2026:DHC:6538

* IN THE HIGH COURT OF DELHI AT NEW DELHI

% **Judgment reserved on: 27.07.2026**
Judgment pronounced on: 12.08.2026

\+ O.M.P. (COMM) 395/2023

UNION OF INDIA, THROUHG SECRETARY, DEPARTMENT OF TELECOMUNICATIONS, MINISTRY OF COMMUNICATIONS, GOVT. OF INDIA .....Petitioner

Through: Mr. Ruchir Mishra, Mr. Sanjiv Kumar Saxena, Mr. Mukesh Kumar Tiwari, Ms. Reba Jena Mishra & Ms. Poonam Shukla, Advs.

versus

STERLITE TECHNOLOGIES LIMITED .....Respondent

Through: Mr. Amit Dhingra, Mr. Rohit Mahajan, Mr. Siddharth Agrawal & Ms. Kesang T Doma, Advs.

CORAM:
HON'BLE MR. JUSTICE AVNEESH JHINGAN

J U D G M E N T

1. This petition is filed under Section 34 of the Arbitration and Conciliation Act, 1996 (for short 'the Act') challenging the arbitral award dated 17.05.2023 (for brevity 'the award').

2. The respondent engaged in designing and integrating digital networks and providing technological solutions for fixed and wireless communication networks was granted Infrastructure Providers

Category - I (for short 'IP-I') Registration Certificate No.348/2010 (hereinafter referred to as 'RC') by the petitioner/Department of Telecommunications (DOT), permitting the respondent to provide passive telecom infrastructure.

2.1 The case set up is that the respondent through its wholly owned subsidiary, Sterlite Networks Limited later renamed as Speedon Network Limited ('SNL'), entered into a Master Service Agreement (for short 'MSA') dated 20.01.2012 with a Telecom Service Provider (TSP)-Citycom Networks Private Limited (for short 'Citycom') for providing 'access infrastructure'. Another similar MSA was executed by the respondent with Microscan Computers Private Limited (for short 'MCPL') on 25.05.2012. The payment structure under the MSAs, was based on subscriber base and revenue sharing rather than lease rentals for passive infrastructure. It was alleged that the respondent was functioning as a TSP without possessing the requisite licence. The MSAs were signed with five TSPs but for the case at hand only the aforesaid two are relevant.

2.2 On 26.02.2015 the petitioner carried out an inspection of the respondent telecom premise at Pune. The Inspection Report dated 12.08.2015 concluded that: (i) the respondent beyond the scope of IP-I RC was selling bandwidth; (ii) the respondent managed and operated overall equipments through its wholly owned subsidiary-SNL; and (iii) the respondent by providing unauthorised service evaded

Government revenue of more than Rs.2.5 crores towards National Long Distance License (NLD) entry and annual license fee.

2.3 The inspection was followed by exchange of correspondence with the respondent seeking details regarding ownership of active telecom equipment installed at the premises of the respondent. By reply dated 20.03.2015 the respondent furnished the details of the owners of network equipment, MSAs executed and other technical clarification. The details of active equipment sought by the petitioner vide email dated 27.03.2015 were furnished by the respondent by email dated 13.04.2015. The details were given of TSP for whom equipments were installed at the premises.

2.4 An email dated 22.04.2015 was sent by the petitioner, seeking confirmation from the respondent with respect to inference drawn by the petitioner that respondent owns only the identified equipments and all other equipments installed belong to the TSPs. The respondent by email dated 27.04.2015 stated that the inferences drawn by the petitioner are correct.

2.5 After three years of the inspection the petitioner issued a show cause notice (for short 'SCN') dated 30.07.2018 citing violation of the terms of the IP-I RC. A reply dated 08.10.2018 was filed by the respondent. The demand notice dated 24.08.2020 was issued by the petitioner for an amount of Rs.8,55,75,236/-. The details of calculation of demand sought by the respondent vide email dated 26.08.2020 were provided by petitioner by email dated 28.08.2020. The request dated 08.09.2020 of the respondent to reconsider the demand was rejected by the petitioner by letter dated 21.10.2020 and the respondent was directed to deposit Rs.8,55,75,236/-.

