



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

% ***Reserved on : 17th November 2025***
Pronounced on : 24th December 2025
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+ **FAO(OS) (COMM) 165/2025, CM APPL. 65238/2025 & CM APPL. 71674/2025**

UNITED INDIA INSURANCE CO. LTD.,

Division Office-18, A-11, 1st Floor,
Sector 19, Noida-201301,

Through

Regional Manager, Regional Office-11,
Scope Minar Core-1, 2nd Floor,

Laxmi Nagar District Centre, Delhi-110091

.....Appellant

Through: Ms. Ananya De and Ms. Chandni
Sharma, Advs.

versus

M/S VALLEY IRON & STEEL CO. LTD.,

Exchange Store Building,
Shamnath Marg, Civil Lines,
Delhi-11 0054

.....Respondent

Through: Mr. S.D. Singh, Mr. Kamla Prasad,
Ms. Meenu Singh and Mr.
Siddharth Singh, Advs

CORAM:

HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE

HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

ANISH DAYAL, J.

1. This appeal has been filed by appellant under *Section 37* of the Arbitration and Conciliation Act, 1996 [*'A&C Act'*] assailing the



impugned judgment dated 18th September 2025 passed by the Single Judge of this Court in **OMP (COMM.) No.194/2022**, dismissing the objections filed by the appellant under *Section 34* of A&C Act that sought setting aside of the arbitral award dated 28th July 2021 and order dated 28th August 2021 passed by the Arbitral Tribunal [**AT**].

Factual Background

2. Appellant is a Government of India undertaking and is the *insurer* of the policy in question. Respondent, the *insured*, is company incorporated in India engaged in business of manufacturing stainless steel, billets, flats, HR and CR coils, bright bars, pipes and allied products, with its factory in *Paonta Sahib, District Sirmour, Himachal Pradesh*.

3. The policy in question is a “*Standard Fire and Special Perils Policy*” which covered the risks of plant, machinery, stocks and building on a reinstatement basis at the factory of the respondent. On 27th August 2011, respondent intimated the appellant that during the intervening night between 26th and 27th August 2011, incessant rain led to heavy floods, resulting in destruction and damage to respondent’s plant, machinery, equipment, stocks, and building. Surveyors were appointed by the appellant for assessment of loss. Since the policy was on reinstatement basis and respondent had not reinstated the damaged plant, machinery within 12 months, surveyor assessed the loss both on market value basis at *Rs.10,45,03,252/-* and on reinstatement basis at *Rs. 19,84,08,960/-*.

4. Appellant alleged that respondent, being satisfied with surveyor’s assessment on market value basis, issued a Consent Letter dated 18th January 2014 accepting *Rs.10,45,00,000/-* towards full and final



settlement. Appellant paid Rs. 8,92,73,204/- on 25th April 2014, and Rs. 1,03,92,758/- on 13th August 2014, and the balance amount was adjusted towards reinstatement premium of Rs. 7,26,796/- and value of salvage of Rs. 41,07,242/- which was handed over to respondent.

5. After about 42 months from the date of issuance of the Consent Letter and 34 months from receipt of final settlement amount, respondent, *vide* letter dated 21st June 2017, alleged that the consent had been signed under coercion, financial stress and under threat of repudiation. A copy of the surveyor report was sought but no additional claim was made.

6. *Vide* letter dated 11th August 2017, respondent invoked the arbitration clause under the policy, nominating their arbitrator. Appellant nominated its arbitrator. Both the nominated arbitrators failed to appoint the Presiding Arbitrator. Respondent approached this Court under *Section 11* of A&C Act, and by order dated 18th December 2018, the Court appointed *Sh. Ajit Prakash Shah*, former Chief Justice of this Court, as the Presiding Arbitrator.

7. *Vide* award dated 28th July 2021, AT directed appellant to pay respondent a sum of Rs. 33,26,25,300/- along with interest @ 9% pa from 01st February 2012, till realization of the amount.

