



Arb.O.P.(Com.Div) No.291 of 2023

In the High Court of Judicature at Madras

Reserved on
05.11.2025

Delivered on :
12.11.2025

Coram :

The Honourable Mr.Justice N.ANAND VENKATESH

Arbitration O.P.(Com.Div.) No.291 of 2023

NJR Constructions Pvt. Ltd.,
rep.by its Managing Director
Mr.N.Janardhana Rao

...Petitioner

Vs

Union of India, CPWD,
rep.by the Executive Engineer,
Tirupathi, CPWD, CPWD
Office Building,
Nehru Nagar, Tirupathi.
517507.

...Respondent

PETITION under Section 34(2)(b) of the Arbitration and Conciliation Act, 1996 praying to set aside the award dated 30.9.2021 passed by the Arbitral Tribunal to the extent as aggrieved by the petitioner herein in respect of arbitration proceedings between the petitioner and the respondent in its entirety.

For Petitioner : Mr.P.J.Rishikesh
For Respondent : Ms.V.Sudha, SCGPC



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ORDER

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This is a petition filed by the petitioner under Section 34 of the Arbitration and Conciliation Act, 1996 (for brevity, the Act) against the award dated 30.9.2021 passed by the sole Arbitrator.

2. Heard both.

3. The case of the petitioner is as follows :

(i) The petitioner participated in the tender called for by the respondent for construction of an administrative building including development works, etc., for constructing a compound wall and for various other works at Composite Regional Centre/National Institute for Mentally Handicapped at Venkatachalam (M), Nellore District, Andhra Pradesh. The work was awarded in favour of the petitioner through letter dated 24.11.2016. The agreement was entered into between the parties and the agreement stipulated that the work must be completed by 24.11.2017. However, the actual date of completion of work was only on 11.2.2019.

(ii) Later, the petitioner raised a final bill for a sum of Rs.11,48,16,841/-. Pursuant to that, some disputes had arisen



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between the parties during execution and ultimately, the matter landed up before the sole Arbitrator.

(iii) Before the sole Arbitrator, the petitioner made the following claims :

(1) to pay a sum of Rs.8,31,675/- towards difference between ornamental grill and agreement item of MS grills provided for windows;

(2) to grant extension of time upto 11.2.2019 without imposing any levy and to release a sum of Rs.1,00,10,979/-;

(3) to pay a sum of Rs.1,99,46,911/- towards escalated price under Clauses 10C and 10CA of the agreement;

(4) to pay a sum of Rs.33,17,740/- towards GST to be paid to the Government;

(5) to pay a sum of Rs.95,24,688/- towards cost of overhead charges incurred for prolongation period of 444 days;

(6) to pay a sum of Rs.82,50,000/- towards compensation for loss of business;

(7) to pay interest at the rate of 7.5% from the due date of payment of final bill till the actual date of payment and to pay interest at the rate of 18% from the date of payment of final bill till the date of payment of award amount; and

(8) to pay a sum of Rs.5 lakhs towards costs of arbitration.



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(iv) Before the sole Arbitrator, the respondent raised a defence that the petitioner was expected to start the work on 09.12.2016 and complete the same on 24.11.2017, that a total of 350 days was fixed for the completion of the work, that however, right from the beginning, the petitioner was slow in executing the work, that there was a delay of 444 days in completing the work against the stipulated period of 350 days, that the delay was attributable to the petitioner and that various claims made by the petitioner were not sustainable. Ultimately, the respondent sought for dismissal of the claim petition.

(v) On considering the materials that were relied upon by the learned counsel on either side, the sole Arbitrator passed an award dated 30.9.2021 in the following terms :

<i>Claim No.</i>	<i>Details of claim</i>	<i>Amount of claim in Rs.</i>	<i>Amount of award in Rs.</i>
1	Ornamental grill	8,31,675	NIL
2	Recovery of levy imposed	1,00,10,979	NIL
3	Escalation under Clauses 10C & 10CA	1,99,46,911	37,17,916
4	GST Recovery	Details to be submitted	As per actual
5	Overhead charges	95,24,688	3,48,408
6	Business Loss	82,50,000	32,925
7	Interest	As stated in the claim	
8	Cost of arbitration	5,00,000	NIL

(vi) Aggrieved by that, the petitioner is before this Court.



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4. The respondent filed a counter to this petition by way of reply wherein they refuted the claims made by the petitioner. Ultimately, the respondent sought for dismissal of this petition.