2.6 An application under Section 9 of the Act was filed by the respondent seeking restraint on the demand notice. Clause 5.0 of the IP-I RC provided for dispute resolution through arbitration. By notice dated 07.01.2021 the respondent invoked arbitration. A sole arbitrator was appointed by this Court vide order dated 23.04.2021.

2.7 Before the arbitrator the respondent challenged the legality of the demand notice contending *inter alia*, that the 2009 clarification authorised IP-I registrants to establish active infrastructure and that the active equipment was not owned by the respondent. The petitioner on the other hand maintained that the respondent rendered end-to-end bandwidth services despite not being a licensed TSP and caused substantial loss of Government revenue.

2.8 The impugned award held the demand notice and letter dated 21.10.2010 to be illegal, arbitrary, irrational and unjustified. Hence, the present petition.

3. Learned counsel for the petitioner submits that arbitrator ignored the letter dated 06.06.2015 wherein SNL admitted that the equipment belonged to the respondent and this admissions by SNL binds the respondent. Contention is that neither entity at the relevant

time possessed the requisite licence to own or operate the equipment. The award is stated to be contradictory as ownership of the equipment is attributed to SNL at one place and to the TSP at another. It is submitted that the arbitrator treated the respondent and SNL as separate entities for setting aside demand notice but at the same time while adjudicating the demand treated these to be one entity and considered the application made by SNL for unified license.

3.1 The contention is that the respondent was licensed to establish passive infrastructure and not active infrastructure. The billing under the MSAs was based on bandwidth utilization, not on dark fiber infrastructure and this proved that the respondent provided end-to-end bandwidth service. It is contended that the arbitrator failed to appreciate the terms of the MSAs and the billing arrangement between the respondent, SNL and TSPs. The submission is that the SNL acted as a facade and in fact the respondent was the actual beneficiary and was providing end-to-end service.

3.2 Reliance is on the letter dated 22.08.2020, to contend that the respondent undertook to pay the demanded amount.

3.3 The plea is that the arbitrator erred in holding that damages were not recoverable in the absence of an express provision in the IP-I RC. Contention is that seeking damages for violating term of RC is an inherent right and not dependent upon clause of the contract.

4. *Per contra*, the equipment belonged to SNL and was leased to

TSP. There was no evidence to prove that the respondent owned the equipment or provided end-to-end bandwidth service. The arbitrator rightly held that the billing was not based on bandwidth utilization.

4.1 The submission is that the award duly records that the broadband services/sale of bandwidth was being provided by Citycom and not the respondent. Clause 6.6 of the MSA dated 20.01.2012 is relied upon to contend that the SNL was responsible only for passive infrastructure and active equipment was provided by Citycom. It is submitted that clauses of the MSA dated 20.01.2012 were amended vide novation agreement dated 02.04.2012 wherein the term 'access infrastructure' was substituted by 'passive infrastructure'. Reliance is on the decision of the Supreme Court in ***Vodafone International Holdings B.V vs. Union of India & Ors. 2012 9 SCC 407*** to emphasize that a holding company and subsidiary company are separate legal entities.

4.2 The argument is that a pan-India demand could not be raised based on inspection at Pune.

4.3 Further that damages under Section 73 of the Indian Contract Act, 1873 (for short 'the Contract Act') cannot be claimed for violation of terms and conditions of IP-I RC.

5. In rebuttal learned counsel for the petitioner submits that clause 8 of the MSA dated 20.01.2012 expressly refers to an alliance partner, while Annexure-I thereof records that the respondent was responsible

for handling internet broadband services for TSP.

6. Heard the learned counsel for the parties at length and perused the record with their able assistance. Albeit, written submissions were filed but learned counsel for the parties pressed no other contentions than those argued are to be pressed.

