

(2025) 06 SHI CK 0724
In the High Court Of Himachal Pradesh
Case No : CARBA No. 4 Of 2025

Union Of India And Anr

APPELLANT

Vs

M/s B S Ranbir and Company

RESPONDENT

Date of Decision : 25-06-2025

Acts Referred:

Citation : (2025) 06 SHI CK 0724

Hon'ble Judges : Satyen Vaidya, J

Bench : Single Bench

Advocate : Vinay Sharma, Hemant K. Verma, Ruchika Khachi, C.D. Negi,
Lokender Paul Thakur

Final Decision : Disposed Of

Judgement

Sandeep Sharma, J.

1. Instant appeal filed under Section 37 of the Arbitration and Conciliation Act, 1996 (in short the "Act"), lays challenge to the judgment dated 11.8.2023, passed by the learned District Judge Kangra at Dharamshala, whereby objections under Section 34 of the Act, having been filed by the appellants to the awards dated 12.4.2018 and 24.4.2018, passed by the learned Sole Arbitrator in Arbitration case No. 07/XIV/2018 pertaining to Contract Agreement CEPZ-26/2010-11, construction of School building and Staff Quarters for K.V. Dharamshala, Tehsil Dharamshala, District Kangra, Himachal Pradesh, came to be dismissed.

2. Precisely, the facts of the case, as emerge from the pleadings adduced on record by the respective parties are that aforesaid contract was executed between M/s Ranbir Singh & Co. and Chief Engineer Pathankot Zone for 'construction of school building and staff quarters for Kendriya Vidyalaya at Palampur on 6.12.2010 for a sum of Rs. 6,27,79,484.48/-. After completion of work, final bill for undisputed portion was paid on 28.10.2016, but since certain dispute arose between the parties qua certain portions, matter came to be

landed before the Sole Arbitrator in terms of Condition No.70 f IAFW-2249, who was appointed vide letter No. 13600/WC/915/07/E8 dated 31.3.2017. The Sole Arbitrator adjudicated the matter and vide awards dated 12.4.2018 and 24.4.2018 (Annexure A-2), awarded certain amount alongwith interest for different claims in favour of the respondent-M/s Ranbir Singh and Co.

3. Being aggrieved by the afore awards, appellants-Union of India and Chief Engineer Pathankot Zone filed an application under Section 34 of the Act for setting aside afore awards passed by the Sole Arbitrator, however vide order dated 11.8.2023, learned District Judge dismissed the application /objections with cost (Annexure A-1). If the awards are read in its entirety, it clearly emerges that objections under Section 34 of the Act, came to be dismissed on the ground that scope of interference in the Arbitral Award is limited. In the afore background, appellants-Union of India has approached this Court in the instant appeal, praying therein to set aside the afore awards on the grounds, which shall be taken note of in the later part of the judgment.

4. Precisely the grouse of the appellants as has been highlighted in the grounds of appeal and further canvassed by Mr. Balram Sharma, learned Deputy Solicitor General of India, is that learned District Judge has failed to appreciate the provision contained Section 34 (2A), which empowers the court to set aside an award if it finds that the same is vitiated by patent illegality appearing on the face of it. Learned Deputy Solicitor General of India, while referring to judgment passed by the Hon'ble Apex Court in case titled Associate Builders v. Delhi Development Authority (2015) 3 SCC 49, attempted to argue that contravention of the Act itself would be regarded as patent illegality and in this background, appellants are well within their right to maintain the present appeal. While making this Court peruse Arbitral Award dated 12.4.2018, Mr. Balram Sharma, learned Deputy Solicitor General of India submitted that the Sole Arbitrator erred in awarding a sum of Rs. 4,12,273/- alongwith 12% simple interest under Claim No. 1 in favour of the respondent. He submitted that the act and conduct of the contractor itself bars him from claiming compensation qua Claim No. 1, as he, at the time of receiving RAR, did not lodge any protest and as such, the Arbitrator while considering aforesaid claim was bound by the terms of the contract agreement, which nowhere provides any time limit for payment of RAR, nor any clause for payment of interest on delayed RARs. While placing reliance upon judgment rendered by Hon'ble Apex Court in case titled State of Manipur v. Shangreuhan Maivah, Civil Appeal No. 1633 of 1990 decided on 27.03.2001, Mr. Balram Sharma, learned Deputy Solicitor General of India, submitted that Hon'ble Apex Court in the afore case has held that the nature of payment is an advance, such advance, therefore, is not a debt under the Interest Act, we are, therefore, of the opinion that no interest is payable on such delayed advance and accordingly, the award under Claim No. 1 being unreasonable is liable to be set aside.