5. This Court has carefully considered the submissions of the learned counsel on either side and perused the materials available on record and more particularly the impugned award.

6. Even though the learned counsel for the petitioner made submissions with respect to the claims, which were rejected by the sole Arbitrator, the main focus of the arguments was with respect to claim No.2, which pertained to liquidated damages, claim No.7, which pertained to the interest granted by the sole Arbitrator and claim No.8, which pertained to refusal to award the costs of arbitration.

7. The first issue that was focused by the learned counsel for the petitioner is claim No.2, which deals with release of a sum of Rs.1,00,10,979/- without imposing any levy in view of the extension of time that was granted by the respondent upto 11.2.2019.



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8. The learned counsel for the petitioner submitted that the sole Arbitrator had denied compensation under this ground without even finding out as to who was responsible for the delay and had merely confirmed the report of the Chief Engineer without any discussion by relying upon the judgment of the Hon'ble Apex Court in ***M/s.Mitra Guha Builders (India) Co. Vs. ONGC Ltd. [reported in 2020 (3) SCC 222]***, which, according to him, does not apply to the facts of the present case.

9. Per contra, the learned Senior Central Government Panel Counsel appearing for the respondent submitted that there was a total delay of 444 days, that out of the same, 165 days were not attributable to both parties, that the balance period of delay was only attributable to the petitioner and that therefore, the sole Arbitrator was right in denying any compensation under this head.

10. On carefully going through the findings of the sole Arbitrator, it is seen that the sole Arbitrator has taken note of the fact that there was a total delay of 444 days, out of which, 165 days were considered as justified delay. The sole Arbitrator also took into consideration the



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recommendations made by the Engineer In-charge to the Competent Authority (Chief Engineer), straight away confirmed the view taken by the Chief Engineer and rendered a finding that the Chief Engineer's decision was final and binding on the parties. The compensation that was sought for under claim No.2 is more in the nature of liquidated damages. The sole Arbitrator has not even rendered a finding as to who was responsible for causing the delay of 279 days after giving credit to 165 days as justifiable delay out of the total extended period of 444 days.

11. It was the duty of the sole Arbitrator to have first given a finding as to who was responsible for the delay. The sole Arbitrator had merely relied upon the report of the Competent Authority and rendered a finding that such decision taken by the Chief Engineer was final and binding on the parties. In the considered view of this Court, if the decision taken by the Competent Authority was final and binding on the parties, there was no need to approach the sole Arbitrator by way of a dispute. The sole Arbitrator has been appointed not to give his seal of approval to the decision taken by the Chief Engineer and the sole Arbitrator was expected to deal with all the materials including



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the report of the Chief Engineer and arrive at a conclusion as to who must be made responsible for the delay in the completion of the project. This basic finding is not available in the award.

12. The sole Arbitrator also considered the delay of 165 days as a justified delay. The crux of the issue is as to who was responsible for this 165 days' delay and as to why was it considered to be justified. There is no answer to this question in the award and the sole Arbitrator had relied upon the decision taken by the Competent Authority to the effect that the delay of 165 days must be considered as a justified delay.

13. The sole Arbitrator took into account the judgment of the Hon'ble Apex Court in **M/s.Mitra Guha Builders (India) Co.** For proper appreciation, paragraph 18 of the said judgment is extracted as hereunder :

"18. Clause 25 of the agreement — Settlement of disputes by arbitration, reads as under:

'Clause 25 — Settlement of disputes by arbitration



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If any dispute, difference, question or disagreement shall, at any time, hereafter arises between the parties hereto or the respective representatives or assigns in connection with or arising out of the contract, or in respect of meaning of specifications, design, drawings, estimates, scheduled, annexures, orders, instructions, the construction, interpretation of this agreement, application of provisions thereof or anything hereunder containing or arising hereunder or as to rights, liabilities or duties of the said parties hereunder or arising hereunder any matter whatsoever incidental to this contract or otherwise concerning the works of execution or failure to execute the same whether during the progress of work or stipulated/extended period or before or after the completion or abandonment thereof shall be referred to the sole arbitration of the person appointed by a Director of ONGC Ltd. at the time of dispute. There will be no objection to any such appointment that the arbitrator so appointed is an employee of ONGC Ltd. or that he had to deal with the matters to which the contract relates and that in the course of this duties as ONGC Ltd. employees, lie had expressed views on all or any of the matters in dispute or difference.