7. Before proceeding further, it would be relevant to quote the following clauses of the MSAs:

7.1 The relevant clauses of the MSA dated 20.01.2012 executed between SNL and Citycom read as under:-

> **6. CONNECTIVITY ANO NETWORK SAFETY**
>
> "6.1. SNL shall install, operate and maintain the Access Infrastructure and Citycom Equipment at various Projects and subject to all reasonable support from Citycom; SNL shall be responsible to manage the same.
>
> 6.2. Citycom shall be responsible for providing Citycom Backhaul Equipment at Area Access Nodes relating to the Projects, as stated in the PAF and shall also be responsible to Install, establish, operate, maintain the Citycom Backhaul Equipment and bring its backhaul capacity up to the Area Access Nodes in each Cluster at its own cost including the necessary facilities or equipments required to enable the capacity for providing service to its subscribers, as specified in this Agreement. Citycom and SNL shall connect their networks at the Area Access Nodes relating to the Projects, as stated In the PAF.
>
> 6.3. Citycom to provide a free of cost 2 Mbps internet broadband line at each Area Access Node

for managing the OLT with one (01) IP. However on a case to case basis if more than one IP address is required the same shall be provided by Citycom.

6.6. SNL shall be responsible for maintenance and safe operation of Citycom Equipments, Access Infrastructure and associated facilities at its own expense, and will also be responsible for ensuring that the use of the equipments and associated facilities comply with all applicable laws, rules and regulations and does not endanger the safety or health of employees, contractors, agents or customers of Citycom.

8. ALLIANCE PARTNER

8.1. Citycom shall be the Alliance Partner of SNL for providing Citycom Services as mentioned in Annexure 1, by using the Access Infrastructure for various existing as well as future Projects, during the currency of this Agreement subject to respective PAF sign-off.

ANNEXURE -1: CITYCOM SERVICES

1. Internet Broadband Service
2. Voice Direct Exchange Line
3. Voice PRI
4. Internet Lease Line
5. MPLS/VPN
6. DLC / Point to Point Connectivity
7. National Long Distance
8. International Long Distance"

7.2 The relevant clauses of the MSA dated 25.05.2012 executed between the respondent and MCPL read as under:-

"**1.1 DEFINITIONS**

"**Access Infrastructure**" shall Include Area Access Node, backhaul fiber, network facilities comprising of fiber ducts, fiber strands, splitters, cabinets, distribution frames, etc from Area Access Node to CPE.

4. SCOPE OF SERVICES

4.1 STL shall provide Access Infrastructure to MCPL, relating to the PAF(s) signed by the Parties, as a Fiber Open Access Network (FION^{TM}) Infrastructure Provider on a nonexclusive basis, unless agreed otherwise by the Parties as per Annexure-6. MCPL shall avail the Access Infrastructure to provide Its Subscribers only basic telephony, IPTV and broadband services, subject to the terms and conditions of its license agreement granted by DoT or as a franchisee of any other service provider only for Voice Services, with advance intimation of 30 days to STL regarding such franchisee arrangement and subject to relevant statutory approvals available with MCPL and Service Provider. The details of MCPL Service(s) are provided in Annexure-1.

4.2 STL shall provide the Services in line with the Service Assurance specified in Annexure-4.

5. CONNECTIVITY ANO NETWORK SAFTEY

5.1 STL shall install, operate and maintain the Access Infrastructure and MCPL Equipment at various Projects and subject to all reasonable support from MCPL; STL shall be responsible to manage the Access Infrastructure.

5.2 MCPL shall be responsible for providing MCPL Backhaul Equipment at Area Access Nodes relating to the Projects, as stated in the PAF and shall also be responsible to Install, establish, operate, maintain MCPL Backhaul Equipment and bring Its backhaul capacity up to the Area Access Node in each Cluster at its own cost including the necessary facilities or equipments required to enable the capacity for providing service to its subscribers, as specified in this Agreement. MCPL and STL shall connect their networks at the Area Access Nodes relating to the Projects, as stated in the PAF.

