withholding charges.*

****

50. *After perusing the material available on record, we are of the opinion that in respect of the heavy machinery, the Arbitrator has reached to a plausible conclusion that the value of the withheld machinery would be about Rs. 40,00,000/- and the depreciation value to be Rs. 10,00,000/-. We concur with the learned District Judge on Arbitrator's finding on the computation of 210 days and the methodology adopted for awarding Rs. 5,75,342/- to the respondent on account of the appellant's illegal withholding of T&P. In other words the Arbitrator had some basis for calculating withholding charges of Rs. 5,75,342/-, which is not at all unreasonable if we consider the nature of T&P which included heavy equipments/machinery including two Cranes, one Tractor, two Trailors and one Metador Pickup Van etc. and the duration of 210 days for which the same were withheld. Hence, we agree with the view of Arbitrator and learned District Judge on contract clause no. 7 being reasonable and uphold the same.*

COUNTER CLAIM NO. 13 AND 15

51. *The respondent-Delkon had raised these counter claims towards cost of mobilization and demobilization of T&P, equipment and manpower.*

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

The appellant has drawn our attention to the observation of Arbitrator that Delkon has not submitted any documents for actual expenses incurred by them in mobilization and demobilization. Therefore, awarding a sum of Rs. 10,52,800/- is based upon mere surmises and conjectures.

****

53. *We are of the opinion that even if no documents were furnished by respondent-Delkon before the Arbitrator, the conclusion of the Arbitrator has been arrived at on "the analysis of unit rates", which is Annexure -E to Tender No. BHEL: NR(SCT):RGTTP:BLR:42. This Annexure -E forms the part of the contract No. 50/96 between the parties. This finding of Arbitrator, about 65% of the overheads having been consumed in mobilization and demobilization, is a finding on fact and therefore we are not inclined to go deeper into it especially when it is based upon Local Commissioner's report. The Arbitrator has calculated these charges on the basis of Annexure -E. Therefore, even if no documents were filed by Delkon to prove expenditure of this overhead, the calculation by learned Arbitrator is reasonable and justified.*

54. *Learned District Judge observed that the award of amount of Rs. 10,52,800/- towards mobilization and demobilization costs cannot be held to be without reasons or material evidence on record* ***and held that as long as there is sufficient material available on record on the basis of which an estimation of loss/expenses/costs incurred can be drawn, an award of that estimate can be granted. We are of the opinion that view of learned District Judge is correct on this issue especially when the Arbitrator had based his estimation on the basis of Local Commissioner's report and "analysis of unit rates" which is part of the contract****. The Arbitrator adopted a rough and ready method with reasonable and honest guess work on this issue. Consequently, we find no infirmity in the impugned award and the impugned judgment on this issue.*

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

(emphasis supplied)

65. An analysis of the above-mentioned precedents indicates that, although the adoption of a "rough and ready" method or honest guesswork has been judicially recognised, the same is not unguided.

66. The decision of the Division Bench in ***Cobra Instalaciones y Servicios S.A. (supra)*** *clarifies that such latitude is available in a situation where there is material on record to establish that loss has indeed been suffered, but the evidence falls short of providing precise quantification. We note that the above principle stands further elucidated in* ***Bharat Heavy Electricals Ltd. (supra)*** *in context of unliquidated damages, where this Court upheld the award of damages not merely because guesswork was employed, but because such determination was founded upon a discernible and rational methodology traceable to the material on record.*

67. In ***Bharat Heavy Electricals Ltd. (supra)****, the Court was dealing with multiple claims where the Arbitrator had awarded compensation despite absence of strict proof of expenditure under certain heads. However, in our considered view, what weighed with the Court while assessing reasonability was that, in each such instance, the Arbitrator had relied upon some identifiable material such as contractual clauses, reports of the Local Commissioner, admitted quantities, or standard rates and had applied a rational method of computation. Most significantly, while upholding the award relating to claim for withholding of machinery, the Court expressly noted that "the Arbitrator had some basis for calculating… which is not at all unreasonable". It shows that the existence of a foundational basis, however limited, is a sine qua non for sustaining such quantification.*