If the arbitrator to whom the matter is originally referred dies or refuses to act or resigns for any reason from the position of arbitrator, it



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shall be lawful for the Director of ONGC Ltd. to appoint another person to act as arbitrator in the manner aforesaid. Such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor if both the parties consent to this effect, failing which the arbitrator will be entitled to proceed de novo.

It is also a term of the contract that if the contractor(s) do/does not make any demand for arbitration in respect of any claim(s) in writing within 90 days of receiving the intimation from the corporation that the bill is ready for payment, the claim of the contractor(s) will be deemed to have been waived and absolutely barred and the Corporation shall be discharged and released of all liabilities under the contract in respect of these claims.

The decision of the Superintending Engineer regarding the quantum of reduction as well as his justification in respect of reduced rates for sub-standard work, which may be decided to be accepted, will be final and would not be open to arbitration.....'

(emphasis added)."



14. In the said decision, the Hon'ble Apex Court extracted Clause 25 of the relevant agreement in that case. But, no such agreement is available in the case in hand. While relying upon a case law, even a small variation in the facts will render the entire judgment not applicable to the facts of the present case.

15. In the case in hand, the relevant clause namely Clause 2 is extracted as hereunder:

"Clause 2 :

If the contractor fails to maintain the required progress in terms of clause 5 or to complete the work and clear the site on or before the contract or extended date of completion, he shall, without prejudice to any other right or remedy available under the law to the Government on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below as the authority specified in schedule 'F' (whose decision in writing shall be final and binding) may decide on the amount of tendered value of the work for every completed day/month (as applicable) that the progress remains below that specified in Clause 5 or that the work remains incomplete.



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This will also apply to items or group of items for which a separate period of completion has been specified.

<i>(i) Compensation for delay of work</i>	<i>@1.5% per month of delay to be computed on per day basis</i>
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Provided always that the total amount of compensation for delay to be paid under this condition shall not exceed 10% of the tendered value of work or of the tendered value of the item or group of items of work for which a separate period of completion is originally given.

The amount of compensation may be adjusted or set-off against any sum payable to the contractor under this or any other contract with the Government. In case, the contractor does not achieve a particular milestone mentioned in schedule F, or the re-scheduled milestone(s) in terms of Clause 5.4, the amount shown against that milestone shall be withheld, to be adjusted against the compensation levied at the final grant of extension of time. Withholding of this amount on failure to achieve a milestone, shall be automatic without any notice to the contractor. However, if the contractor catches up with the progress of work on the subsequent milestone(s), the withheld amount shall be released. In case the contractor fails to make up for the delay in subsequent milestone(s), amount mentioned against each



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milestone missed subsequently also shall be withheld. However, no interest, whatsoever, shall be payable on such withheld amount."

16. The above extracted clause is not ***in pari materia*** with Clause 25 of the relevant agreement in the said judgment of Hon'ble Apex Court that was relied upon by the sole Arbitrator. Thus, there is no reason for the sole Arbitrator to rely upon the said judgment of the Hon'ble Apex Court and add support to his findings while denying the relief made under claim No.2.

17. Useful reference can be made to the judgment of the Hon'ble Apex Court in ***Multiplex Constructions (UK) Ltd Vs. Honeywell Control Systems Ltd (No.2) [reported in 2007 EWHC 447 (TCC)]*** wherein the relevant portions are extracted as hereunder :

"47. The construction point turns upon the operation of the prevention principle in the context of the present sub-contract. The essence of the prevention principle is that the promisee cannot insist upon the performance of an obligation which he has prevented the promisor from performing.

48. In the field of construction law, one consequence of the prevention principle is that the



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employer cannot hold the contractor to a specified completion date, if the employer has by act or omission prevented the contractor from completing by that date. Instead, time becomes at large and the obligation to complete by the specified date is replaced by an implied obligation to complete within a reasonable time. The same principle applies as between main contractor and sub-contractor.

49. It is in order to avoid the operation of the prevention principle that many construction contracts and sub-contracts include provisions for extension of time. Thus, it can be seen that extension-of-time clauses exist for the protection of both parties to a construction contract or sub-contract.

50. Before tackling the present problem I must first review some authorities on the operation of the prevention principle in the construction context. In Holme v Guppy (1838) 3 M & W 387, 150 ER 1195, the plaintiff builders agreed to carry out carpentry and joinery work forming part of a new brewery in Liverpool for £1,700. The contract specified a completion date of 31 August 1836 and provided for liquidated damages at the rate of £40 per week in the event of delay beyond that date. Delay occurred. The defendant employers withheld certain payments. The plaintiffs brought an action in assumpsit for the balance of the contract price.



