



2025:DHC:8089-DB



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

Date of decision: 12th SEPTEMBER, 2025

IN THE MATTER OF:

+ **FAO(OS) (COMM) 274/2019**

SURAJ MAL YADAV

.....Appellant

Through: Mr. Narender Hooda, Senior
Advocate with Mr. Ankit Swarup,
Advocate

versus

DELHI STATE INDUSTRIAL & INFRASTRUCTURE
DEVELOPMENT CORPORATION LTD

.....Respondent

Through: Mr. Anuj Chaturvedi, Advocate with
Mr. Waseem Ahmad LA for DSIIDC

CORAM:

**HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR**

JUDGMENT

SUBRAMONIUM PRASAD, J.

1. The present appeal under Section 37(1)c of the Arbitration and Conciliation Act, 1996 [**“the Act”**], assails the judgement and final order dated 27.09.2018 in Review Petition No. 364 of 2018 whereby the Ld. Single Judge affirmed the order dated 24.05.2018 in OMP No. 19/2017, partially allowing the Petition under Section 34 of the Act.

2. Shorn of unnecessary details the facts leading to the filing of the present petition are as follows:



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a. The Delhi State Industrial and Infrastructure Development Corporation [“**DSIIDC/ Respondent**”], is a government owned development agency, incorporated under the Companies Act, 1956, established with the objective of promoting, financing, and developing industrial growth within the National Capital Territory of Delhi through establishment of industrial estates, allotment of plots, and facilitation of industrial structure. Pursuant to the enactment of the Delhi Industrial Development, Operations and Maintenance Act, 2010, the Respondent has been reconstituted and designated to be the nodal agency for development, operation, and maintenance of industrial areas and factory complexes across Delhi. It has also been given the mandate to undertake infrastructure projects and other related social sector initiatives on behalf of the Government of NCT of Delhi.

b. The Respondent had invited bids for auction of a commercial plot ad-measuring 1000 square metres in Sector-2, Cluster H, Bawana Industrial Complex [“**the property**”]. Mr Surajmal Yadav [“**Appellant**”], is the successful bidder in the said auction, which was held on 30.1.2006.

c. Pursuant to the auction, the Appellant paid the entire auction price of Rs. 5.52 Crores and upfront rent of Rs. 5 at the rate of Rs. 1 per annum. As per Clause 5(i) of the General Terms and Conditions of Auction/ Grant of Perpetual Lease Hold Rights of Commercial Plots at Bawana’ [“**the Agreement**”] possession of the plot was to be handed over upon payment of the balance 75 % of bid premium and submission of the lease deed papers duly stamped by the



Collector of Stamps Office. Clause 5(i) of the Agreement reads as under:

“5(i). The Possession of the plot will be given after payment of the balance 75% of premium / bid offered and submission of the lease deed paper duly stamped by the Collector of Stamps Office. For this purpose four copies of perpetual lease deed along with the copy of site plan, indicating the amount on which stamp duty is payable, will be sent to the successful bidder / allottee to get the lease deed papers stamped from Collector of Stamps. It shall be the sole responsibility of the successful bidder / allottee to submit the lease deed papers duly stamped by the Collector of Stamps along with the proof of payment & other relevant documents indicated in the forwarding letter of perpetual lease form.”

d. It is the case of the Appellant that the physical possession of the plot was handed over to him on 12.06.2007 as the execution of the lease deed was likely to take some time.

e. Under Clause 11(iii) of the Agreement, the Appellant was required to complete construction of the commercial complex including the parking/ landscaping area, within two years from the date on which physical possession of the plot was offered. Clause 11 (iii) of the Agreement reads as under:

“11(iii). The successful bidder / allottee shall have to erect and complete the building (Commercial Complex along with the Parking / Landscape Area) within two years and three years for plot No.11 for community center, Sector-3, having an area of 79,972.26 sq.m. from the date of offer of physical possession of the plot, in accordance with the type, design and other architectural features prescribed by the DSIIDC, after



obtaining and in accordance with the sanction to the Building Plans, with necessary design, plans and specification from the concerned Municipal and other Authorities concerned including DUAC in accordance to prevailing rules, Building Bye-Laws etc. as the case may be. The lessee shall not start construction before the said plans etc. are duly sanctioned by the Authorities aforesaid. The lessee shall also submit a project report with DSIIDC within one month from the date of taking possession. The project report shall indicate the schedule of completion of various stages of construction. The lessee shall not start any activity connected with construction before the execution / registration of lease deed. ”

f. On 02.04.2008 the Appellant applied to the Municipal Corporation of Delhi [“MCD”] for sanction of the building plan. It has been averred that the application of the Appellant was rejected by MCD due to defects in the lay out plan which was issued by the Respondent, along with non-execution of lease deed, non-issuance of No-Objection Certificate [“NOC”] and Extension of Time [EOT], all of which were to be provided by the Respondent.

g. It is the case of the Appellant that, after repeated communications, the lease deed format was provided to him only on 05.10.2011. It is averred that the Appellant, with a view to having the lease deed executed, paid Stamp Duty amounting to Rs. 33,12,040/- (Thirty Three Lakh Twelve Thousand Forty Rupees). However, the lease deed was never executed or given effect to.

h. In view of the non-execution of the lease deed, the Appellant on 24.08.2015, issued a legal notice to the Respondent under Clause 9 of Agreement i.e. ‘Provision for Settlement of Dispute’. They



approached this Court by way of Arb. P 686/2015, whereafter this Court, *vide* order dated 06.01.2016 appointed a sole Arbitrator [**“Ld Arbitral Tribunal”**]

i. Thereafter, the Ld. Arbitral Tribunal pronounced the award [**“impugned Award”**] on 11.07.2017.

j. Aggrieved by the non-consideration of Clause B of their prayer in the Statement of Claim [**“SOC”**], namely, the refund of stamp duty of Rs. 33,12,040/- (Rupees Thirty Three Lakh Twelve Thousand and Forty only) paid by the Appellant, and payment of 15% interest on the Earnest Money Deposit [**“EMD”**], bid amount, and stamp duty from the date of payment till 31.01.2016, and further from 01.02.2016 till the actual date of payment, the Appellant filed an application under Section 34 of the Act, bearing number OMP 19/2017, before this Court.

k. By order dated 24.05.2018, the Ld. Single Judge partly allowed the petition under Section 34 in favour of the Appellant and granted him the liberty to re-agitate its claim with respect to the interest on EMD and bid amount paid by the Appellant.

l. Aggrieved by the impugned order, the Appellant, on 18.09.2018, filed Review Petition No 364/2018 along with an application for condonation of delay before this Court. The Review Petition was dismissed *vide* order dated 27.09.2018, whereafter the Appellant has filed the present Appeal.



3. While assailing the impugned Orders i.e. the impugned Order dated 24.05.2018 and Order dismissing Review Petition dated 27.09.2018, the Ld. Counsel for the Appellant has advanced the following arguments:

a. The impugned Order fails to appreciate that findings, recorded by the Ld. Arbitral Tribunal, in the impugned Award are inconsistent and irreconcilable. It is further urged that the impugned Order has, without any justification confined the Appellant's challenge to the impugned Award to certain claims, even though a broader challenge was articulated in the Section 34 petition.

b. In the impugned Order the Ld. Single Judge places reliance on the M/s Mapsa Tapes Pvt. Ltd. v Delhi State Industrial and Infrastructure Development Corporation, 2015 SCC OnLine Del 9396, wherein the terms and conditions of the lease had been settled between the parties. In the present case, however, the lease deed was unexecuted at the time of passing of the impugned Order and Order dismissing the Review Petition, and the Appellant has sought waiver of ground rent until its execution. The Ld. Single Judge also failed to consider the relevant observations made by this Court in Parmod Kumar v. Lt. Governor of Delhi, WP(C) 6704-05/2004.