5. While referring to finding returned by the learned Arbitrator with regard to

wrongful freezing of price index in claim No.2 for material beyond the original period of completion, learned Deputy Solicitor General of India, submitted that same is contrary to the terms and conditions of the contract. While referring to Clause 38 at page No. 84 of the contract agreement, Mr. Balram, submitted that price indices for material were correctly frozen in accordance with the contractual stipulations and the same was duly agreed upon by the respondent at the time of signing the contract. He further submitted that respondent continued to accept running payments without any protest or reservation, hence, he is not entitled to any relief under this claim.

6. While referring to award of Rs.1,83,106/- under Claim No. 3, Mr. Balram, submitted that same is wholly untenable as respondent, being a local resident of Palampur, has not incurred any actual expenses towards establishment charges nor has he produced any documentary evidence before the learned Arbitrator to substantiate claims relating to hiring of an office, payment of wages, electricity bills, telephone charges or car expenses. While referring to Condition 9(b)-(II) of IAFW-2249, learned Deputy Solicitor General of India, submitted that respondent is not entitled to such claim, yet the Sole Arbitrator, awarded the said amount for a period of three and a half months without any justification.

7. While referring to claim No. 6, Mr. Balram, further submitted that the Sole Arbitrator erred in awarding sum of Rs. 5,73,849/- for redoing of protective works allegedly damaged due to an Act of God. He submitted that though respondent had already been made full and final payment for the protective works, as was entered in the Measurement Book (MB), but learned Arbitrator yet proceeded to award additional amount, which is contrary to the terms and conditions contained in the agreement.

8. Learned Deputy Solicitor General of India submitted that sum of Rs. 29,779/- has been wrongly awarded by the learned Arbitrator qua claim No.4, as the surface dressing work was never executed by the respondent on the site with completion of work. He further submitted that omission Deviation Order was rightly prepared in terms of Condition 07 of IAFW-2249 and the recovery of Rs. 29,778.65/- was rightly made by the appellants. He submitted that similarly, Claim No. 5 for Rs. 30,000/- on account of watch and ward is unsustainable as the work had been completed on 15.01.2015 and the delay in issuance of the completion certificate was due to own failure of the respondent to complete certain B/R and E/M items, which had been duly communicated by the department.

9. While referring to amount awarded qua claim No. 7, Mr. Balram Sharma, learned Deputy Solicitor General of India submitted that sum of Rs. 22,322/- has been wrongly granted as the work was completed on 15.01.2025, but the respondent-contractor failed to submit the final bill within the stipulated period of three months from physical completion as per agreed condition no. 66 of IAFW-2249. He submitted that as per Condition 65, final bill was to be paid after certification by AGE (I), as such, interest on the final bill on account of delay in

payment of final bill is liable to be set aside.

10. Similarly, Mr. Balram, while referring to amount awarded by the learned Arbitrator qua claim Nos. 8, 9, 10 and 11, vehemently argued that Sole Arbitrator wrongly proceeded to award sum of Rs. 6,80,108/- on account of overhead expenses allegedly incurred by the respondent during the extended period. He submitted that time extensions were granted at own request of the respondent and repeated notices for slow progress were issued, which the contractor failed to comply with, hence no loss was suffered warranting such compensation. He further submitted that awarded amounts of Rs 19,57,236 and Rs.94,740/- are unsustainable as work commencement and completion dates were clearly known to the respondent, who was handed over the site on 21.12.2010, yet he failed to maintain progress despite repeated directions. He submitted that delay was solely on the part of the respondent, as such, there was no occasion, if any, for the Sole Arbitrator to award amount qua aforesaid claim. He submitted that since respondent was fully aware that Star Rates had to be prepared based on prevailing market rates and he made no timely effort to procure the NPTC doors, there was no occasion, if any, for the Sole Arbitrator to award sum of Rs. 94,740/- qua Claim No. 10. Mr. Balram, submitted that award of interest is totally unfair, unreasonable and self-contradictory. While referring to Section 37(1) of the Act, Mr. Sharma pointed out that Arbitrator is bound by the terms of the contract. He submitted that under Sections 2 and 3 of the Interest Act, 1978, a written notice is mandatory for claiming interest, which was not served by the contractor.