8. Respondent filed an application under *Section 33(a)* of A&C Act, seeking correction of a typographical error relating to estimation of loss. By order dated 28th August 2021, AT allowed the application, correcting *paragraph 212* of the Award, the operative portion of the award remained unaltered.



9. Objections under *Section 34* of A&C Act were filed before this Court and *vide* impugned judgement, the same were rejected and enforcement petition [*OMP(ENF.) (COMM.) 21/2022*] was allowed.

Submissions on behalf of appellant

10. Counsel for appellant through their written submissions and oral arguments have, *inter alia*, submitted as under:

10.1 The impugned award was in contravention of the fundamental policy of Indian law besides being patently illegal and perverse, as AT had arrived at their findings on a completely perverse reasoning, contrary to pleadings and evidence on record;

10.2 There were no arbitrable disputes as the insurance contract stood concluded on acceptance of *Rs.10.45 crores vide* Consent Letter dated 18th January 2014 issued by the respondent;

10.3 There was no contemporaneous material/document, showing that respondent for 42 months, raised an issue of coercion or there was any protest during that period;

10.4 AT ignored and overlooked its own finding that the only document produced on record by respondent to show immediate protest was letter dated 18th August 2014, which is not a genuine document. Reliance was placed on the principle laid down by the Supreme Court judgement in *New India Assurance Co.Ltd v. Genus Power Infrastructure Ltd* (2015) 2 SCC 424.



10.5 AT ignored and overlooked contents of *paragraph nos. 68, 72 and 76* of the statement of claim, where it was pleaded that respondent have received an email from appellant that the latter would not make any payment unless and until a letter for full and final payment of the entire claim is issued by the respondent. This was in contrast with answer to *question no.81* put to *CW-2* in cross examination, wherein it was admitted that it was a mistake and no such email was received by the respondent;

10.6 AT, in its reasoning for deciding *issue no.1 to 3* relating to arbitrability of the respondent's claims, in *paragraphs 118 and 158*, held that appellant failed to provide interim report, make interim payment and give extension of time for reinstatement, which are all absolutely irrelevant and extraneous;

10.7 AT while holding the claims of the respondent to be arbitrable, arrived at a perverse and patently illegal finding that producing forged and fabricated letter dated 18th August 2014 was a "*collateral lie*". For this, AT relied upon a decision of the Supreme Court of United Kingdom in *Versloot Dredging BV & Anr. v. HOI Gerling Industrie Versicherung AG* [2016] UKSC 45, which had no relevance to the facts of the case. While the UK case involved a "*reckless untruth*", the letter dated 18th August 2014 and the false pleading relating to email allegedly sent by the appellant to respondent forcing acceptance of



Rs.10.45 crores, were “*carefully planned deceit*”, which go to the root of arbitrability.

10.8 The procedure adopted by AT for arriving at the assessed market value of *Rs.43,22,91,262/-* on the basis of statement of estimation of loss produced by respondent, had no basis. The estimation was without reference to pleadings or evidence on record and in absence of any supporting bill, voucher etc., was perverse and patently illegal;

10.9 Against the claim for damage to the building amounting to *Rs.3,33,33,607/-*, surveyor assessed the loss at *Rs. 90,24,498/-*. AT’s estimation at *Rs. 3,26,20,544/-* was without any calculation and basis;

10.10 Against the claim for damage to the Gas Plant amounting to *Rs.12,30,76,234/-*, surveyor assessed the loss at *Rs. 4,11,878/-*. AT’s estimation at *Rs. 11,44,10,318/-* was without any calculation and basis;

10.11 Against the claim for damage to the SS Flat Plant amounting to *Rs.9,48,15,840/-*, surveyor assessed the loss at *Rs. 2,18,74,506/-*, AT’s estimation at *Rs. 6,15,80,257/-* was without any calculation and basis;

10.12 Against claim for damage to HRM Plant amounting to *Rs.4,71,92,601/-*, surveyor assessed the loss at *Rs. 1,26,66,195/-*. AT’s estimation at *Rs.4,52,40,251/-* was without any calculation and basis;

10.13 Against claim for damage to CRM Plant amounting to *Rs.9,77,06,680/-*, surveyor assessed the loss at *Rs. 2,21,78,810/-*.



