



IN THE HIGH COURT OF JUDICATURE AT MADRAS

Orders Reserved on : 29.10.2025

Pronouncing orders on : 03.11.2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

OP No. 228 of 2018

M/s.Veeyar Engineers and Contractors,
Rep. by Managing Partner,
S.J.Alphonse,
Flat No.7, Rio Lok Apartment,
Old No.37, New No.4, Club Road,
Chetpet, Chennai-600 031.

Petitioner(s)

Vs

1. The General Manager
Southern Railway Head Quarters,
Park Town,
Chennai-600 003.
Representing Union of India.

2.The Divisional Railway Manager/Works,
Chennai Division, Southern Railway,
Park Town,
Chennai-600 003.



3.Sr.DEN/Works/MAS

Chennai Division, Southern Railway,
Park Town, Chennai-600 003.

4.Sr.Divisional Engineer (Metro),
Southern Railway,
Chennai-600 003.

Respondent(s)

PRAYER Petition filed under Section 34 of the Arbitration and Conciliation Act, praying a. to setting aside the Arbitral Award dated 25.07.2017 and subsequently amended award dated 19.12.2017 by the Arbitral Tribunal herein, limited only in so far as the:- I) Not awarding the claims raised by the petitioner from Claim No.5 to 15 by the Learned Arbitrator. ii) Awarding of very low interest rate. iii) Not awarding the interest from the date of claim statement filed by the petitioner.

For Petitioner(s): Ms.Chithra Sampath
Senior Counsel for
Mr.G.Viswanathan

For Respondent(s): Mr.V.Radhakrishnan
Senior Counsel for
Mr.M.Vijay Anand
Standing Counsel

**ORDER**

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This petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996 (for the sake of brevity, hereinafter referred to as 'the Act') against the common Award passed by the Sole Arbitrator dated 25.07.2017.

2.The petitioner is a Civil Engineering Contractor who carried on business under the name and style of M/s.Veeyar Enterprises in Railway contracts and was awarded with civil work by the Southern Railway for many years. The Southern Railway called for a tender during the year 2008. The petitioner submitted the tender under the name M/s.Veeyar Enterprises and participated in the tender proceedings and subsequent negotiations. After accepting the tender by issuing Letter of Acceptance during the year 2009, the petitioner commenced the work. During the interregnum period i.e., between the date of acceptance and the execution of the Contract Agreement, the petitioner requested the Southern Railway to change the name of the petitioner



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Firm due to internal restructuring. M/s.Veeyar Enterprises had relieved one of the partner by a Memorandum of Understanding dated 11.07.2006 and the Firm was reconstituted through a Reconstitution Deed dated 11.07.2006 and Mrs.C.Alphonsa was inducted as a new partner after relieving Mr.Andrews who was the erstwhile partner. A Deed of Partnership dated 01.04.2009 was executed by merging M/s.Veeyar Enterprises and M/s.Veeyar Engineers & Contractors.

3.The further case of the petitioner is that the Railways after scrutiny accepted the change of name from M/s.Veeyar Enterprises to M/s.Veeyar Engineers & Contractors and executed the subject Agreement dated 17.06.2010 with the petitioner and accepted the revised Partnership Deed, Credentials, PAN Account Number and Sales Tax Number by substituting the same in the place of documents which were submitted along with the original tender.

4.The work that was undertaken under Agreement dated 17.06.2010 pertains to :



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1)Perambur-GSD: Construction of new building to replace the existing RSG main Ward(26X20m) and RCC roofing strong room facility store non-ferrous scraps.

2) Perambur-GSD: Construction main office building of DY.CMM/GSD/PER 26.54X9.00m with RCC roofing with first floor.

3) Perambur- Replacement of the existing passenger lift at electrical technical training centre-provision of lift well and head room. (sub est)

4) Construction of HLT 1.0 lakhs litre capacity in between 3rd & 4th street near PER/455@PT colony.

5) Perambur-Replacement of LT power distribution system with ACB, switch room oil storage facility & Veyasarpadi & Korukkupet-Replacement of HT UG cable etc;-Construction of switch room(Sub Est)



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5.The further case of the petitioner is that even though the Letter of Acceptance was executed on 15.06.2009, the Agreement was entered into only on 07.06.2010, after a lapse of nearly twelve months. This delay was occasioned in view of the request made by the petitioner to award the contract in favour of M/s.Veeyar Engineers & Contractors which was scrutinized by both the Legal and Accounts Department and ultimately, was accepted. There was also a considerable delay on the part of the respondents to deliver the drawings and handing over the sites in workable condition.