11. Lastly, Mr. Balram, submitted that award of Rs. 1,85,000/-under Claim No. 12 towards costs is highly unreasonable and not sustainable, particularly when all the claims of the respondent-contractor were unjustified and untenable.

12. To the contrary, Mr. Shubham Sood, learned counsel appearing for the respondent-contractor, while referring to Sections 34 and 37 of the Act, attempted to justify the award while stating that same does not suffer from any patent illegality and the view taken by the learned Arbitrator is justified, reasoned and plausible. Mr. Sood submitted that jurisdiction conferred on courts under Section 34 of the Arbitration Act is fairly narrow and when it comes to the scope of an appeal under Section 37 of the Arbitration Act, the jurisdiction of an appellate court in examining an order, setting aside or refusing to set aside an award, is all the more circumscribed.

13. I have heard the learned counsel for the parties and gone through the record of the case.

14. Before ascertaining the correctness of rival submissions made by the learned counsel for the parties, this court finds it necessary to elaborate upon the scope of the appellate court exercising jurisdiction to review the findings of an award.

15. By now it is well settled that scope of appellate Court in exercising power under the Act to review the finding of an award is narrow/limited, especially when

award is upheld or substantially upheld under Section 34 of the Act. Reliance in this regard is placed upon judgment dated 11.8.2023, passed by the Hon'ble Apex Court in Civil Appeal No. 3798 of 2023 titled as Larsen Air Conditioning and Refrigeration Company v. Union of India, wherein it has been held that Section 34 of the Act, permits the Court to interfere with an award sans the grounds of patent illegality to go to the root of the matter and cannot be of a trivial nature. Relevant paras of the afore judgment reads as under:

"15. The limited and extremely circumscribed jurisdiction of the court under Section 34 of the Act, permits the court to interfere with an award, sans the grounds of patent illegality, i.e., that "illegality must go to the root of the matter and cannot be of a trivial nature"; and that the tribunal "must decide in accordance with the terms of the contract, but if an arbitrator construes a term of the contract in a reasonable manner, it will not mean that the award can be set aside on this ground" [ref: Associate Builders (supra)]. The other ground would be denial of natural justice. In appeal, Section 37 of the Act grants narrower scope to the appellate court to review the findings in an award, if it has been upheld, or substantially upheld under Section 34. It is important to notice that the old Act contained a provision (power of court to modify award.—The court may by order modify or correct an award— (a) where it appears that a part of the award is upon a matter not referred to arbitration and such part can be separated from the other part and does not affect the decision on the matter referred; or (b) where the award is imperfect in form, or contains any obvious error which can be amended without affecting such decision; or (c) where the award contains a clerical mistake or an error arising from an accidental slip or omission.) which enabled the court to modify an award. However, that power has been consciously omitted by Parliament, while enacting the Act of 1996. This means that the Parliamentary intent was to exclude power to modify an award, in any manner, to the court. This position has been iterated decisively by this Court in Project Director, National Highways No. 45E and 220 National Highways Authority of India v M. Hakeem (2021) 5 SCR 368.

42. It can therefore be said that this question has now been settled finally by at least 3 decisions [McDermott International Inc. v. Burn Standard Co. Ltd.¹³], [Kinnari Mullick v. Ghanshyam Das Damani¹⁴], [Dakshin Haryana Bijli Vitran Nigam Ltd. v. Navigant Technologies (P) Ltd.¹⁵] of this Court. Even otherwise, to state that the judicial trend appears to favour an interpretation that would read into Section 34 a power to modify, revise or vary the award would be to ignore the previous law contained in the 1940 Act; as also to ignore the fact that the 1996 Act was enacted based on the UNCITRAL Model Law on International Commercial Arbitration, 1985 which, as has been pointed out in Redfern and Hunter on International Arbitration, makes it clear that, given the limited judicial interference on extremely limited grounds not dealing with the merits of an award, the "limited remedy" under Section 34 is coterminous with the "limited right", namely, either to set aside an award or remand the matter under the circumstances mentioned in Section 34 of the Arbitration Act, 1996."