5.3 MCPL to provide a free of cost 2 Mbps internet line at each Area Access Node for managing the OLT. However on a case to case basis lf more than one IP address is required the same shall be provided by MCPL.

5.6 STL shall be responsible for maintenance and safe operation of MCPL Equipments, Access Infrastructure and associated facilities at its own expense, and will also be responsible for ensuring that the use of the equipments and associated facilities comply with all applicable laws, rules and regulations and does not endanger the safety or health of employees, contractors, agents or customers of MCPL.

9. GENERAL OBLIGATIONS OF MCPL

9.5 The Subscriber shall always be the responsibility of MCPL and shall have contractual arrangement with them to provide services stated in Annexure-1. The Subscriber acquisition process including but not limited to sales, marketing, billing, collection, retention and authentication/verification of Subscribers shall be the sole responsibility of MCPL. MCPL shall indemnify and hold STL harmless from any loss, damage, cost or expense which may arise from any claims made by the

Subscriber against STL directly.

9.6 MCPL shall provide new connections or services to the Subscribers only through Access Infrastructure and not through any other wireline means, in case such service is covered under this Agreement."

7.3 The arbitrator framed two issues quoted below:

> "(i) Whether the (MH) LSA, based on the physical inspection carried out by it, in the premises of the Claimant on 26.02.2015 and the follow up material / information collected by it, was right in arriving at the conclusion that the Claimant was operating outside the limit of its IP-I Registration and was providing end to end bandwidth to its customers.
>
> (ii) Whether based on the inspection report and the follow up material, the Respondent was right in its decision and approach to raise the demand in terms of the Demand Notices dated 24.08.2020 and 28.08.2020 against the Claimant."

8. Both the issues were decided together and the matter was considered from four facets by the arbitrator. The undisputed facts emanating from the record and considered by the arbitrator are that the respondent had an IP-I RC. Clause 2.0 of the RC bars the respondent from dealing with active equipments. The clarification of 2009 did not authorise the respondent to provide end-to-end bandwidth. During the inspection carried out on 26.02.2015 at Pune, active infrastructure was found in the premises of the respondent.

9. The controversy has its genesis in the regulatory framework

governing (IP-I) and Telecom Service Providers under the Indian Telegraph Act, 1885 (for short 'the Telegraph Act'). As per Section 4 of the Telegraph Act and clause 2.0 of the RC, telegraph services including end-to-end bandwidth services can be provided only by licensed entities. The IP-I registrants are authorised only to establish and lease passive telecom infrastructure to TSP. Clause 2.0 of the RC is reproduced as under:

> "2.0 In no case the company shall work and operate or provide telegraph service including end to end bandwidth as defined in Indian Telegraph Act, 1885 either to any service provider or any other customer."

10. The arbitrator dealt in detail with the first facet that whether the active equipment was owned by the respondent? It was considered that after the inspection pursuant to the queries raised by the petitioner, respondent denied the ownership of the equipment and stated that equipment belonged to TSPs. The respondent alongwith letter dated 20.03.2015 enclosed a list of the equipments and details of installation by the TSPs. The list provided by the respondent was in consonance with the schedules appended with the MSAs dated 20.01.2012 and 25.05.2012, executed by SNL with Citycom and respondent with MCPL respectively.

11. Both the Citycom and MCPL vide response dated 06.05.2015 and 19.05.2015 respectively furnished to the petitioner the details of the nature of the equipment and the dates of installation. Citycom

stated that the equipments were taken on lease and MCPL stated equipments were taken on lease from the respondent.