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Evidence called at the Liverpool Assizes established that the defendant failed to give possession of the site for four weeks following execution of the contract. Other causes of delay established were certain defaults on the part of the plaintiffs and also certain defaults on the part of other contractors engaged by the defendant. Coltman J awarded £200 to the plaintiffs. That award was challenged by the defendants but upheld by the Court of Exchequer.

51. Parke B, delivering the judgment of the Court of Exchequer, said this ((1838) 3 M & W 387 at 389–390, 150 ER 1195 at 1196):

'On looking into the facts of the case we think no deduction ought to be allowed to the defendants. It is clear from the terms of the agreement that the plaintiffs undertake that they will complete the work in a given four months and a half and the particular time is extremely material because they probably would not have entered into the contract unless they had had those four months and a half within which they could work a greater number of hours a day. Then it appears that they were disabled by the act of the defendants from the performance of that contract. There are clear authorities that if the party be prevented by the refusal of the other contracting party from completing the contract within the time limited he is not liable in law for the default ... It is



clear, therefore, that the plaintiffs were excused from performing the agreement contained in the original contract and there is nothing to show that they entered into a new contract by which to perform the work in four months and a half ending at a later period. The plaintiffs were therefore left at large. Consequently they are not to forfeit anything for the delay.'

52. In Dodd v Churton [1897] 1 QB 562, the plaintiff agreed to carry out construction work for the defendant for £664. The contract specified a completion date of 1 June 1892 with liquidated damages of £2 per week for delay thereafter. Clause 4 of the contract empowered the architect to order additional works or different works by way of variation. Pursuant to that clause the architect ordered additional works to the value of £22 8s 8d which caused completion to be delayed beyond 1 June 1892. In the event the works were not completed until 5 December 1892. The plaintiff sued for the balance of the contract price and the defendant counter claimed for £50 as liquidated damages for late completion. At trial in the Shropshire County Court the judge held that by ordering extra work the defendant had waived his entitlement to liquidated damages for non-completion by 1 June. That county court judgment was reviewed by the Divisional Court where the two judges differed, but on further appeal the



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county court judgment was upheld by the Court of Appeal. Lord Esher MR said this (at 566):

'It was, no doubt, part of the original contract that the building owner should have a right to call upon the builder to do that extra work, and, if he did give an order for it, the builder could not refuse to do it. The principle is laid down in Comyns' Digest, Condition L (6.), that, where one party to a contract is prevented from performing it by the act of the other, he is not liable in law for that default; and, accordingly, a well recognised rule has been established in cases of this kind, beginning with [Holme v Guppy (1838) 3M&W 387, 150 ER 1195], to the effect that, if the building owner has ordered extra work beyond that specified by the original contract which has necessarily increased the time requisite for finishing the work, he is thereby disentitled to claim the penalties for non-completion provided by the contract. The reason for that rule is that otherwise a most unreasonable burden would be imposed upon the contractor. Then this further complication arose. Contracts were entered into by which the builder agreed to do any extra work which the building owner or his architect might order. It was urged in such cases, as, for instance, in [Westwood v Secretary of State for India in Council (1863) 1 New Rep 262], that the fact that the builder had contracted to do any extra work



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that might be ordered prevented the application of the rule which I have mentioned. But it was held that that was not so.'

Lopes and Chitty LJJ delivered concurring judgments to the same effect.

53. In Peak Construction (Liverpool) Ltd v McKinney Foundations Ltd (1970) 69 LGR 1, the plaintiffs contracted with the Liverpool Corporation to construct a block of flats within a period of 24 months. Delays were caused partly by the defaults of a nominated sub-contractor and partly by the actions of the employer. The Court of Appeal allowed the contractor's appeal against an award of liquidated damages. Salmon LJ said (at 11):

'In my judgment, however, the plaintiffs are not entitled to anything at all under this head, because they were not liable to pay any liquidated damages for delay to the corporation. A clause giving the employer liquidated damages at so much a week or month which elapses between the date fixed for completion and the actual date of completion is usually coupled, as in the present case, with an extension of time clause. The liquidated damages clause contemplates a failure to complete on time due to the fault of the contractor. It is inserted by the employer for his own protection; for it enables him to recover a fixed sum as compensation for delay instead of facing the difficulty and expense of proving the