16. Similarly, in *Konkan Railway Corporation Ltd v. Chenab Bridge Project Undertaking*, 2023 (9) SCC 85, the Hon'ble Apex Court has held that jurisdiction of the Court under Section 37 of the Act is akin to that under Section 34 of the Act, as such, the courts ought not to interfere with arbitral award in a casual and cavalier manner. Most importantly, the Hon'ble Apex Court held that mere possibility of an alternative view on facts or interpretation of contract does not entitle Courts to reverse findings of the Arbitral Tribunal. Relevant passages from the decision are as follows:-

"19. Therefore, the scope of jurisdiction under Section 34 and Section 37 of the Act is not akin to normal appellate jurisdiction (*UHL Power Company Ltd. v. State of Himachal Pradesh* (2022) 2 SCC (Civ) 401, para 15. See also: *Dyna Technologies Pvt Ltd v. Crompton Greaves Limited* (2019) 20 SCC 1, para 24, 25). It is well-settled that courts ought not to interfere with the arbitral award in a casual and cavalier manner. The mere possibility of an alternative view on facts or interpretation of the contract does not entitle courts to reverse the findings of the Arbitral Tribunal (*Ssangyong Engineering & Construction Company Ltd. v. National Highways Authority of India (NHAI)* (2019) 15 SCC 131; *Parsa Kente Collieries Ltd. v. Rajasthan Rajya Vidyut Utpadan Nigam Ltd.*, (2019) 7 SCC 236, para 11.1).

In *Dyna Technologies Private Limited v. Crompton Greaves Limited* (2019) 20 SCC 1, this Court held:

"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.

25. Moreover, a number of judgments of this Court have categorically held that the courts should not interfere with an award merely because an alternative view on facts and interpretation of contract exists. The courts need to be cautious and should defer to the view taken by the Arbitral Tribunal even if the reasoning provided in the award is flawed unless such award portrays perversity unpardonable under Section 34 of the Arbitration Act.

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25. The principle of interpretation of contracts adopted by the Division Bench of

the High Court that when two constructions are possible, then courts must prefer the one which gives effect and voice to all clauses, does not have absolute application. The said interpretation is subject to the jurisdiction which a court is called upon to exercise. While exercising jurisdiction under Section 37 of the Act, the Court is concerned about the jurisdiction that the Section 34 Court exercised while considering the challenge to the Arbitral Award. The jurisdiction under Section 34 of the Act is exercised only to see if the Arbitral Tribunal's view is perverse or manifestly arbitrary. Accordingly, the question of reinterpreting the contract on an alternative view does not arise. If this is the principle applicable to exercise of jurisdiction under Section 34 of the Act, a Division Bench exercising jurisdiction under Section 37 of the Act cannot reverse an Award, much less the decision of a Single Judge, on the ground that they have not given effect and voice to all clauses of the contract. This is where the Division Bench of the High Court committed an error, in re-interpreting a contractual clause while exercising jurisdiction under Section 37 of the Act. In any event, the decision in *Radha Sundar Dutta (supra)*, relied on by the High Court was decided in 1959, and it pertains to proceedings arising under the Village Chaukidari Act, 1870 and Bengal Patni Taluks Regulation of 1819. Reliance on this judgment particularly for interfering with the concurrent interpretations of the contractual clause by the Arbitral Tribunal and Single Judge under Section 34 of the Act is not justified."

17. In *Bombay Slum Redevelopment Corporation Pvt. Ltd. Vs. Samir Barain Bhojwani* (2024) 7 SCC 218, the Hon'ble Apex Court reiterated that supervisory role of Courts is very restricted in dealing with appeals under Section 37 of the Act. Hon'ble Apex Court has further held that scope of interference in a petition under Section 34 of the Act is very narrow and jurisdiction under Section 37 of the Act is very narrower. Hon'ble Apex Court further held that since parties to the lis themselves chose to go before the Arbitral Tribunal instead of availing remedy before the traditional Civil Courts, Courts must be very conservative while dealing with arbitral awards and confine themselves to the grounds strictly available under Section 34 of the Act.