AT's estimation at Rs. 9,43,97,502/- was without any calculation and basis;

10.14 Against claim for damage to the Bright Bar Plant amounting to Rs.2,03,36,720/-, surveyor assessed the loss at Rs. 88,23,326/-. AT's estimation at Rs. 1,90,51,769/- was without any calculation and basis;

10.15 Against claim for damage to SMS Plant and HRM Plant amounting to Rs. 13,53,62,275/-, surveyor's assessed loss at Rs.2,94,65,630/-, AT's estimation at Rs. 9,56,87,660/- was without calculation and basis;

10.16 Award of interest @ 9% on the awarded amount of Rs.33,26,25,300/- by AT w.e.f. 01st February 2012, i.e. only five months after from the incident of loss, was unjustified;

10.17 AT awarded the cost of proceeding of Rs. 1,37,03,298/- and Rs. 60,00,000/- as fees for the counsel for respondent solely on the basis of the 'Memo of Cost' produced by respondent after the completion of the arguments, without annexing any proof of payment;

10.18 AT's award was perverse and patently illegal because it disregarded surveyor's report and assessment as unreliable without any cogent reason. Reliance was placed on decision of the Supreme Court in *Sri Venkateshwara Syndicate v. Oriental Insurance* (2009) 8 SCC 507, and *New India Assurance v. Pradeep Kumar* (2009) 7 SCC 787. AT instead relied on respondent's own assessment and calculation in the form of a



chart submitted after the conclusion of arguments, which is in violation of the principle of natural justice.

10.19 It is further contended that the award suffers from patent illegality, relying on decision of the Supreme Court in ***Patel Engineering Ltd. v. North Eastern Electric Power Corporation Ltd.***, (2020) 7 SCC 167, since AT discarded the statutory surveyor's report, relied on unsubstantiated calculations, ignored vital contractual clauses, and reached an inflated and irrational assessment. It is contended that the award permits unjust enrichment of respondent by enhancing liability from *Rs.10.45 crores* to *Rs. 43.71 crores* without any substantiating evidence.

Submissions on behalf of respondent

11. Through written submissions and oral arguments, *inter alia*, following contentions were raised by respondent's counsel:

11.1 Scope of interference under *Section 37* of A&C Act is even more restricted than that available to the Court exercising jurisdiction under *Section 34* of A&C Act. It was urged that an appellate Court, while examining an order passed under *Section 34* of A&C Act, is required only to ascertain whether the Court confined itself to the grounds statutorily permissible and whether its jurisdiction was exercised rightly or wrongly. Reliance was placed on ***UHL Power Co. Ltd. v. State of Himachal Pradesh***, 2022 (1) SCALE 249, particularly *paragraph 15*, to contend that the appellate jurisdiction under



Section 37 of A&C Act is “*all the more circumscribed*”. Further reliance was placed on *paragraph 17* of the same judgment to submit that where two plausible interpretations, and Arbitrator proceeds to accept one interpretation as against other, then no fault can be found.

11.2 Reference was also made to ***Konkan Railway Corporation Ltd. v. Chenab Bridge Project Undertaking***, (2023) 9 SCC 85, where the Supreme Court in *paragraphs 18 and 19* reiterated that interference under *Section 37* of A&C Act is confined to the same narrow grounds available under *Section 34* of A&C Act and is not akin to normal appellate jurisdiction. The mere possibility of an alternative view of the facts or interpretation of the contract does not entitle courts to reverse the findings of AT.