12. The arbitrator considered the clauses of MSAs and concluded that the respondent had expressed the intention and capability to install, operate and maintain the 'access infrastructure'. The definition of 'access infrastructure' and clauses 4, 5.1 and 5.2 of the MSA dated 25.05.2012 were taken into account to hold that the equipment mentioned therein constituted 'passive infrastructure' which the respondent had to install and operate. It was noted that under Clause 5.2 of the MSA dated 25.05.2012 it was the responsibility of MCPL to install, establish, operate and maintain Backhaul Equipment at the Area Access Node and MCPL provided bandwidth required for delivering services to the subscribers. Detailed reasons are recorded by the arbitrator to hold that the respondent was not the owner of active equipments and it provided only 'access infrastructure' i.e. 'passive infrastructure'.

13. It would be pertinent to mention that it was proved that the lease agreements for active equipments were executed by Citycom and MCPL with SNL and the respondent respectively but in correspondence exchanged between the petitioner, TSPs, respondent and SNL, the petitioner failed to raise a specific query from the TSPs regarding the ownership of the equipments.

14. The reliance of counsel for the petitioner on letter dated

06.06.2015 to contend that SNL admitted equipment belonged to the respondent is misplaced. It was written in letter that equipments were leased to various TSP and there was no admission that equipment were owned by the respondent. Even if the argument of the petitioner that the ownership of active equipment in the award is attributed to SNL at one place and to TSP at another is accepted, it does not advance the case of the petitioner that the equipment was owned by the respondent.

15. The second facet considered was that whether the respondent rendered end-to-end bandwidth. The charging mechanisms under the MSAs, the annexures attached thereto dealing with consideration and payment terms were examined in extenso. The interpretation given is that the monthly recurring charges were not determined on the basis of the bandwidth capacity opted for by the subscribers. Further that clause 6.3 of the MSA executed with Citycom was unambiguous that the respondent was itself dependent upon Citycom for bandwidth requirements needed for rendering maintenance services. It was taken note of that the novation agreement dated 02.04.2012 between SNL, Citycom and the respondent was clarificatory and the term ‘access infrastructure’ was substituted by ‘passive infrastructure’.

16. The apparent inconsistency between the inspection report and the demand raised was factored for by the arbitrator. The conclusion no.2 of the inspection report recorded that the respondent was

providing services using Gigabit Passive Optical Network (GPON) and was billing two service providers, Bharti Airtel Limited (for short 'Airtel') and MCPL as per the bandwidth utilised by the end customers. Inspite of this conclusion the demand was not raised in relation to Airtel but for Citycom for which there was no mention in the inspection report.

17. Clauses 5.3, 5.6, 9.5 and 9.6 of MSA executed with MCPL delineated the scope of services and that the respondent was responsible only for leasing, installing, operating and maintaining the passive equipments like fibre, fibre ducts, fibre stand, etc. whereas the active infrastructure was provided by the TSP. It was not disputed by the petitioner that these services could lawfully be provided by the respondent being an IP-I registrant.

18. Reliance on clause 8 of MSA dated 20.01.2012 by the learned counsel for the petitioner to contend that the respondent was providing internet broadband services, is of no avail. The MSA was between SNL and Citycom and the respondent was not a party to it. Further the arbitrator after considering clause 1.10 read with Annexure-1 of the MSA concluded that Citycom was responsible for providing internet broadband services.

19. The contention of the petitioner that the billing under the MSA was based on bandwidth utilisation and not on dark fiber infrastructure, lacks merit. The arbitrator after considering the relevant

clauses of the MSAs recorded a factual finding that the MSA dated 20.01.2012 shows that the monthly recurring charges were not based on the bandwidth capacity opted by the end subscriber. The reasons recorded for conclusion arrived at suffers from no legal or factual error and calls for no interference under Section 34 of the Act.

20. The third facet dealt was that whether the respondent and SNL were separate legal entities. SNL was a subsidiary of the respondent, the factum of it being a separate legal entity was fortified from the fact that SNL was granted a separate IP-I RC on 28.03.2014 and a unified license on 26.03.2018. The petitioner granted separate registrations to the respondent and SNL yet inspection report stated that the SNL was placed in forefront by the respondent and actually the management and operation of the active equipment was being carried out by the respondent. It was rightly held by the arbitrator that this conclusion was not supported by evidence and was based on surmises and conjectures.