6.After the commencement of work, there was also considerable delay on the part of the respondents in releasing the payments of on account bills due to paucity of funds.

7.Even during the execution of the work, the petitioner faced several hiccups which were attributable to the Southern Railway.



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8.A situation arose where the petitioner had exhausted with all the options and they requested the Railways to foreclose the Agreement and appoint an Arbitrator to settle the outstanding dues to the petitioner.

9.In the meantime, certain complaints were given by the estranged partner Mr.Andrews and taking advantage of the same, the Southern Railway quickly terminated the contract as if the petitioner had committed fraud by furnishing fabricated documents.

10.The petitioner approached this Court and filed a petition under Section 11(6) of the Act and this Court was pleased to appoint a Sole Arbitrator to resolve the dispute in O.P.No.463 of 2014 by an order dated 24.11.2014.

11.The petitioner filed the claim petition before the learned Arbitrator seeking for a sum of Rs.79,05,286/- along with interest under fifteen heads.



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12.The Southern Railway filed their statement of defence and took a primary stand that the entire contract is vitiated by fraud and hence, the petitioner is not entitled for the various claims made by them. Insofar as the compensation that was claimed under various heads, the same was denied by the Southern Railway. They also made a counter claim.

13.The sole Arbitrator thought it fit to deal with three separate claim petitions together considering the fact that the issues involved were common and accordingly, framed the following issues:

(1) Whether the Agreement between the Parties is vitiated by fraud and has become void abinitio?

(2) Whether the Arbitration clause and the Agreement is valid irrespective of the validity of the Agreement?

(3) Whether the termination of the contract is valid?



(4) Whether the Claimant/Contractor is entitled for the various extra claim as claimed under the 3 Agreement and as per the original claim petition and also for a direction directing the Railways to remit the TDS and Sales Tax collected with the concerned Department by way of an additional claim?

(5) Whether the Claimant is correct in invoking the Performance Agreement in all the 3 cases?

(6) Whether the Respondents/Railways is entitled for the counter claim in respect of Agreement No. 107B-MAS dt. 1.12.2009?

(7) Whether the Claimant is entitled for interest in the event of money claim awarded in view of the terms of compromise between the parties?

14.The petitioner marked Ex.C1 to Ex.C75 and the respondents marked Ex.R1 to Ex.R5. No oral evidence was let in by both sides.



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15.The Sole Arbitrator after considering the case put forth by both sides and on appreciation of evidence, came to the conclusion that the petitioner is only entitled for a total claim of Rs.17,28,352/- with interest at the rate of 12% per annum from the date of Award till the date of realization.

16.Aggrieved by the common Award passed by the Sole Arbitrator, separate petitions have been filed by the petitioner in O.P.Nos.226 to 228 of 2018.

17.The learned Senior Counsel appearing on behalf of the petitioner made the following submissions:

- Three separate set of documents were marked on the side of the claimant for the three claim petitions and whereas, the Sole Arbitrator has completely disregarded the documents that were marked in two of the



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claim petitions and has placed reliance upon only the documents that were marked with respect to Agreement No.62 dated 17.09.2010 and therefore, the Award suffers from non consideration of evidence let in by the claimant and accordingly, the Award suffers from manifest illegality.

- The Southern Railway raised a plea that the contract is vitiated by fraud. For that purpose, the Southern Railway heavily relied upon Ex.R1 which is the agreement modifying the Partnership Deed dated 01.04.2009 which in turn referred to a Deed of Partnership dated 19.03.1998 registered as Document No.437 of 1998 and the petitioner in order to substantiate that the reference made to the document was a typographical error and the actual Partnership Deed is dated 17.10.1997, registered as Document No.437 of 1997, filed this document along with the Rejoinder and the Sole Arbitrator did not even consider this stand taken by the claimant.
- In a case where the Southern Railway has raised the ground of fraud, oral evidence has to be let in to substantiate that ground and whereas, no oral



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evidence was let in and the entire claim petition was decided only based on documents and that too one set of documents pertaining to one of the contract.