11.3 Respondent also placed reliance upon ***Bombay Slum Redevelopment Corporation Pvt. Ltd. v. Samir Narain Bhowani***, 2024 (7) SCALE 335, *paragraphs 16 and 23*, where the Supreme Court emphasised: (i) constrained nature of *Section 37* jurisdiction, and (ii) need for restraint in raising grounds beyond the statutory framework to avoid frustrating the United Nations Commission on International Trade Law (UNCITRAL) model.

11.4 Respondent further relied on ***Punjab State Civil Supplies Corporation Ltd. v. Sanman Rice Mills***, 2024 SCC OnLine SC 2632, *paragraphs 14 and 21*, where the Supreme Court stated that *Section 37* proceedings are summary in nature



and not equivalent to an ordinary civil appeal. Reliance was also placed on *OPG Power Generation Pvt. Ltd. v. Enexio Power Cooling Solutions India Pvt. Ltd.*, (2025) 2 SCC 417, paragraph 168, to argue that where the underlying reasoning of the award is discernible and not perverse, the Court ought not to set aside the award.

11.5 The Single Judge has undertaken a comprehensive and issue-wise examination of the arbitral award strictly within the limited parameters of *Section 34* of A&C Act and has rightly refused to re-appreciate evidence. Respondent points out that the Single Judge specifically held that the findings of AT were plausible, based on the evidence, documents, terms and conditions of the Policy, and free from perversity. The Single Judge also upheld AT's reasoning that the survey report was contrary to the applicable Insurance Regulatory and Development Authority Regulations 2002 ("**IRDAI**")/ General Insurance Public Sector Association (**GIPSA**) rules and regulations, and could not be relied upon as final.

11.6 Appellant filed *Section 34* of A&C Act in accordance with law, wherein both parties were directed to file a written submission which filed both the parties. Contention raised by the appellant was that AT did not consider the claims, despite the fact that AT has considered all aspects of the matter while passing the Award. Accordingly, respondent was directed by the Single Judge on 07th July 2023 to file a chart dealing with the consideration of the survey report on all relevant aspects for



granting the claims in favor of respondent. Respondent filed the said chart on 10/14th July 2025 stating all the four grounds on the basis whereof the Surveyor had reduced the amount of claim and rejected the claim. Respondent further states that the said chart was self-explanatory and demonstrated that no kind of patent illegality was there in the Award nor it was contrary to public policy.

11.7 Respondent further submits that the findings of the Single Judge are in complete consonance with the settled legal principles summarised in *paragraph 46* of the impugned judgment, which draw from the authoritative pronouncements of the Supreme Court in ***Consolidated Construction Consortium Ltd. v. Software Technology Parks of India***, 2025 SCC OnLine SC 956 and ***Batliboi Environmental Engineers Ltd. v. HPCL***, (2024) 2 SCC 375. These decisions reiterate that: (a) *re-appreciation or reassessment of evidence is impermissible* under *Section 34* of A&C Act; (b) where AT has adopted a *plausible interpretation* or a reasonable view based on the record, judicial interference is not warranted; (c) an arbitral award may be set aside only if it is shown to be *perverse*, i.e., based on no evidence or ignoring vital evidence, or if it suffers from *patent illegality* going to the root of the matter; and (d) interference on the ground of “*public policy*” arises only where the award violates fundamental notions of justice, fairness, or morality, and not merely because another view is possible.



11.8 In further support of the impugned judgment (particularly *paragraphs 128-139*), it was submitted by the respondent that the Single Judge has, in addition to the issue-wise findings, meticulously applied the statutory limits of *Sections 34 and 37* of A&C Act, and has categorically held that none of the grounds urged by the appellant fall within the narrow parameters warranting interference. The Single Judge has repeatedly emphasised that the AT's findings were based on extensive appreciation of voluminous documentary evidence, expert reports, contemporaneous correspondence, and the conduct of the parties. At every stage of the reasoning, the Single Judge has reaffirmed that the conclusions reached by the AT were not only plausible but emerged from a careful, reasoned, and internally consistent evaluation of the record.