18. In *Reliance Infrastructure Ltd. vs. State of Goa* (2024) 1 SCC 479, Hon'ble Apex Court interpreting expression 'patent illegality' held that mere illegality is not a patent illegality, rather to interfere patent illegality, illegality must be apparent on the face of the award and not the one which is culled out by way of a long drawn analysis of pleadings and evidence. Relevant paragraphs of the afore judgment are being reproduced as under:

"57. As noticed, arbitral award is not an ordinary adjudicatory order so as to be lightly interfered with by the Courts under Sections 34 or 37 of the Act of 1996 as if dealing with an appeal or revision against a decision of any subordinate Court. The expression "patent illegality" as been expounded by this Court in the cases referred hereinbefore. The significant aspect to be reiterated is that it is not a mere illegality which would call for interference, but it has to be "a patent illegality", which obviously signifies that it ought to be apparent on the face of

the award and not the one which is culled out by way of a long-drawn analysis of the pleadings and evidence.

58. Of course, when the terms and conditions of the agreement governing the parties are completely ignored, the matter would be different and an award carrying such a shortcoming shall be directly hit by Section 28(3) of the Act, which enjoins upon an Arbitral Tribunal to decide in accordance with the terms of contract while taking into account the usage of trade applicable to the transaction. As said by this Court in *Associate Builders vs. DDA*⁹, if an Arbitrator construes the term of contract in a reasonable manner, the award cannot be set aside with reference to the deduction drawn from construction. The possibility of interference would arise only if the construction of the Arbitrator is such which could not be made by any fairminded and reasonable person.

95. The narrow scope of “patent illegality” cannot be breached by mere use of different expressions which nevertheless refer only to “error” and not to “patent illegality”. We are impelled to reiterate what has been stated and underscored by this Court in *Delhi Airport Metro Express (P) Ltd. Vs. DMRC*¹⁰ that restraint is required to be shown while examining the validity of arbitral award by the Courts, else interference with the award after reassessing the factual aspects would be defeating the object of the Act of 1996. This is apart from the fact that such an approach would render several judicial pronouncements of this Court redundant if the arbitral awards are set aside by categorizing them as “perverse” or “patently illegal” without appreciating the contours of these expressions.”

19. In *S.V. Samudram vs. State of Karnataka* (2024) 3 SCC 623, the Hon’ble Apex Court has concluded that though jurisdiction of Court under Section 34 is fairly narrow and moreover, when it comes to jurisdiction under Section 37, it is all the more circumscribed. The relevant paras of the afore judgment read as under:-

“46. It has been observed by this Court in *MMTC Ltd. v. Vedanta Ltd.* (2019) 4 SCC 163.

“14. As far as interference with an order made under Section 34, as per Section 37, is concerned, it cannot be disputed that such interference under Section 37 cannot travel beyond the restrictions laid down under Section 34. In other words, the court cannot undertake an independent assessment of the merits of the award, and must only ascertain that the exercise of power by the court under Section 34 has not exceeded the scope of the provision. Thus, it is evident that in case an arbitral award has been confirmed by the court under Section 34 and by the court in an appeal under Section 37, this Court must be extremely cautious and slow to disturb such concurrent findings.” (Emphasis Supplied)

47. This view has been referred to with approval by a bench of three learned Judges in *UHL Power Company Ltd v. State of Himachal Pradesh* (2022) 4 SCC 116. In respect of Section 37, this court observed:-

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

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49. We may also notice that the circumscribed nature of the exercise of power under Sections 34 and 37 i.e., interference with an arbitral award, is clearly demonstrated by legislative intent. The Arbitration Act of 1940 had a provision (Section 15) which allowed for a court to interfere in awards, however, under the current legislation, that provision has been omitted (Larsen Air Conditioning and Refrigeration Company v. Union of India and Ors. 2023 SCC OnLine 982 (2-Judge Bench)).

50. The learned Single Judge, similar to the learned Civil Judge under Section 34, appears to have not concerned themselves with the contours of Section 37 of the A&C Act. The impugned judgment (S.V. Samudram v. State of Karnataka, 2017 SCC OnLine Kar 6559) reads like a judgment rendered by an appellate court, for whom re-examination of merits is open to be taken as the course of action."

20. It is quite apparent from the af resaid exposition of law laid down by the Hon'ble Apex Cou t hat scope of interference by this Court while exercising power under Section 37 of the Act is very very limited. Courts should not interfere with an award merely because an alternative view on facts and interpretati n of contract exists, rather courts need to be cautious and should defer to the view taken by the Arbitral Tribunal even if the reasoning provided in the award is implied unless such award portrays perversity unpardonable under Section 34 of the Act.