c. The Ld. Arbitral Tribunal has categorically recorded that the abeyance and delay in execution of the lease deed compelled the Appellant to run from pillar to post. The Respondent failed to issue a fresh NOC and EOT, which prevented the Appellant from obtaining the requisite clearance from the MCD. The Ld. Arbitral Tribunal further observed that nothing prevented the Respondent from issuing



a corrigendum to the Agreement to remove the embargo imposed by Clause 11(iii). As a result of the inaction of the Respondent, the Appellant has been unable to utilise the property as no construction could commence on the plot until the lease deed was executed and the building plan was sanctioned. Merely because some other allottees completed construction in absence of the lease deed and in a manner contrary to the Agreement could not come to the aid of the Respondent. Consequently, reliance on M/s Mapsa Tapes Pvt. Ltd. (supra) and Videocon Industries Limited v. Delhi Development Authority & Anr., passed in **WP(C) 14961/2004**, by this Court is misplaced and unwarranted in the facts of the present case.

d. The Appellant is merely seeking enforcement of the terms and conditions of the auction in letter and spirit, and the prayer for modification of the lease terms arises solely from the gross default of the Respondent. The Arbitrator is empowered to award compensation where one party fails to comply with or defaults on the terms of the contract. Clause 7 of the Agreement is not a non-obstante clause and, therefore, does not absolve the Respondent of liability and the Respondent cannot be allowed to take advantage of their own wrongdoing. Reliance on the case of K.N. Sathyapalan (Dead) by Lrs. v. State of Kerala & Ors., **(2007) 13 SCC 43**.

e. The Ld. Arbitral Tribunal neither considered the Appellant's claim for interest on stamp duty nor provided any reasoning for its omission in the impugned Award, thereby contravening Section 31(3) of the Act. The Ld. Single Judge ought to have considered this



claim in the same manner as the claim of interest on the EMD and bid amount.

f. The Appellant's entitlement to interest on stamp duty cannot be determined solely by whether the principal amount was refundable. In the present case, the principal amount has remained unutilised and a substantial loss has been caused to the Appellant due to inaction on the part of the Respondent. Therefore, if the rejection of claim for interest on stamp duty is to be accepted, in light of the reasoning given by the Arbitrator, it would prejudice the case of the Appellant and prevent him from reagitating the claim for interest on EMD and bid amount, liberty for which had been granted by the Ld. Single Judge *vide* the impugned order.

g. The aspect of ground rent and interest on stamp duty was duly raised before the Ld. Arbitral Tribunal and the Ld. Single Judge. The prayer of the Appellant for waiver of ground rent was advanced in the claim petition before the Ld. Arbitral Tribunal as well as the Petition before the Ld. Single Judge. The Ld. Single Judge passed a series of interim orders which indicates that the Court saw a *prima facie* case for protection of the Appellant from recovery of ground rent pending adjudication of the dispute. The order of the Ld. Single Judge dated 13.11.2017, granted stay of demand rent subject to furnishing of a bank guarantee. Similarly, the encashment of the said bank guarantee was stayed by an order of this Court dated 06.12.2018 and 02.07.2018.



h. The Ld. Arbitral Tribunal has failed to consider whether the Appellant herein is liable to pay ground rent in terms of Clause 7 of the Agreement. The ground rent is payable for only 'holding' the land and since the lease deed was not executed, the Appellant was not in possession of the property by virtue of any title. Therefore, the Appellant was not 'holding' the land and the Respondent cannot be permitted to take advantage of their wrongdoing.

i. The Respondent itself has admitted the non-execution of the lease deed as the clause of the structural design was to be amended at the end of the Respondent. Thus, in the present case, when the Appellant was not at any fault and has timely paid the whole consideration, the burden of paying ground rent without execution of the lease deed, could not have been imposed on the Appellant.

j. The lease deed was executed and registered in the year 2022, pursuant to the Appellant having initiated contempt proceedings against the Respondent before this Court. As per Clause 11 of the Agreement, the lease deed was to be executed within 3 months of the issuance of the letter of possession. The letter of possession was issued in the year 2007 and the 15 year delay in execution of the same is solely attributable to the Respondent.