11.9 The Single Judge has also emphasised that (particularly *paragraphs 46, 66, 71, 79, 88, 94, 106, 109, 123 and 127*) appellant's arguments, both before AT and under *Section 34* of A&C Act, essentially sought a re-appreciation of the evidence and a substitution of the AT's factual findings an exercise which is explicitly prohibited under settled jurisprudence. Reliance was placed on the consistent line of authorities from *Associate Builders (supra)*, *Ssangyong (supra)*, *UHL Power (supra)*, *Konkan Railway (supra)*, *Batliboi* and *Consolidated Construction Consortium (supra)*, all of which recognise that once the arbitrator's view is a possible and reasonable view, the Court cannot interfere merely



because another view is possible. This principle forms the backbone of impugned judgment and has been applied scrupulously by the Single Judge.

11.10 Further, the Single Judge (particularly *paragraphs 103-110*) explicitly record that the insurer and the surveyor fundamentally failed to comply with mandatory statutory obligations, *IRDA/GIPSA* norms, and policy conditions, thereby justifying AT's findings on breach of good faith and procedural unfairness. These findings were expressly accepted by the Single Judge as factual determinations by AT, which cannot be revisited in *Section 34* proceedings.

11.11 It has also been held (particularly *paragraphs 111-127*) that the appellant's objections on quantification, depreciation, valuation methodology, and deductions do not raise any question of law or jurisdictional error but are purely factual disputes which fall squarely within AT's domain. The Single Judge has therefore rightly concluded (particularly *paragraphs 119, 122, 123 and 127*) that the award does not suffer from perversity, patent illegality, violation of public policy, or any contravention of fundamental policy of Indian law.

11.12 Accordingly, the cumulative effect of the findings recorded by the Single Judge is that the objections raised by the appellant under *Section 34* of A&C Act were wholly meritless and that there exists no ground, much less a statutory ground, for appellate interference under *Section 37* of A&C Act. The



impugned judgement is therefore fully reasoned, legally sound, and liable to be upheld in its entirety.

Analysis

12. This Court has been invited to exercise its powers under *Section 37 A&C Act* to set aside the dismissal of the objections under *Section 34* by the Single Judge of this Court.

13. Objections filed under *Section 34 A&C Act* of an arbitral award can succeed only on certain limited grounds, *inter alia*, of patent illegality, perversity, conflict with public policy of India, or at a broader level, whether the award shocks the conscience of the Court. It is in this matrix that the Court assesses the objections to the award.

14. The Single Judge in present case has rendered an extremely detailed judgment, assessing the contentions of the appellant, examining the award issue-wise, and fully considering the contentions as they were presented.

15. In this appeal under *Section 37 A&C Act*, we find that the appellant is making yet another attempt to set aside the award presenting the same contentions which have already been examined in detail by the Single Judge, in the hope that they may bear some fruit.

16. However, needless to state, the Supreme Court and various High Courts have repeatedly held that the scope of assessment and interference under *Section 37 A&C Act* is even more circumscribed, both by the framework of *A&C Act*, as well as by the jurisprudential principle. The fulcrum of arbitration is the arbitral award, and arbitration jurisprudence has given huge credence to upholding a well-considered arbitral award,



setting it aside and reverting the parties to square one only if it shocks the conscience of the Court or is perverse in some manner.

17. The losing party to an arbitral award is bound to quibble over minor minutiae, hoping that some contentions may find favor before the *Section 34* Court or the *Section 37* Court. However, the principles exercised by these Courts are set in stone, in that the arbitrator's assessment of the evidence ought not to be re-appreciated; if the arbitrator has reached a plausible view, the same deserves respect, and only jurisdictional errors or glaring errors of application of law, which go to the root of the matter, may at all be considered. The underlying objective is to provide sanctity to arbitral awards, enhance commercial expediency, and align domestic arbitration jurisprudence with international jurisprudence.