- While dealing with the various claims made by the petitioner which were rejected, there is absolutely no reference to any of the documents and there is also no finding as to who was responsible for the delay and who actually caused the breach. The Sole Arbitrator has merely placed reliance upon the stand taken by the Southern Railway and confirmed it without any reasons. Hence, such findings suffers from manifest illegality.

18.Per contra, the learned Senior Counsel appearing on behalf of the Southern Railway made the following submissions:

- The bid was submitted in the name of M/s.Veeyar Enterprises and later, the name was changed as M/s.Veeyar Engineers & Contractors. A



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communication dated 23.09.2009 was received from the petitioner referring to a registered Partnership Deed dated 19.03.1998, registered as Document No.437 of 1998. Simultaneously, a complaint was also received from one Mr.Andrews to the effect that the petitioner has played a fraud and has secured the contract with Southern Railway. The document that was referred to was sent to the concerned Sub Registrar for getting confirmation and it was informed to the Southern Railway that Document No.437 of 1998 was not even registered in the concerned Sub Registrar Office and that it is a fabricated document. Insofar as the PAN Number that was furnished by the petitioner, a communication was sent to the Commissioner of Income Tax to verify the said PAN Numbers. A reply was received from the Income Tax Department to the effect that one of the PAN Number stands in the name of M/s.Veeyar Engineers & Contractors and insofar as the other PAN Number is concerned, it is an invalid PAN. All these facts were substantiated through Exs.R1 to R5. Accordingly, fraud was established before the Sole Arbitrator.



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- Once the contract is vitiated by fraud, the petitioner will not be entitled to make any claims, since the entire contract will stand vitiated. To substantiate this submission, the learned Senior Counsel relied upon various judgements.
- The reasons given by the learned Arbitrator, even if found to be insufficient, must be considered in the light of the entire facts of the case. To substantiate the same, the learned Senior Counsel relied upon the judgement of the Apex Court in ***OPG Power Generation Private Limited vs. Enexio Power Cooling Solutions India Private Limited and Another*** reported in ***2025 2 SCC 417***.
- The petition filed under Section 34 does not even state as to why the Award has to be interfered by specifically pointing out to the provision under Section 34 of the Act. If such specific grounds are not taken, it



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cannot be supplemented at the time of arguments. In this regard, the learned Senior Counsel relied upon the judgement of the Apex Court in ***State of Maharashtra vs. M/s. Hindustan Construction Company Ltd.***, reported in ***2010 4 SCC 518***.

19.This Court has carefully considered the submissions made on either side and the materials available on record.

20.The Sole Arbitrator at Paragraph No.30 of the Award has stated as follows:

30). In Agreement No.106/Works/MAS dt.01.12.2009, the documents produced are marked as Exhibit C1 to Exhibit C111. In Agreement NO.107/B/MAS dt.1.12.2009, the documents produced are marked as Exhibit C1 to Exhibit C52. In Agreement No.62/Works/MAS dt. 17.9.2010, the documents produced by the Claimant were marked as Exhibit C1 to Exhibit C75. On the side of Respondents/Railways, a common typeset filed in Application filed under Section 16 of the Arbitration & Conciliation Act was



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taken into consideration as their documents. They are commonly marked as Exhibit R1 to Exhibit R5. Both sides did not let in any oral evidence. Both sides have filed their written arguments.

21.It is clear from the above that separate documents were marked in the three claim petitions and insofar as the Southern Railway is concerned, they had marked only five documents (R1 to R5) in all the three claims. However, while placing reliance upon the documents, the Sole Arbitrator has thought it fit to Exhibit only 75 documents (Ex.C1 to Ex.75) which pertained to only one contract viz., Agreement No.62, dated 17.09.2010. Even otherwise, in the entire Award, there is not even a discussion on a single document that was filed on the side of the claimant and the Sole Arbitrator has rendered findings for various issues in a casual manner.

22.Before testing the Award passed by the Sole Arbitrator based on the above observations, this Court has to first deal with the issue of fraud that has been raised on the side of the Railways and which has been found to have been



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established by the Sole Arbitrator while answering Issue No.1 and which justified the termination of the Agreement by the Southern Railway.