68. The same principle is echoed in ***DDA v. Anand and Associates (supra)****, where the Court declined to interfere with an award partly based on guesswork, as the arbitrator had determined the amount "from whatever is available on record". It thus emerges to us that while exactitude in proof of damages is not insisted upon, the adjudicatory process must nevertheless disclose a rational nexus between the material available and the figure ultimately awarded or atleast some line of reasoning in mind of the learned Arbitrator to justify the reasonability of the figure.*

69. This approach also emerges from ***Gemini Bay Transcription (P) Ltd. (supra)****, wherein, although the guesswork method was allowed, it was also noted that the Arbitrator had made assessment taking into account some material on record. The relevant observations are as follows:*

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

> *"**77.** The arbitrator correctly held that as nothing was forthcoming from any of the appellants, he would have to make a best judgment assessment for damages. In making that assessment, he took into account the commission that was being earned by GBT from the two clients of DMC and arrived at a figure of 100,000 USD per month and then found, on a reasonable estimate, that they would continue to be clients for a period of four years, as a result of which the figure of 6,948,100 USD was reached.*
>
> ***78.** That such "guesstimates" are not a stranger to the law of damages in the US and other common law tradition nations has been established very early on in a judgment of Asutosh Mookerjee, J. reported as Frederick Thomas Kingsley v. Secy, of State for India AIR 1923 Cal 49…"*
>
> *(emphasis supplied)*

> *70. Thus, what the law countenances is not guesswork in vacuo, but a reasoned approximation founded on some material, some method, or at the very least, a discernible line of reasoning."*

35. Upon a plain reading of the above, it could be understood that the key to make an assessment on the basis of guess work is that the same must be founded upon some identifiable material on record, and must disclose a rational and discernible methodology connecting such material to the amount awarded.

36. Thus, while precision or strict proof of the exact quantum of loss is not invariably necessary, the Arbitrator must furnish a reasonable basis for the estimation, and the compensation so determined must not be excessive or disproportionate.

37. Having understood the above principle pertaining to

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

"guesswork", I shall apply the same to the facts of the case.

38. The relevant reasoning of the Arbitrator, appears in Paragraph Nos. 166 to 169 of the award, the same is reproduced for the sake of ease of analysis.

> *"Guesstimates*
>
> *166. The Respondent had made exorbitant claims on various counts, however miserably failed to prove its entitlement. In the facts and circumstances of the case as explained hereinabove, there was no obligation on the part of the Respondent to act upon the contract at all. However, it cannot be denied that the Respondent had taken some steps to execute the contract to a certain extent, particularly layout plans had been accepted vide email dated 7.06.2022 (Ann R-12) and PDS of Vent Scrubber, RO Plant and CL2 Emergency Scrubber stood accepted vide email dated 11.07.2022 (Ann R-15). Thus, the Respondent cannot be rendered remediless. Even if the terms of the Contract are ignored, the Respondent is entitled to some compensation for the work executed by it.*
>
> *167. In Construction & Design Services v. DDA, AIR 2015 SC 1282, the Hon'ble Supreme Court held that in exceptional and given circumstances, the Court may proceed on guesswork as to the quantum of compensation to be allowed.*
>
> *168. "Guesstimates" are not a stranger to the law of damages – when nothing is forthcoming in terms of evidence for loss suffered – best judgment assessment for damages is to be made. (See: Gemini Bay Transcription (P) Ltd. v. Integrated Sales Service Ltd., (2022) 1 SCC 753).*
>
> *169. In the facts and circumstances of the case, considering the amount of advance payment and the work done by the Respondent, an amount of not more than Rs. 4,00,00,000/- (Rupees Four Crore Only) can be awarded."*

39. Upon a cursory reading of the above, it could be understood that the learned Arbitrator held that the Respondent had "*miserably failed to prove its entitlement*" to its claims on the various heads.