18. It is in this context that the Courts have repeatedly reiterated the narrow compass within which an appeal under *Section 37* A&C Act is to be appreciated. Even though it may be repetitive, some of these decisions are extracted under for a complete perspective:

- i. ***MMTC v. Vedanta v. Vedanta Ltd.***, (2019) 4 SCC 163. Relevant paragraphs are extracted as under:

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



Court must be extremely cautious and slow to disturb such concurrent findings.”

ii. ***Konkan Railway Corpn. Ltd. v. Chenab Bridge Project*** (2023) 9

SCC 85. Relevant extract are extracted as under:

“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....”

(emphasis added)

iii. ***Reliance Infrastructure Ltd v. State of Goa***, (2024) 1 SCC 479.

Relevant paragraphs are extracted as under:

“33. Keeping in view the aforementioned principles enunciated by this Court with regard to the limited scope of interference in an arbitral award by a Court in the exercise of its jurisdiction under Section 34 of the Act, which is all the more circumscribed in an appeal under Section 37, we may examine the rival submissions



of the parties in relation to the matters dealt with by the High Court.”

(emphasis added)

iv. ***DMRC Ltd. v. Delhi Airport Metro Express (P) Ltd., (2024) 6***

SCC 357. Relevant paragraph is extracted as under:

“40. A judgment setting aside or refusing to set aside an arbitral award under Section 34 is appealable in the exercise of the jurisdiction of the court under Section 37 of the Arbitration Act. It has been clarified by this Court, in a line of precedent, that the jurisdiction under Section 37 of the Arbitration Act is akin to the jurisdiction of the Court under Section 34 and restricted to the same grounds of challenge as Section 34. [MMTC Ltd. v. Vedanta Ltd., (2019) 4 SCC 163, para 14 : (2019) 2 SCC (Civ) 293; Konkan Railway Corpn. Ltd. v. Chenab Bridge Project Undertaking, (2023) 9 SCC 85, para 18 : (2023) 4 SCC (Civ) 458 : 2023 INSC 742, para 14.]

41. In the statutory scheme of the Arbitration Act, a recourse to Section 37 is the only appellate remedy available against a decision under Section 34. The Constitution, however, provides the parties with a remedy under Article 136 against a decision rendered in appeal under Section 37. This is the discretionary and exceptional jurisdiction of this Court to grant special leave to appeal. In fact, Section 37(3) of the Arbitration Act expressly clarifies that no second appeal shall lie from an order passed under Section 37, but nothing in the section takes away the constitutional right under Article 136. Therefore, in a sense, there is a third stage at which this Court tests the exercise of jurisdiction by the courts acting under Section 34 and Section 37 of the Arbitration Act.”

(emphasis added)



- v. ***Punjab State Civil Supplies Corporation Limited v. Sanman Rice Mills***, 2024 SCC OnLine SC 2632. Relevant paragraph is extracted as under:

“20. In view of the above position in law on the subject, the scope of the intervention of the court in arbitral matters is virtually prohibited, if not absolutely barred and that the interference is confined only to the extent envisaged under Section 34 of the Act. The appellate power of Section 37 of the Act is limited within the domain of Section 34 of the Act. It is exercisable only to find out if the court, exercising power under Section 34 of the Act, has acted within its limits as prescribed thereunder or has exceeded or failed to exercise the power so conferred. The Appellate Court has no authority of law to consider the matter in dispute before the arbitral tribunal on merits so as to find out as to whether the decision of the arbitral tribunal is right or wrong upon reappraisal of evidence as if it is sitting in an ordinary court of appeal. It is only where the court exercising power under Section 34 has failed to exercise its jurisdiction vested in it by Section 34 or has travelled beyond its jurisdiction that the appellate court can step in and set aside the order passed under Section 34 of the Act. Its power is more akin to that superintendence as is vested in civil courts while exercising revisionary powers. The arbitral award is not liable to be interfered unless a case for interference as set out in the earlier part of the decision, is made out. It cannot be disturbed only for the reason that instead of the view taken by the arbitral tribunal, the other view which is also a possible view is a better view according to the appellate court.