k. The Ld. Arbitral Tribunal *vide* the impugned Award directed the Respondent to re-utilize the stamp duty paid by the Appellant and execute the lease deed within 6 (six) months of the impugned Award. However, the other prayers made by the Appellant were either rejected or not considered. The Ld. Single Judge, while



passing the impugned Order confined its consideration on the non-consideration of Clause B of their prayer. The Ld. Single Judge erred in failing to notice the Appellant's challenge in relation to the findings, or lack thereof, qua the other claims which were either not considered by the Ld. Arbitral Tribunal or were rejected by relying upon inapplicable precedents.

1. In the impugned Order the Ld. Single Judge of this Court granted liberty to the Appellant to re-agitate his claim for interest on the EMD and bid amount in appropriate proceedings. However, the Ld. Single Judge has failed to note that various other reliefs sought by the Appellant, which are inter-connected and concerned with restoring the Appellant, in financial terms, to the same position he would have been in, had the breaches by the Respondent not taken place. Such restitution necessarily, had to consider aspects of the Appellant's financial outlay including auction consideration, stamp duty and ground rent. Thus, the refusal to grant or non-consideration of one or any of the reliefs prayed for would create a huge hurdle for the Appellant while seeking all the other prayers in appropriate proceedings because the foundation of all the claims is the same i.e. restitution of the Appellant.

4. *Per contra*, the Ld. Counsel for the Respondent has vehemently opposed the arguments advanced by the Ld. Counsel for the Appellant. She has contended that the present petition is merely a reiteration of the grounds advanced by the Appellant before the Ld. Single Judge in the Section 34 Petition and the Review Petition and is therefore, liable to be dismissed.



5. The Ld. Counsel for the Respondent has further submitted that the scope of Section 37 of the Act is extremely circumscribed and in the present case the Appellant has not been able to make out a case that would warrant the interference of this Court. Further, the impugned Orders, passed by the Ld. Single Judge are well reasoned and the Appellant has been unable to make out a case that would fit within the four corners of Section 37 of the Act. Therefore, the impugned Orders do not warrant the intervention of this Court.

6. Heard the Ld. Counsels for the parties and perused the material on record.

7. This Court is of the view that the contention advanced by the Ld. Counsel for the Appellant is untenable and no interference is warranted with the impugned Award and impugned Orders. A perusal of the impugned Order dated 24.05.2018 demonstrates that the Ld. Single Judge meticulously examined the Award. He referred to the portions wherein the Ld. Arbitral Tribunal had considered the effects of the Respondent's default in discharging its contractual obligations *vis-à-vis* the Appellant and thereafter, he proceeded to examine the reliefs granted by the Ld. Arbitral Tribunal. In doing so, the Court also addresses certain omissions regarding the Appellant's specific claims for interest.

8. Thereafter, the Ld. Single Judge notes that the claims of the Appellant regarding grant of interest on EMD and the bid amount which was deposited for the commercial plot had not been considered by the Ld. Arbitral Tribunal and therefore, in view of Section 31(3) of the Act, it could not be said in any



manner whatsoever that the claims of the Appellant which had not been discussed had been rejected by the Ld. Arbitral Tribunal.

9. In continuation of this observation, the Ld. Single Judge noted that neither the Appellant nor the Respondent had challenged the Award as passed. However, before disposing of the said Application, liberty was granted to the Appellant to re-agitate its claims regarding the EMD and bid amount paid by him in other appropriate proceedings. It was further clarified that the benefit of limitation under Section 43(4) of the Act would be awarded to the Appellant. The relevant excerpt of the impugned Order reads as under:

“8. In the entire Award there is no discussion with respect to the claim made by the petitioner for the grant of interest on the EMD and the bid amount deposited by him for the allotment of the land in question. I cannot agree with the submission of the learned counsel for the respondent that as such prayer has not been granted in the final Award, it should be deemed to have been rejected by the Arbitral Tribunal. In terms of Section 31(3) of the Act, the Arbitrator has to state the reasons upon which the Award is passed. If the claim made by the petitioner was to be rejected, the Arbitrator has to give reasons for the same. One cannot assume rejection of the prayer made by the petitioner and further assume reasons for rejection of such prayer. In my opinion, clearly the Arbitrator has not considered this part of the claim made by the petitioner. However, as there is no challenge made by either party to the Award as passed, the present petition is disposed of by granting leave to the petitioner to reagitate its claim with respect to the interest on the Earnest Money Deposit as also the bid amount paid by him to the respondent in any other appropriate proceedings. It is made clear that the



petitioner shall be entitled to claim the benefit of Limitation in terms of Section 43(4) of the Act in such proceedings.”

10. In the Review Petition, the grievance of the Petitioner was that, despite the Ld. Arbitral Tribunal recording a finding that the Appellant was unable to raise construction on the property owing to the Respondent’s failure to execute the lease deed, it nonetheless held that the Appellant was liable to pay ground rent. It was also contended that the Ld. Arbitral Tribunal had erred in not granting interest on the amount paid by the Petitioner for purchase of stamp duty.

11. While dealing with the issue of ground rent, the Ld. Single Judge, in the Order dismissing the Review Petition, held as under:

“7. This Court in M/s Mapsa Tapes Pvt. Ltd. v Delhi State Industrial and Infrastructure Development Corporation, 2015 SCC OnLine Del 9396 has considered the earlier judgments of this Court in Videocon Industries Limited (supra) and Parmod Kumar (supra) and held that the Court would have no jurisdiction to modify or vary the terms of the contract obtaining between the parties; the remedy, if any, of the petitioner would be to claim damages for default in execution of the Lease Deed by the respondent. Admittedly, no such claim of damages was made by the petitioner in the arbitration proceedings. The Arbitrator being a creature of the contract, could not have modified the terms of the contract and was, in fact, bound by the same.”

12. While addressing the issue of grant of interest on the amount paid by the Petitioner for purchase of stamp duty, the Ld. Single Judge, in the Order dismissing the Review Petition, has held as under:



“11. Learned senior counsel for the petitioner has further submitted that the Arbitrator has erred in not granting interest on the amount paid by the petitioner for purchase of the stamp duty. In this regard I would first note the direction issued by the Arbitrator:

“In view of the facts pleaded, evidence led and arguments advanced, the Petition partly succeeds. The Respondent is directed to execute the Lease Deed in favour of the Claimant within 6 months from the date of this Award. In case the Respondent is unable to get the Lease Deed executed within the stipulated time frame, with every day of delay, the Respondent shall be liable to pay interest at the rate of 9 percent per annum to be calculated on the auction consideration of Rs.5.52 crore. The Respondent shall ensure that the Stamp Duty of Rs.33,12,040/- as paid by the Claimant shall be re-utilized. In case of failure of reutilization of paid Stamp Duty, the Respondent shall refund the paid stamp duty of Rs.33,12,040/- to the Claimant along with interest at the rate of 9 percent per annum from date of the Award till date of payment. The Respondent is further directed to provide within 3 months a fresh NOC/EOT, as demanded by the MCD, to the Claimant. The Respondent is also directed to issue a fresh EOT of 2 years from the date of sanction of the Building Plan to the Claimant for completion of construction at the Plot. The Claimant is directed to pay the arrears of Ground Rent to the Respondent; however, in the circumstance of this case, the Respondent shall not be entitled to any interest from the Claimant on account of delayed payment of Ground Rent. The Respondent is free to demand Ground Rent in accordance to the terms of auction from the date of execution of Lease Deed. The Claimant will also be entitled to recover the cost of the proceedings quantified at Rs.2 Lakhs for Counsel



fees together with payment made to the Arbitral Tribunal.”