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

40. The learned Sole Arbitrator recorded that certain layout plans had been accepted by e-mail dated 07.06.2022 and certain Process Data Sheets[7] had been accepted by e-mail dated 11.07.2022. On that basis, the learned Arbitrator held that the Respondent could not be rendered remediless and it was entitled to compensation for work executed.

41. It can be made out that the learned Arbitrator justified compensation on the ground that the Respondent had undertaken certain preliminary steps towards execution of the contract and could not be left remediless.

42. However, the award of compensation appears to have been made without identifying any cogent evidence or providing a reasoned basis for determining the quantum thereof.

43. A perusal of the aforesaid paragraphs reveals that the learned Arbitrator, having expressly found that the Respondent had failed to establish its entitlement to the claims raised, nevertheless proceeded to award compensation of Rs. 4 crore on the basis of guesstimation.

44. Upon reading the award as a whole, it could be understood that while certain material evidencing preliminary steps taken towards execution of the contract was available on record, however, the impugned award fails to disclose and reason as to how such material could reasonably justify compensation of Rs. 4 crore. Reasons are heartbeat of final conclusion and as such recording of reasons ensures

[7] "PDS" hereinafter

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

that decisions are based on established norms rather than the Tribunal's whims and fancies.

45. I am of the considered view that the mere acceptance of layout plans and technical documents, without any assessment of the value of the work actually performed, results in no rational basis for arriving at the said figure. Further, any amount awarded on the basis of the said analogy but without any basis and purely on guess work would also fall foul of section 28(2) of the Act, which clearly says that an arbitral tribunal shall decide *ex aequo et bono* or as *amiable compositeur* only if the parties have expressly authorised it to do so.

46. Accordingly, upon a meaningful reading of the impugned award as a whole, I am of the view that the learned Arbitrator has been unable to identify any document supporting the quantum awarded and failed to demonstrate any discernible nexus between the material on record and the amount determined.

47. As understood in the preceding paragraph, an estimation cannot be stretched to permit an arbitrary determination of compensation in a vacuum, particularly when the award itself records that the Respondent failed to substantiate its claims.

48. It is a settled law that even an estimate must rest upon some objective foundation from which a reasonable person could arrive at the amount awarded. In the absence of such a foundation, the figure of Rs. 4 crore remains unexplained and unsupported.

49. In these circumstances and in view of the aforesaid discussion,

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

the Impugned Award crosses the line from a plausible assessment of evidence into patent illegality within the meaning of Section 34(2)(a) read with Section 28(2) or Section 28(3) of the Act.

50. The second plank of Petitioner's submission is the award of Euros 8000 as litigation costs in relation to proceedings concerning invocation of the bank guarantee.

51. The Tribunal awarded Euros 8,000 to the Respondent in the present arbitration and reasoned that the Petitioner had indirectly recovered the advance payment by encashing the bank guarantee and the Respondent had been entitled to retain the advance at the relevant stage.

52. This Court is of the view that the fact that the bank guarantee was eventually encashed does not, without any supported reasoning, establishes that the Petitioner became liable to reimburse the Respondent for the costs, which the Paris Court had directed the Respondent to pay.

53. The reasoning given in award does not address and explain how the Respondent could recover in arbitration the very amount that the order directed it to pay to the Petitioner and the bank. The award of Rs.7 lakhs equivalent to Euros 8000 with interest therefore, suffers from patent illegality under Section 34(2(a) of the Act.

54. For the reasons recorded above, the present petition is allowed

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29

in part.

55. The award dated 02.02.2024 passed by the learned Sole Arbitrator is set aside to the extent that it awards Rs.4 crores as compensation on an estimate basis, and Euros 8000 towards litigation costs in the Paris proceedings.

56. For the sake of clarity, the remaining findings and directions in the award are left undisturbed.

57. The petition is allowed in the aforesaid terms. Pending application(s), if any, also stand disposed of.

OM PRAKASH SHUKLA, J

OCTOBER 28, 2026/*gunn*

Signature Not Verified
Signed By:GUNN
Signing Date:06.11.2026
17:06:29