21. It must also be remembered that proceedings under Section 34 of the Act are summary in nature and are not like a full-fledged regular civil suit. Therefore, the scope of Section 37 of the Act is much more summary in nature and not like an ordinary civil appeal. The award as such cannot be touched unless it is



contrary to the substantive provision of law; any provision of the Act or the terms of the agreement.”
(emphasis added)

vi. **Somdatt Builders-NCC-NEC (JV) v. NHAI** (2025) 6 SCC 757.

Relevant paragraph is extracted as under:

“45. In *MMTC Ltd. Vs. Vedanta Ltd.* [(2019) 4 SCC 163], this Court held that as far as Section 34 is concerned, the position is well settled that the court does not sit in appeal over an arbitral award and may interfere on merits only on the limited ground provided under Section 34(2)(b)(ii) i.e. if the award is against the public policy of India. Even then, the interference would not entail a review on the merits of the dispute but would be limited to situations where the findings of the arbitrator are arbitrary, capricious or perverse or when the conscience of the court is shocked or when the illegality is not trivial but goes to the root of the matter. An arbitral award may not be interfered with if the view taken by the arbitrator is a possible view based on facts. As far as interference with an order made under Section 34 by the court under Section 37 is concerned, it has been held 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.

.....

48. In *Reliance Infrastructure* [(2024) 1 SCC 479], this Court referring to one of its earlier decisions in *UHL Power Co. Ltd. v. State of H.P.* [(2022) 4 SCC 116] held that scope of interference under Section 37 is all the more circumscribed keeping in view the limited scope of interference with an arbitral award under Section 34 of the 1996 Act. As it is, the jurisdiction conferred on courts under Section 34 of the 1996 Act is fairly narrow.



Therefore, when it comes to scope of an appeal under Section 37 of the 1996 Act, jurisdiction of the appellate court in examining an order passed under Section 34, either setting aside or refusing to set aside an arbitral award, is all the more circumscribed.”

(emphasis added)

19. Aside from this limited window available to the appellant to invite this Court to step in, this Court has, in any event, examined the impugned judgment in some detail and does not find any reason to interfere or set it aside. The result, in this Court's view, is that the appeal be dismissed and the award be upheld.

20. In order to provide a synoptic overview of what the impugned judgment has adumbrated in detail, the issue-wise assessment of the Single Judge is set out hereunder:

20.1 ***Issue No.1 - Arbitrability of dispute after execution of Consent Letter.***

20.1.1 Appellant's push was related to the Consent Letter signed by the respondent on 18th January 2014 accepting Rs.10.45 crores towards full and final settlement. This, as per the appellant, amounted to accord and satisfaction and discharge of contract by performance. The Single Judge relies upon the Supreme Court's decision in ***National Insurance Co. Ltd. v. Boghara Polyfab (P) Ltd.*** (2009) 1 SCC 267, further elaborated in ***SBI General Insurance Co. Ltd. v. Krish Spinning***, (2024) SCC OnLine SC 1754, crystallizing the idea that accord and satisfaction need to



be voluntary and if under duress, compulsion and coercion, will not be valid.

20.1.2 AT's conclusion that an arbitral dispute existed since consent letter dated 18th January 2014 was obtained at a stage when neither the survey report had been finalized (on 29th January 2014) nor any decision taken by the appellant regarding admissibility of the claim, has found favour with the Single Judge as well.

20.1.3 Appellant's contention that the surveyor's report had been finalized prior to the execution of the consent letter, was not accepted by AT or the Single Judge. On this basis the Single Judge concludes that prior communications were dispositive of the fact that verification was still pending beyond September 2013 and was not finalized as of 18th January 2014.

