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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

FAO-CARB-6-2020 (O&M)

Date of Decision: 11.11.2025

THE CHIEF ENGINEER, CHANDIGARH ZONE CHANDIGARH AND
ANOTHER

... APPELLANT

VERSUS

M/S SOM PROJECTS PVT. LIMITED AND ANOTHER

....RESPONDENTS

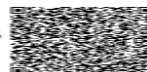
CORAM: HON'BLE MR. JUSTICE ASHWANI KUMAR MISHRA**HON'BLE MR. JUSTICE ROHIT KAPOOR**

Present: Mr. Shobit Phutela, Advocate and
Ms. Arundhati, Advocate for the appellants.

Ms. Tina Garg, Advocate (through video conferencing) and
Mr. Karan Garg, Advocate
for the respondents.

Ashwani Kumar Mishra, J. (Oral)

This appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (for short, 'Act of 1996') has been filed by the appellant-Chief Engineer, Chandigarh Zone, Chandigarh challenging the order dated 24.07.2019 passed by the Commercial Court, Chandigarh rejecting the objection of the appellant filed under Section 34 of the Act of 1996 and has come to the conclusion that the objections raised by the appellant are not referable to Section 34 of the Act of 1996 and consequently the claim has



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been rejected.

2. Records reveal that on 19.12.2006, a contract of Rs.13.91 crores was awarded to the respondent(s) for construction of accommodation of Officers at Chandimandir and Zonal Offices Mess at Chandigarh and the said work was to be completed in three phases. Phase one had to be completed within nine months i.e. by 07.10.2007, whereas it was completed actually on 03.01.2009; second phase was to be completed within a period of 24 months by 07.01.2009 but was actually completed on 11.01.2009. So far as third phase was concerned, its duration was eight months and was to be completed by 08.07.2010 but was actually completed by 10.07.2010. The appellant granted 11 extensions to the contractor. Though it is the claim of the appellant that the extension had to be granted on account of default on the part of the contractor but it remains undisputed that while granting extension of term for completing the work to the contractor, no penalty etc. was ever levied and the extension was granted by the appellant for completing the work. It is undisputed that the contract awarded in favour of the respondent(s) contained an Arbitration Clause. Ultimately, dispute surfaced between the parties and the matter was referred to the sole Arbitrator appointed by the Department itself. Various claims were raised before the Arbitrator and the challenge on part of the appellant is to the determination made by the Arbitrator in respect of claim no.1, 3, 4, 7, 7-A, 7-B and 9, respectively.

3. The Arbitrator vide his award dated 29.01.2016 awarded merely a sum of Rs.87 lakhs to the contractor in respect of the dispute referred to him.



4. Learned counsel for the appellant has argued that the Arbitrator has gone beyond the scope of contract itself inasmuch as many of the claims which were not contemplated or included in the contract have been allowed and, therefore, the award is perverse. This is also the case of appellant that the Commercial Court while rejecting the objection of the Department under Section 34 of the Act of 1996 has not dealt with the specific challenge laid to the Arbitrator's determination in respect of the claims referred to.

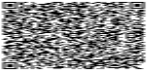
5. We have heard learned counsel for the parties and have carefully perused the material placed on record.

6. In order to consider the appellant's contention that the claims were awarded beyond the scope of the contract itself, we have referred to some of the claims in order to test the submissions advanced on behalf of the appellant.

7. Learned counsel for the appellant has highlighted his best case in respect of claim no.1 and claim no.7 to 7-B respectively.

8. So far as claim no.1 is concerned, the Arbitrator has allowed a sum of Rs.4.00 Lacs to the contractor on account of non-payment of deviation in the work of space frame for zonal mess. The Arbitrator in respect of claim no.1 has examined the respective contention of the parties and on perusal of material on record has come to the conclusion that the provision of space frame for Zonal mess in porch portion did not form part of the original contract and that such work was an additional work awarded in the contract for which no payment was made.

9. Learned counsel for the appellant has invited our attention to one of the drawings which forms part of the contract to submit that the space



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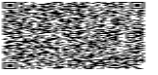
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frame was referred to, in the contract itself and merely because its drawings were supplied subsequently, it would not mean that the work of space frame was not a part of the original contract.

10. On further perusal of materials on record, we find that the drawings in respect of space frame were admittedly provided to the contractor much after the award of contract in its frame. Drawings and orders in respect of such space frame were issued on 06.05.2008, 12.05.2008 and 16.05.2008 respectively. The only issue pressed on behalf of the appellant is that such work was a part of the original contract.

11. Apart from a categorical finding by the Arbitrator based on assessment of the material on record, which ordinarily would not require any re-appraisal in the present proceedings, we find that the space frame referred to by the appellant forms part of Drawing No.WD-4070, which was in respect of RCC- First Floor plan. The disputed space frame, however, was just above the porch and formed a part of the ground floor. In such circumstances, we are not much impressed by the appellants' contention that space frame did form part of the original contract as a structure to be erected just above the porch. The view taken by the Arbitrator that this structure did not form part of the contract, and was actually a deviation for which work order was issued subsequently, is clearly a permissible view emanating from the materials placed on record. We otherwise are not required to re-appraise the evidence unless one of the grounds permitting interference with the award of the Arbitrator is shown to exist.

12. Similarly, in respect of other claims examined by us, i.e., claim no. 7 to claim no. 7-B, the Arbitrator has allowed various amounts towards



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price escalation of material and fuel beyond stipulated date of completion. We have already noticed that the Department had granted 11 extensions for completion of work. There is no accusation in any of the extension orders holding the contractor liable for the delay or penalising him for such purpose. Ordinarily where extension is granted without the liability imposed upon the contractor, it can be safely inferred that the delay in completion of work was not attributable to the contractor. The Arbitrator has gone into the details of the claim and has awarded various amounts under different Heads on account of enhancement in the cost of material etc. Such factual determination by the Arbitrator cannot be assailed on the ground that the contract did not permit raising of such claim. Our attention has not been invited to any clause in the contract which excluded the reference of arbitration to claims on account of delay caused in completion of work.

13. In that view of the matter, we find the view of the Arbitrator in awarding various sums under claim No.7 to 7-B to be based upon appreciation of material placed on record during the arbitral proceedings. The Arbitrator otherwise was appointed by the Department itself. There is no allegation of any *mala-fide* against the Arbitrator. It has not been shown that any of the public policy etc. has been violated. None of the grounds available for interference in an award in terms of Section 34 of the Act of 1996 is shown to exist or arise in the facts of the present case. Once that be the position, the view taken by the Arbitrator in allowing the claim of the contractor as also its affirmance by the Commercial Court warrants no interference. It goes without saying, the Court shall be at liberty to execute the award and the amount lying in deposit shall be remitted to the concerned

Executing Court for necessary compliance.

14. Petition is dismissed accordingly.
15. Pending application(s), if any, also stand(s) disposed of.

(ASHWANI KUMAR MISHRA)
JUDGE

(ROHIT KAPOOR)
JUDGE

11th November, 2025
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<i>Whether speaking/reasoned</i>	<i>Yes/No</i>
<i>Whether reportable</i>	<i>Yes/No</i>