23.It is now too well settled that the fraud vitiates the most solemn of proceedings. Once fraud is played by a party, the entire process gets vitiated and it becomes non est in the eye of law. It is not necessary to burden this judgement with all the citations relied upon by the learned Senior Counsel appearing on behalf of the respondents, since the law is now too well settled. On the facts of the present case, it has to be seen as to whether the contract was vitiated by fraud on account of the petitioner relying upon fabricated documents and furnishing false particulars.

24.M/s.Veeyar Enterprises is a registered Contractor in Railways and was awarded several contracts in the past. The same enterprise had participated in the present tender also and they were the successful bidder. A representation was made by M/s.Veeyar Enterprises on 23.09.2009 to the effect that they have



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changed the name of the business from M/s.Veeyar Enterprises to M/s.Veeyar Engineers & Contractors. The Southern Railway acted upon the same and gave the contract in favour of M/s.Veeyar Engineers & Contractors.

25.The Southern Railway received a complaint on 23.03.2012 from one Mr.Andrews who was one of the partner in M/s.Veeyar Enterprises, informing that the Partnership Deed dated 19.03.1998 as well as PAN Card produced by the petitioner are fabricated documents.

26.Ex.R1 is the Agreement modifying the Partnership Deed dated 01.04.2009. In the said document, reliance was placed upon a Deed of Partnership dated 19.03.1998 registered as Document No.437 of 1998 on the file of the Sub Registrar Officer, Periamet. Considering the complaint received by the Southern Railway, they wrote a communication dated 02.04.2012 (Ex.R2) to the Sub Registrar, Periamet enclosing the Document No.437 of 1998 and requested the Registration Department to confirm as to whether this



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Document No.437 of 1998 was registered in the concerned Sub Registrar Office.

27.A reply was received from the Sub Registrar, Periamet dated 02.04.2012, stating that Document No.437 of 1998 was not registered in the office of the Sub Registrar, Periamet and that it is a fabricated and forged document.

28.The learned Senior Counsel appearing on behalf of the petitioner submitted that there was a typographical error in the Agreement modifying the Partnership Deed dated 01.04.2009 and instead of mentioning in the Document as Partnership Deed dated 17.10.1997 registered as Document No.437 of 1997, by oversight it was mentioned as Partnership Deed dated 19.03.1998, registered as Document No.437 of 1998. The learned Senior Counsel submitted that Document No.437 of 1998 had nothing to do with the Partnership Firm. It was a Deed of Partnership between Mr.S.J.Alphonse and Mrs.C.Alphonsa, wife of Mr.S.J.Alphonse pertaining to M/s.Veeyar Enterprises.



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29.The next question is as to what is the document that was registered as Document No.437 of 1997 which is a Partnership Deed Dated 17.10.1997.

30.For this purpose, the stand taken in the Rejoinder filed by the petitioner must be considered. At Paragraph No.2(a) of the Rejoinder, reference has been made to the Partnership Deed dated 17.10.1997, registered as Document No.437 of 1997. In this document, it is seen that partnership was entered into between Mr.S.J.Alphonse and Mr.B.Andrews, who gave the complaint and the name of the partnership was M/s.Veeyar Enterprises. It is this partnership Firm which had submitted the bid originally.

31.When a party takes the ground of fraud, it must not only be specifically pleaded but it must also be proved if not to the extent of beyond reasonable doubts, but atleast something more than preponderance of probabilities. This is in view of the fact that fraud involves moral turpitude and it has a direct bearing on the character of the person.



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32.The petitioner had taken the stand that the date of the partnership and the Registration Number was wrongly mentioned in Ex.R1 and the same was explained in the Rejoinder along with which the Partnership Deed dated 17.10.1997, registered as Document No.437 of 1997 was enclosed. Unfortunately, this document was not even shown in the list of documents relied upon by the Sole Arbitrator and Southern Railway also did not choose to let in oral evidence. The Sole Arbitrator had merely gone by the Partnership Deed that was mentioned in Ex.R1 and concluded that the contract is vitiated by fraud. Before rendering such an adverse finding against the petitioner, the Sole Arbitrator ought to have dealt with the document that was specifically relied upon by the petitioner viz., the Partnership Deed dated 17.10.1997, registered as Document No.437 of 1997 and rendered a finding. There is a complete lapse on the part of the Sole Arbitrator in not even showing this document as one of the list of documents in the Award.