21. Now being guided by aforesaid law on the subject, this Court would make an attempt to ascertain the correctness of the claim put forth at the behest of the appellants that learned District Judge, while ascertaining the correctness of the award, has failed to take note of the alleged patent illegality. Though learned Deputy Solicitor General of India, while referring to Section 34 (2a) attempted to argue that award is vitiated by patent illegality on the face of it, but he was unable to point out patent illegality, if any, on the face of the award. Though Mr. Balram, submitted that learned Arbitrator while passing award failed to adhere to the expressed terms and conditions of the contract agreement, but having perused terms and conditions of the contract agreement vis-à-vis amount awarded by the learned Arbitrator qua the di erent claims put forth by the respondents, this Court is not persuaded to agree with Mr. Balram, for the reason that learned Arbitrator has proceeded to decide each and every claim of the award taking note of te ms and conditions qua the same detailed in the contract agreement.

22. Having perused finding returned by the learned Arbitrator qua claim Nos. 5,

6 and 9, this Court is not persuaded to agree with learned Deputy Solicitor General of India, that Arbitral Tribunal has proceeded to award amount qua aforesaid claims on the assumptions contrary to the express terms of contract. Perusal of award reveals that appellants were specifically asked to submit the details/activities of the work executed by the respondent between 30.11.2014 to 15.1.2015 except work covered under PC sums for which the agency was nominated by the appellants only on 13.1.2015. However, appellants could not give any details of work executed during this period, and as such, learned Arbitrator rightly construed that work was complete on 29.11.2014 and in that situation appellants had the option to omit work under PC sum and get it executed directly through the nominated agency and issue completion certificate to the claimant and take over the completed work. However, since afore option was not exercised by the appellants, learned Arbitrator rightly held appellants liable to compensation incurred on watch and ward of buildings.

23. Similarly, this Court finds that protective works amounting to Rs. 40.00 lakhs had been paid in RAR no.4 dated 9.6.2011. respondent during hearing submitted photographs of the damaged protective works due to the landslides on intervening night of 27.6.2011 and 28.6.2011. Though respondent claimant intimated to the appellants alongwith photographs vide letter dated 29.6.2011, but yet no action was taken. Appellants have not refuted the aforesaid communication brought on record by the respondent. Similarly, it has also failed to prove or provide evidence as to where and when the damaged protective works have been paid as per the "Accepted Risks" in DO No. 17. Since respondent contractor successfully proved on record that in the said DO No.17, only earth work for damaged portion was paid and appellants-Union of India did not offer any comment on pricing details of the claim put forth by the respondent claimant, learned Arbitrator rightly proceeded to award the amount qua aforesaid claim No.6.

24. Respondent submitted before the learned Arbitrator that he had submitted price tender for work on 4.11.2010, which was accepted by CEPKT zone on 6.12.2010, meaning thereby, learned Arbitrator rightly concluded that respondent claimant was prevented by the appellants-Union of India to execute the work since date of the commencement till end of April 2012 and later till November 2012, for one reason or the other as explained in the statement of claims vide paras 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.10 and 6.2. Since during aforesaid period, respondent was unable to execute the work on account of various fundamental breaches committed by the appellants, no illegality can be said to have been committed by the Arbitrator while awarding certain amount on increase of basic price of building material i.e. cement, steel, bricks etc, which had admittedly gone abnormally high.

25. Similarly, this court finds no illegality or infirmity in the award passed by the learned Arbitrator, whereby he proceeded to award 12% interest qua claim No. 1 to the tune of Rs. 4,12, 273/- in favour of the respondent. It is well settled that in a situation where agreement does not provide for grant of interest nor does it

prohibit such grant, the interest can be awarded on certain principles as have been taken note in para 34 of the award.

26. Learned Arbitrator has proceeded to award sum of Rs.1,83,106/- in favour of the respondent against claim No. 3 i.e. losses sustained due to incurring expenses towards head office and site office overheads. It is quite apparent from the pleadings as well as documents adduced on record by the respective parties before learned Arbitrator that work was suspended by the appellants w.e. 15.10.2012 to 24.11.2012 vide letter dated 13.10.2012, due to non availability of funds. Though aforesaid letter was subsequently evoked vide letter dated 17.11.2012 pursuant to representation made by the respondent vide letter dated 26.10.2012, but since suspension was done under condition No. 9 (a) (ii) of GCC, which was for the reasons other than the default of the contractor, no illegality can be otherwise said to have been committed by the learned Arbitrator while awarding Rs.1,83,106/- qua claim No.3.