21. It is noted in the award that the plea of the respondent and SNL constitute a single entity was not pleaded in the statement of defence and was urged only during the course of arguments.

22. Another aspect is that the order of NCLT, Ahmedabad dated 26.07.2017 approved the scheme of arrangement involving transfer and vesting of the demerged undertakings. SNL the demerged company was recognised as a wholly owned subsidiary of the

respondent and the passive infrastructure business of SNL stood transferred to the respondent. This order was held to be fatal to the contention of the petitioner that respondent and SNL constitute a single entity.

23. Lastly, the validity of the demand notice was examined. The decisions of the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) in ***Oil India Ltd. vs. Union of India*** *2011 SCC Online TDSAT 404* and ***Viom Network Ltd. & Anr. vs. S Tel Private Ltd. & Ors.*** *2013 (139) DRJ 641* were relied upon in support of the proposition that in absence of statutory provision under the Telegraph Act or any clause in IP-I RC for claiming damages for breach of terms of registration certificate, the demand cannot be sustained and the only remedy was under Section 73 of the Contract Act. The decisions of TDSAT may not be binding on this Court but lends support that the view taken is plausible. The petitioner in the statement of defence made no pleading of the actual loss suffered on account of violation of the IP-I RC by the respondent. The law is well-settled that for awarding liquidated damages under Section 73 of the Contract Act the twin conditions are required to be fulfilled. First, breach of the contractual conditions and second, the actual loss or damage suffered or the proof that it is not possible to prove the actual damage suffered. The second pre-requisites for claiming damages under Section 73 of the Contract Act was missing in this case in absence of the pleadings and proof of actual loss suffered.

24. It would be relevant to mention at this stage that even before this Court, it is not the case set up by the petitioner that there exists a statutory provision or clause in the IP-I RC for raising demand for violation of the terms and conditions of IP-I RC. The demand raised by a statutory authority requires a statutory backing. The arbitrator reiterated the fact that the demand made against Citycom was inconsistent with the inspection report wherein Citycom was not identified as TSP rather it was Airtel.

25. The contention of learned counsel for the petitioner that the arbitrator took a contrary stand by considering the respondent and SNL as separate legal entities and yet benefit was given for the period the application of SNL for unified license was pending, is ill-founded. The arbitrator has not held the respondent and SNL to be a same legal entity. It is held that assuming the stand of the petitioner that respondent had placed SNL in forefront to carry out the operational management of active equipment is accepted, the demand cannot be sustained for the period the application for grant of unified license to SNL remained pending. In other words, from the date of grant of the unified license to the SNL the scenario changed and SNL became authorised to operate and maintain active equipments.

26. The contention of learned counsel for the petitioner in letter dated 22.08.2020 that there was an undertaking by the respondent to pay the demanded amount is misconceived. From the perusal of the

written communication, it is forthcoming that the right to avail legal remedies was reserved and the details of computation of the demand were asked for.

27. The arbitrator rightly held the creation of pan-India demand on the basis of an inspection conducted at one premises of the respondent at Pune to be pernicious. Admittedly no inspection was carried out in any other city, without any basis the inspecting team presumed that similar activities were being carried out in other cities and a pan-India demand was raised.