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33.The next issue pertains to the PAN Numbers that were given by the petitioner that stood in the name of M/s.Veeyar Enterprises. The two PAN numbers that were sent for clarification to the Commissioner of Income Tax through communication dated 05.04.2012 (Ex.R4) are AAFFV2051H & AAFFV0654K.

34.The Railways received a reply from the Income Tax Department dated 17.11.2012 (Ex.R5). Insofar as PAN No.AAFFV2051H, it was confirmed that it was issued in the name of M/s.Veeyar Engineers & Contractors. Insofar as PAN No.AAFFV0654K, it was informed that it is a invalid PAN Number. In view of the same, the Railway has taken a stand that since one of the PAN Number was found to be invalid, the petitioner has intentionally given a wrong PAN Number and thereby, has committed fraud and consequently, the contract stands vitiated.

35.The petitioner while filing the Rejoinder has dealt with this issue also and placed reliance upon the letter dated 18.08.2009, where they had submitted



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the revised PAN Number. This PAN Number was also accepted by the Railway Department and the amount was paid and the Income Tax was deducted at source to the revised PAN Number.

36.The above Document dated 18.08.2009 was marked as a Document in Agreement No.106, dated 01.12.2009. That document does not even form part of the list of the documents that was relied upon by the Sole Arbitrator.

37.It is a fact that whatever payments were made by the Southern Railway was in favour of M/s.Veeyar Engineers & Contractors. The relevant PAN Number which stood in the name of this Firm was confirmed by the Income Tax Department. The tax was deducted at source by mentioning this PAN Number. Therefore, unless and otherwise, the Southern Railway is able to establish that the petitioner by giving a false PAN Number had routed the money to a different entity and thereby, cheated the Southern Railway, fraud cannot be assumed.



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38.The Southern Railway ought to have examined witness on their side and established as to how one of the PAN Number which did not tally with the name of M/s.Veeyar Engineers & Contractors, actually vitiated the contract. As observed *supra*, fraud is a very serious allegation and it has to be necessarily proved by the party who raises the said ground.

39.The Sole Arbitrator has not dealt with this issue by placing reliance upon the relevant document and has not taken into consideration the fact that one of the wrong PAN Number given had actually vitiated the entire contract.

40.In fact, the learned Arbitrator had held that there was no malice on the part of the petitioner and at the best, it is only a misrepresentation on the part of the petitioner and therefore, the contract has become voidable and the Southern Railway had chosen to avoid the contract by terminating it. This finding is too far fetched and in the absence of the Southern Railway proving the ground of the contract being vitiated by fraud or misrepresentation, it cannot be a matter



of assumption and the said ground cannot be put against the petitioner.

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41. In the light of the above discussion, the findings rendered by the Sole Arbitrator for Issue No.1 suffers from perversity and patent illegality. The view taken by the Arbitrator is not even a plausible view and the view has been taken on mere presumptions and surmises without the Southern Railway establishing the ground of fraud.

42. Insofar as the finding rendered for Issue No.3 in favour of the Railways, the same will be covered by the finding rendered by this Court while dealing with Issue No.1 which has been held to suffer with patent illegality.

43. Insofar as the findings that have been rendered for all the claims made by the petitioner, what has been granted is only a total sum of Rs.17,28,352/- with interest at the rate of 12% per annum from the date of Award till the date of realization. On carefully going through the findings that have been rendered



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starting from Paragraph No.54 onwards, it is seen that none of those findings is based on any appreciation of the documents that were relied upon on the side of the claimants. In fact, the documents pertaining to only one claim petition has been considered and the documents that were marked in two other claim petitions was not even relied upon and listed as documents in the Award. The findings also lacks reasons and whatever stand has been taken by the Southern Railway was merely reiterated by the Sole Arbitrator. The Sole Arbitrator has not even rendered a finding as to who was responsible for the delay that had occasioned in the contract and who committed the breach of contract. A general finding has been given towards all the claims which are unintelligible.

44.The Apex Court in ***Dyna Technologies Pvt., Ltd., vs. Crompton Greaves Ltd.***, reported in ***2019 20 SCC 1*** has 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



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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.

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



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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, 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.