12. The Arbitrator has therefore, directed that the stamp duty that had been purchased by the petitioner should be reutilised for the purposes of Lease Deed. It is only on the failure of the stamp duty to be reutilised, that the respondent has been directed to refund the amount along with interest @ 9% p.a. from the date of the Award till the date of the payment. Therefore, there is no order of refund of this amount at the first instance. The question of payment of interest thereon, therefore, would not arise. I therefore, can find no fault in the direction issued by the Arbitrator in this regard.”

13. A perusal of the material on record clearly demonstrates that the impugned Orders are well reasoned. It is also pertinent to note that the Review Petition has been dismissed on the ground of delay as well as on merits. As far as the issue of ground rent is concerned, in the Order dismissing the Review Petition, the Ld. Arbitrator, after perusing the relevant contractual clauses, has held that the Appellant had an unqualified obligation to pay ground rent. Similarly, when it comes to issue of non-payment of stamp duty, the Ld. Arbitrator has held that stamp duty of the petitioner should be re-utilized for the purpose of lease deed and only in the event the stamp duty could not be re-utilised, would the Appellant be entitled to refund of the amount of stamp duty with an interest of 9% per annum from the date of Award till the payment of the same. The Ld. Single Judge has upheld the reasoning of the Arbitrator and concurred that they do not warrant any interference. The Appellant now seeks to challenge those findings and has contended that there are omissions which have not been dealt with by the Ld. Single Judge.



14. Arguendo, if there are omissions it would not be a ground for re-appreciation of merits under Section 37 of the Act, especially given that those grounds have not been pressed at the stage of Section 34 petition, as has been observed in the impugned Order dated 24.05.2018. The other contentions advanced by the Appellant in the present petition are errors of merit and seek re-appreciation of evidence. This Court under Section 37 of the Act is not discharging functions like a Civil Court in its appellate capacity and is guided by the narrowly tailored ambit of the Act. The principles limiting interference of Court under Section 34 apply with greater circumscription under Section 37. In this regard, it would also be apt to refer to the judgment of the Apex Court in MMTC Ltd. v. Vedanta Ltd., (2019) 4 SCC 163, where the Apex Court has held as under:

“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.”

15. This Court, under Section 37 of the Act, cannot re-weigh and re-appreciate evidence by substituting its own reasoning to the one arrived at by the Arbitrator or re-interpret the terms of a contract or direct the Arbitrator to exercise its powers or jurisdiction in a particular manner. The proverbial eye of the needle through which this Court can exercise its power



is confined to examining whether the Court dealing with the Section 34 petition has acted within the four corners of Section 34, or whether it has failed to exercise, or exceeded its jurisdiction. In this regard it would be apposite to refer to the observations of the Apex Court in Punjab State Civil Supplies Corpn. Ltd. v. Sanman Rice Mills, **2024 SCC OnLine SC 2632** has held as under:

“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.”



16. An Arbitrator is a creature of the contract, and there exists a dichotomy between an error within jurisdiction and an error in excess of jurisdiction. Under the Act, an Arbitrator is mandated to arbitrate strictly within the terms of a contract, and as long as they remain within those parameters their Award cannot be questioned merely on the ground that it contains an error apparent on the face of the record. The Appellate Court cannot substitute its own reasoning to that arrived at by the Tribunal merely because the other plausible view is a better view according to the Appellate Court. The Apex Court in UHL Power Co. Ltd. v. State of H.P., (2022) 4 SCC 116 has held as under:

“18. It has also been held time and again by this Court that if there are two plausible interpretations of the terms and conditions of the contract, then no fault can be found, if the learned arbitrator proceeds to accept one interpretation as against the other. In Dyna Technologies (P) Ltd. v. Crompton Greaves Ltd. [Dyna Technologies (P) Ltd. v. Crompton Greaves Ltd., (2019) 20 SCC 1] , the limitations on the Court while exercising powers under Section 34 of the Arbitration Act has been highlighted thus : (SCC p. 12, para 24)