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actual damage which the delay may have caused him. If the failure to complete on time is due to the fault of both the employer and the contractor, in my view, the clause does not bite. I cannot see how, in the ordinary course, the employer can insist on compliance with a condition if it is partly his own fault that it cannot be fulfilled: [Wells v Army and Navy Co-operative Society Ltd (1902) 86 LT 764]; [Amalgamated Building Contractors Ltd v Waltham Holy Cross Urban DC [1952] 2 All ER 452; 50 LGR 667 at pp 455 and 670]; and [Holme v Guppy (1838) 3 M&W 387, 150 ER 1195]. I consider that unless the contract expresses a contrary intention, the employer, in the circumstances postulated, is left to his ordinary remedy; that is to say, to recover such damages as he can prove flow from the contractors' breach. No doubt if the extension of time clause provided for a postponement of the completion date on account of delay caused by some breach or fault on the part of the employer, the position would be different. This would mean that the parties had intended that the employer could recover liquidated damages notwithstanding that he was partly to blame for the failure to achieve the completion date. In such a case the architect would extend the date for completion, and the contractor would then be liable to pay liquidated damages for delay as from the extended completion date.



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The liquidated damages and extension of time clauses in printed forms of contract must be construed strictly contra proferentem. If the employer wishes to recover liquidated damages for failure by the contractors to complete on time in spite of the fact that some of the delay is due to the employers' own fault or breach of contract, then the extension of time clause should provide, expressly or by necessary inference, for an extension on account of such a fault or breach on the part of the employer. I am unable to spell any such provision out of Clause 23 of the contract in the present case.'

Edmund Davies and Phillimore LJ expressed similar views in their concurring judgments.

54. The effect of Dodd v Churton was considered both by the Court of Appeal and by the House of Lords in Trollope & Colls Ltd v North West Metropolitan Regional Hospital Board [1973] 2 All ER 260, [1973] 1 WLR 601. In the Court of Appeal Lord Denning MR said this:

'It is well settled that in building contracts—and in other contracts too—when there is a stipulation for work to be done in a limited time, if one party by his conduct—it may be quite legitimate conduct, such as ordering extra work—renders it impossible or impracticable for the other party to do his work within the stipulated time, then the one whose conduct caused the trouble



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can no longer insist upon strict adherence to the time stated. He cannot claim any penalties or liquidated damages for non-completion in that time'."

18. The said judgment of the Queen's Bench Division makes an interesting reading as to how a Court must deal with a case where an employer, by his act or omission, has prevented the contractor from completing the work within the time stipulated. The Queen's Bench applied the prevention principle where the promisee cannot insist upon the performance of an obligation, which he has prevented the promisor from performing. This principle typically applies to a case where time is stipulated in the contract and work is not able to be completed due to the act or conduct of the employer. This usually happens in building contracts and other contracts where there is a stipulation of time limit.

19. The above judgment of the Queen's Bench Division will have relevance to the facts of the present case since, even as per the award passed by the sole Arbitrator, out of the delay of 444 days, there was a justification for the delay of 165 days. If that is so, the time no more becomes the essence of the contract and the delay, being attributable to the employer and therefore justified, cannot be put against the



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petitioner/claimant to claim damages under this head. In the light of the above discussions, this Court finds that the reasoning given by the sole Arbitrator with respect to claim No.2 is unintelligible.

20. The Hon'ble Apex Court in ***Dyna Technologies (P) Ltd. Vs. Crompton Greaves Ltd. [reported in 2019 (20) SCC 1]*** held as follows :

"34. The mandate under Section 31(3) of the Arbitration Act is to have reasoning which is intelligible and adequate and, which can in appropriate cases be even implied by the courts from a fair reading of the award and documents referred to thereunder, if the need be. The aforesaid provision does not require an elaborate judgment to be passed by the arbitrators having regard to the speedy resolution of dispute.



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35. When we consider the requirement of a reasoned order, three characteristics of a reasoned order can be fathomed. They are: proper, intelligible and adequate. If the reasonings in the order are improper, they reveal a flaw in the decision-making process. If the challenge to an award is based on impropriety or perversity in the reasoning, then it can be challenged strictly on the grounds provided under Section 34 of the Arbitration Act. If the challenge to an award is based on the ground that the same is unintelligible, the same would be equivalent of providing no reasons at all. Coming to the last aspect concerning the challenge on adequacy of reasons, the Court while exercising jurisdiction under Section 34 has to adjudicate the validity of such an award based on the degree of particularity of reasoning required having regard to the nature of issues falling for consideration. The degree of particularity cannot be stated in a precise manner as the same would depend on the complexity of the issue. Even if the Court comes to a conclusion that there were gaps in the reasoning for the conclusions reached by the Tribunal, the Court needs to have regard to the documents submitted by the parties and the contentions raised before the Tribunal so that awards with inadequate reasons are not set aside in casual and cavalier manner. On the other hand, ordinarily unintelligible awards are to be set aside,



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subject to party autonomy to do away with the reasoned award. Therefore, the courts are required to be careful while distinguishing between inadequacy of reasons in an award and unintelligible awards.”