27. Though it has been claimed by the appellants/Union of India that no amount on account of wrong DO for omission of surface dressing against Serial Items No.1 to 10 of Scheduled 'A' Part I, could have been awarded, but aforesaid plea deserves outright rejection for the reason that DO No. 33 dated 29.9.2015 for omission of surface dressing was served upon claimant almost nine months after completion of work and recovery effected in the final bill. Surface dressing was the first activity on the ground to commence the work, Since appellants failed to give satisfactory explanation that why it took 58 months to place afore DO upon the respondent in case this activity was not executed in time, no illegality can be said to have been committed by the learned Arbitrator while allowing aforesaid claim to the tune of Rs. 29,779.

28. Similarly, this Court finds no illegality in the award given qua claim No. 5 on account of watch and ward of buildings constructed under this contract for one and a half month. Appellants were though specifically asked to submit the details/ activities of the work executed by the respondent between 30.11.2014 to 15.1.2015, except work covered under PC sums for which the agency was nominated by Union of India on 13.1.2015, but unfortunately, appellants failed to give any detail as was asked for. Hence respondent rightly construed that work was completed on 29.11.2014 and in that situation, appellants had option to omit work under PC sum and get it executed directly through the nominated agency, which it failed to do.

29. Though learned Deputy Solicitor General of India, vehemently argued that learned Arbitrator erred in awarding sum of Rs. 5,73,849/- qua claim No.6 towards redoing of protective work on account of damage during the currency of contract due act of God, but having perused reasoning assigned by the learned Arbitrator while allowing aforesaid claim, this Court is not persuaded to agree with Mr. Sharma that protective works amounting to Rs.40,00,000/- had been paid in RAR No.4 dated 9.6.2011. Respondent made available sufficient material before the learned Arbitrator with regard to protective work done due to

landslides on intervening night of 27.6.2011 and 28.6.2011, which appellants failed to refute. If it is so, no illegality can be said to have been committed by the learned Arbitrator while awarding amount qua aforesaid claim, especially when, protective work was done as per "Accepted Risks" in DO No.17. Respondent during proceedings before learned Arbitrator brought out that in the said DO No.17, only earth work for the damaged portion has been paid.

30. Having scanned award passed by the learned Arbitrator vis-à-vis various claims put forth by the respective parties, this court sees no reason to interfere with the same, especially when learned Deputy Solicitor General of India, has not been able to point out that amount awarded qua aforesaid claim is/was outside the ambit of the contract. Learned Deputy Solicitor General of India, has not been able to point out that contract agreement executed between the parties had no provision, under which learned Arbitrator could proceed to award certain amount qua the claims detailed herein above in favour of the respondent-claimant. This Court has no reason to differ with the finding returned by the learned District Judge while upholding award passed by the learned Arbitrator for the reason that it has dealt with each and every aspect of the matter and no scope has been left for interference. Learned DSGI has failed to demonstrate that how judgment passed by the court below is in contravention of Section 34 of the Act and as such, judgment being in strict conformity with substantive law in force, deserves to be upheld. Needless to say, an arbitral award is not liable to be interfered with only on the ground that award is illegal or erroneous in law that too upon appraisal of the evidence adduced before the learned Arbitrator, meaning thereby, award which may not be reasonable or is non-speaking to some extent, cannot be ordinarily interfered with by the courts.

31. By now, it is well settled that even if two views are possible, there is no scope for the court to reappraise the evidence and to take different view as has been taken by the Arbitrator. Since awards, which ultimately came to be upheld vide judgment passed by the learned District Judge, do not suffer from any patent illegality, this Court is not persuaded to interfere with finding returned by the learned District Judge while upholding the award. The view taken by the learned Arbitrator is reasoned, justified and plausible. Learned District Judge has examined the award in accordance with law vis-à-vis contentions raised by the appellants and as such, rightly did not find any ground under the Act to interfere with it. Having considered impugned judgment, award and contentions urged in the instant appeal, there is no scope left for this court to interfere in the impugned awards exercise of limited jurisdiction under Section 37 of the Act.

32. Consequently, in view of the detailed discussion made herein above as well as law taken into consideration, this Court finds no merit in the present petition and accordingly same is dismissed, as a result thereof, award passed by the learned Arbitrator, which has been otherwise upheld by the learned District Judge, is affirmed. Pending applications, if any, stand disposed of.