“24. There is no dispute that Section 34 of the Arbitration Act limits a challenge to an award only on the grounds provided therein or as interpreted by various Courts. We need to be cognizant of the fact that arbitral awards should not be interfered with in a casual and cavalier manner, unless the Court comes to a conclusion that the perversity of the award goes to the root of the matter without there being a possibility of alternative interpretation which may sustain the arbitral award. Section 34 is different in its approach and cannot be equated with a normal appellate jurisdiction. The mandate under Section



34 is to respect the finality of the arbitral award and the party autonomy to get their dispute adjudicated by an alternative forum as provided under the law. If the Courts were to interfere with the arbitral award in the usual course on factual aspects, then the commercial wisdom behind opting for alternate dispute resolution would stand frustrated.”

19. In Parsa Kente Collieries Ltd. v. Rajasthan Rajya Vidyut Utpadan Nigam Ltd. [Parsa Kente Collieries Ltd. v. Rajasthan Rajya Vidyut Utpadan Nigam Ltd., (2019) 7 SCC 236 : (2019) 3 SCC (Civ) 552] , adverting to the previous decisions of this Court in McDermott International Inc. v. Burn Standard Co. Ltd. [McDermott International Inc. v. Burn Standard Co. Ltd., (2006) 11 SCC 181] and Rashtriya Ispat Nigam Ltd. v. Dewan Chand Ram Saran [Rashtriya Ispat Nigam Ltd. v. Dewan Chand Ram Saran, (2012) 5 SCC 306] , wherein it has been observed that an Arbitral Tribunal must decide in accordance with the terms of the contract, but if a term of the contract has been construed in a reasonable manner, then the award ought not to be set aside on this ground, it has been held thus : (Parsa Kente Collieries case [Parsa Kente Collieries Ltd. v. Rajasthan Rajya Vidyut Utpadan Nigam Ltd., (2019) 7 SCC 236 : (2019) 3 SCC (Civ) 552] , SCC pp. 244-45, para 9)

“9.1. ... It is further observed and held that construction of the terms of a contract is primarily for an arbitrator to decide unless the arbitrator construes the contract in such a way that it could be said to be something that no fair-minded or reasonable person could do. It is further observed by this Court in the aforesaid decision in para 33 that when a court is applying the “public policy” test to an arbitration award, it does not act as a court of appeal and



consequently errors of fact cannot be corrected. A possible view by the arbitrator on facts has necessarily to pass muster as the arbitrator is the ultimate master of the quantity and quality of evidence to be relied upon when he delivers his arbitral award. It is further observed that thus an award based on little evidence or on evidence which does not measure up in quality to a trained legal mind would not be held to be invalid on this score.

9.2. Similar is the view taken by this Court in NHAI v. ITD Cementation India Ltd. [NHAI v. ITD Cementation India Ltd., (2015) 14 SCC 21 : (2016) 2 SCC (Civ) 716] , SCC para 25 and SAIL v. Gupta Brother Steel Tubes Ltd. [SAIL v. Gupta Brother Steel Tubes Ltd., (2009) 10 SCC 63 : (2009) 4 SCC (Civ) 16] , SCC para 29.””

17. In the present case, it cannot be said that the Ld. Arbitral Tribunal, while interpreting the terms of the Agreement, has traversed outside its jurisdiction and committed a judicial error. Resultantly, the Ld. Single Judge has rightly upheld the interpretation of the Arbitrator pertaining to ground rent and interest on stamp duty while also granting liberty to the Appellant to take up the issue of interest on EMD and interest on Stamp Duty in other appropriate proceedings. There is no patent illegality in the impugned Orders and resultantly, any interference is unwarranted. Therefore, in light of the foregoing discussion and the dicta laid down by the Apex Court, in the present case, the impugned Orders do not suffer from any perversity and the Appellant cannot demand a detailed re-reasoning or re-opening of the Award.



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18. Therefore, the present petition is liable to be dismissed. Pending applications, if any, are also dismissed.

SUBRAMONIUM PRASAD, J

HARISH VAIDYANATHAN SHANKAR, J

SEPTEMBER 12, 2025

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