28. The proceedings under Section 34 of the Act are not akin to the first appeal. There cannot be re-appreciation of evidence; plausible view calls for no interference; every factual or legal error cannot be a ground for challenge. The interference is to be made only on the grounds available in Section 34 of the Act. Reference is made to the following decisions:

28.1 In **Prakash Atlanta (JV) v. National Highways Authority of India 2026 INSC 76** it was held as under:-

> "59. (vi) <u>If an arbitral tribunal's view is found to be a possible and plausible one, it cannot be substituted merely because an alternate view is possible. Construction and interpretation of a contract and its terms is a matter for the arbitral tribunal to determine. Unless the same is found to be one that no fair-minded or reasonable person would arrive at, it cannot be interfered with. If there are two plausible interpretations of the terms of a contract, then no fault can be found if the</u>

<u>arbitrator accepts one such interpretation as against the other. To be in conflict with the public policy of India, the award must contravene the fundamental policy of Indian law, which makes it narrower in its application</u>."

28.2 In **Ramesh Kumar Jain v. Bharat Aluminium Company Limited (BALCO) 2025 INSC 1457** held as under:-

> "28. The bare perusal of section 34 mandates a narrow lens of supervisory jurisdiction to set aside the arbitral award strictly on the grounds and parameters enumerated in sub-section (2) & (3) thereof. The interference is permitted where the award is found to be in contravention to public policy of India; is contrary to the fundamental policy of Indian Law; or offends the most basic notions of morality or justice. Hence, a plain and purposive reading of the section 34 makes it abundantly clear that the scope of interference by a judicial body is extremely narrow. <u>It is a settled proposition of law as has been constantly observed by this court and we reiterate, the courts exercising jurisdiction under section 34 do not sit in appeal over the arbitral award hence they are not expected to examine the legality, reasonableness or correctness of findings on facts or law unless they come under any of grounds mandated in the said provision. In ONGC Limited. v. Saw Pipes Limited[14], this court held that an award can be set aside under Section 34 on the following grounds: "(a) contravention of fundamental policy of Indian law; or (b) the interest of India; or (c) justice or morality, or (d) in addition, if it is patently illegal</u>."

28.3 In **Consolidated Construction Consortium Limited Vs. Software Technology Parks of India (2025) 7 SCC 757** it was held as under:

> "46. Scope of Section 34 of the 1996 Act is now well crystallized by a plethora of judgments of this Court. Section 34 is not in the nature of an appellate provision. It provides for setting aside an arbitral award that too only on very limited grounds i.e. as those contained in Sub-sections (2) and (2-A) of Section 34. It is the only remedy for setting aside an arbitral award. An arbitral award is not liable to be interfered with only on the ground that the award is illegal or is erroneous in law which would require re-appraisal of the evidence adduced before the arbitral tribunal. If two views are possible, there is no scope for the court to re-appraise the evidence and to take the view other than the one taken by the arbitrator. The view taken by the arbitral tribunal is ordinarily to be accepted and allowed to prevail. Thus, the scope of interference in arbitral matters is only confined to the extent envisaged Under Section 34 of the Act. The court exercising powers Under Section 34 has perforce to limit its jurisdiction within the four corners of Section 34. It cannot travel beyond Section 34. Thus, proceedings Under Section 34 are summary in nature and not like a full-fledged civil suit or a civil appeal. The award as such cannot be touched unless it is contrary to the substantive provisions of law or Section 34 of the 1996 Act or the terms of the agreement."

28.4 In The Supreme Court in **Sepco Electric Power Construction Corporation Vs. GMR Kamalanga Energy Ltd. 2025 INSC 1171** held:

> "97……..Therefore, it appears that even if the arbitrator's legal or factual reasoning is faulty, the courts ought to ideally refrain from interfering with an

award until an error of law is evident from the award itself or in a document that forms an integral component thereof."

(emphasis supplied)

29. As discussed above, the arbitrator had examined the dispute from four distinct angles and taken into consideration the terms of IP-I RC, MSAs and after detailed discussions recorded reasons for setting aside the demand notice and letter dated 21.10.2020 of the petitioner. The view taken by the arbitrator is plausible and suffers from no legal or factual error, much less perversity and no interference is called for.

30. The petition is accordingly dismissed.

AVNEESH JHINGAN, J

AUGUST 12, 2026
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Reportable:- **Yes**