45. In the subsequent judgement of the Apex Court in ***OPG Power Generation Private Limited vs. Enxio Power Cooling Solutions India Private Limited and Another*** reported in **2025 2 SCC 417**, the above judgement was relied upon and it was held as follows:

80. We find ourselves in agreement with the view taken in Dyna Technologies, as extracted above. Therefore, in our view, for the purposes of addressing an application to set aside an arbitral award on the ground of improper or inadequate reasons, or lack of reasons, awards can broadly be placed in three categories:



(1) where no reasons are recorded, or the reasons recorded are unintelligible;

(2) where reasons are improper, that is, they reveal a flaw in the decision-making process; and,

(3) where reasons appear inadequate.

81. Awards falling in Category (1) are vulnerable as they would be in conflict with the provisions of Section 31(3) of the 1996 Act. Therefore, such awards are liable to be set aside under Section 34, unless:

(a) the parties have agreed that no reasons are to be given,
or

(b) the award is an arbitral award on agreed terms under Section 30.

82. Awards falling in Category (2) are amenable to a challenge on ground of impropriety or perversity, strictly in accordance with the grounds set out in Section 34 of the 1996 Act.



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83. Awards falling in Category (3) require to be dealt with care. In a challenge to such award, before taking a decision the Court must take into consideration the nature of the issues arising between the parties in the arbitral proceedings and the degree of reasoning required to address them. The Court must thereafter carefully peruse the award, and the documents referred to therein. If reasons are intelligible and adequate on a fair reading of the award and, in appropriate cases, implicit in the documents referred to therein, the award is not to be set aside for inadequacy of reasons. However, if gaps are such that they render the reasoning in support of the award unintelligible, or lacking, the Court exercising power under Section 34 may set aside the award.

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163. As far as extension of limitation by negotiation is concerned, a careful look at Para 16.03(d) of the arbitral award would indicate that there is a reference to two more aspects, "apart from meaningful negotiations", to conclude that limitation for the claim was saved. These are:

- (a) the minutes of meeting dated 19-4-2018; and*
- (b) the written offer of OPG [respondent(s) to the claim]*



dated 26-5-2018 to settle the matter.

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We have already found, while deciding sub-issues (b) and (c), that the minutes of meeting dated 19-4-2018 tantamounted to an acknowledgement under Section 18 of the 1963 Act qua the items mentioned therein. We also noticed that it carried no mention regarding those items on which counter claims were based, and therefore, they were rejected as barred by limitation.

46. In the case in hand, the Award falls under the second category viz., reasons are improper and they reveal a flaw in the decision making process. This is in view of the fact that the Sole Arbitrator has not even taken into consideration the documents that were marked on the side of the claimant in two of the Agreements and even insofar as the 75 documents that were marked and shown as the list of documents at the end of the Award, there is not even a mention about a single document in the body of the Award. Therefore, the learned Arbitrator has virtually disregarded and ignored the evidence that was available and thereby, the decision is perverse and is liable to be set aside under



the head of patent illegality. Useful reference can be made to the judgement of the Apex Court in ***Delhi Metro Rail Corporation Ltd. vs. Delhi Airport Metro Express Pvt. Ltd.*** reported in **2024 6 SCC 357**.

47. In the case in hand, it is quite unfortunate that the Sole Arbitrator has passed a slipshod Award. While assessing the Award, this Court must bear in mind that the present Award has been passed by an Arbitrator who is legally trained and therefore, this Court will expect the Award to meet legal standards. The same is thoroughly missing in the present case.

48. It is brought to the notice of this Court that whatever amount was awarded in favour of the petitioner has already been paid by the Southern Railway. Insofar as the other claims made by the claimant, this Court cannot adorn the role of an Arbitrator and appreciate evidence and determine the compensation payable to the petitioner. Therefore, while setting aside the Award, this Court will grant leave to the petitioner to take appropriate steps for appointment of a fresh Arbitrator to deal with the claims made by the petitioner



on its own merits and in accordance with law.
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49. In the result, the common Award passed by the Sole Arbitrator dated 25.07.2017, is hereby set aside and this petition is allowed in the above terms.

No Costs.

03-11-2025
(3/3)

Index: Yes/No
Speaking/Non-speaking order
Internet: Yes
Neutral Citation: Yes/No
ssr



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To

1. The General Manager
Union of India,
Southern Railway Head Quarters,
Park Town , Chennai-600 003.
- 2.The Divisional Railway Manager/Works,
Chennai Division, Southern Railway,
Park Town, Chennai-600 003.
- 3.Sr.DEN/Works/MAS
Chennai Division, Southern Railway,
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(3/3)