21. The above judgment makes it clear that if the reasoning is unintelligible, the same would be equivalent to providing no reason at all and that it will render the award perverse and will become a ground to interfere with the same under Section 34 of the Act for patent illegality.

22. In so far as the next ground that was urged by the learned counsel for the petitioner is concerned, it touches upon the interest component that was awarded by the sole Arbitrator.

23. The sole Arbitrator awarded only interest at the rate of 7.5% per annum for claim Nos.3, 5 and 6 from 08.3.2020 till the date of actual payment. The sole Arbitrator assigned various reasons and also took into consideration certain judgments and fixed the rate of interest at 7.5% per annum. The contract provides for payment of interest at



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the rate of 7.5%. According to the petitioner/claimant, they had borrowed money from banks and other private lenders and they were forced to incur expenditure by way of interest payment. Therefore, the petitioner sought for payment of 18% interest from the date of final bill till the date of payment of the award amount.

24. In the case in hand, there was a commercial contract between the parties and the sole Arbitrator rendered a finding as if the delay was attributable to the petitioner.

25. This Court has already held that there was absolutely no discussion or reasoning given by the sole Arbitrator with respect to the person, who was responsible for the delay in the completion of the contract. While so, the sole Arbitrator put the blame on the petitioner and fixed the rate of interest at 7.5% from 08.3.2020 till the date of payment in respect of claim Nos.3, 5 and 6. However, the interest fixed by the sole Arbitrator shocks the conscience of this Court and hence, this Court holds that the petitioner will be entitled to 12% interest per annum from 08.3.2020 till the date of actual payment for claim Nos.3, 5 and 6.



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26. The last issue pertains to payment of costs of arbitration.

27. The sole Arbitrator has not awarded any costs by relying upon Clause 25 of the general conditions of contract.

28. This reasoning, on the face of it, is unsustainable. When the sole Arbitrator has thought it fit to grant claim Nos.3, 5 and 6 in favour of the petitioner and the petitioner was made to refer the dispute to the sole Arbitrator to get this amount, obviously, the petitioner will be entitled to payment of costs of arbitration. Hence, this Court is inclined to interfere with the findings of the sole Arbitrator with respect to the issue regarding payment of costs of arbitration.

29. In the light of the above discussions, this Court is inclined to interfere with the award passed by the sole Arbitrator with respect to claim Nos.2, 7 and 8.

30. Considering the judgment of the Hon'ble Apex Court in ***Gayatri Balasamy v. ISG Novasoft Technologies Ltd. [reported in 2025 (7) SCC 1]***, this Court holds that the award is severable and



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by severing the invalid portion from the valid portion, this Court can modify the award.

31. In the case in hand, this Court can modify the post award interest component and award payment of costs in this petition. However, in so far as claim No.2 is concerned, considering the decision of the Hon'ble Apex Court in **McDermott International Inc. Vs. Burn Standard Co. Ltd. [reported in 2006 (11) SCC 181]**, this Court must necessarily annul the award leaving it open to the parties to resort to arbitration afresh, if so advised.

32. In the result, the above original petition is partly allowed and the award passed by the sole Arbitrator in so far as claim Nos.2, 7 and 8 are concerned, are hereby set aside. In respect of claim No.2, it is left open to the parties to resort to arbitration afresh, if they are so advised. In so far as claim No.7 is concerned, since the modification can be done only with respect to post award interest in respect of claim Nos.3, 5 and 6, the interest component is modified at the rate of 12% per annum from the date of award till the date of actual payment and at the rate of 7.5% per annum from 08.3.2020 till the date of



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passing the award. In so far as claim No.8 is concerned, there shall be a direction to the respondent to pay a sum of **Rs.4,00,000/-** (**Rupees four lakhs only**) towards costs to the petitioner.

12.11.2025

To
The Executive Engineer,
Tirupathi, CPWD, CPWD
Office Building, Nehru Nagar,
Tirupathi-517507.

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