20.1.4 Further on this issue was a question of delay in the respondent raising the plea of coercion belatedly on 21st June 2017, nearly 42 months after the consent letter and 34 months after the last payment. The Single Judge notes that the AT expressly considered this argument and held that delay by itself could not negate the plea of coercion, particularly in light of circumstances that existed.

20.1.5 AT noted the facts that there were repeated unanswered requests for interim payment and extension exhibiting the respondent's financial distress and



therefore concluding that the consent was vitiated by undue influence.

20.1.6 Email dated 27th October 2013, addressed by respondent, extracted as part of the impugned judgment, is dispositive of the same. Clearly AT has arrived at this conclusion on the basis of appreciation of evidence on record and it appears to be a plausible view, untainted by any perversity or patent illegality and also reassessed by the Single Judge and does not warrant any interference by this Court.

20.2 ***Issue No.2 -Whether the consent letter was signed under duress and undue pressure.***

20.2.1 AT in *paragraph 141-142*, focused on letters dated 3rd July 2012, 14th August 2012, 28th February 2013 and 23rd March 2013, where the respondent was reiterating the need for interim relief since the payments were not being made by the appellant. These went un-responded. AT stated that it was a matter record that the respondent's reinstatement efforts were at a standstill due to severe financial constraints, and they were awaiting interim payment, which was not being done. It was in these circumstances that an offer *Rs.10.45 crores* were made, pre-conditioned upon execution of a full and final discharge voucher and in these circumstances the respondent clearly had no alternative but to sign or face complete repudiation of the claim. AT notes that



respondent's evidence showed its accounts have become NPAs and therefore financial distress was evident vitiating any accord in discharge.

20.2.2 The Single Judge also assesses this issue and states that this analysis on the basis of evidence is not open to scrutiny under *Section 34* of the A&C Act, to which this Court cannot but agree.

20.3 ***Issue No.3 -Whether alleged forged letters initiate the claim of the respondent.***

20.3.1 Appellant argued that letters dated 14th August 2012 and 18th August 2014 were forged and fabricated. AT expressed reservations about the authenticity of the letter dated 14th August 2012, but concluded that the letter did not go to the root of the matter. Reliance was placed by the AT on ***Versloot Dredging*** (*supra*), decision of UK Supreme Court, enunciating the principle that '*collateral lie does not vitiate otherwise genuine claim*'. There was no fundamental breach contributing to the loss which could have made the insurers avoid liability, as noted in ***Lakhmi Chand v. Reliance General Insurance*** (2016) 3 SCC 100. Appellant's reliance on the said letters could not displace a legitimate claim. In ***Versloot Dredging*** (*supra*), the UK Supreme Court held that the right to an indemnity in an insurance contract arises as soon as the covered losses are suffered, and a collateral lie, which could be a "*reckless untruth*", would not vitiate the same.



Lord Sumption's statement that "*when the lie is dishonest, but the claim is not*" has some gravity. The Single Judge finds this as a plausible view taken by the AT after analyzing the decision in *Versloot Dredging (supra)*. They applied the distinction drawn out in *Versloot Dredging (supra)* between various categories of such alleged lies being either "*wholly fabricated*" or "*dishonestly exaggerated*" and "*genuine claims supported by collateral lies*".

20.3.2 The letters in question did not dent the broader factual matrix and the claim based on evidence. It was not a question whether claim was not supported by any evidence and therefore could not be displaced on the basis of a collateral document, the genuineness of which was still in question. The Single Judge therefore held AT's view as plausible and on a re-assessment by this Court, there is no reason to interfere with AT's view which is based on sound legal principles and supported by facts on record.

20.4 **Issue No. 4** - *Whether the petitioner was justified in declining the full claims of the respondent granting only Rs.10.45 crores as full in final settlement.*

20.4.1 Appellant's contention that AT disregarded Section 64 UM, and the law laid down in *Sri Venkateshwara Syndicate (supra)* did not find favor with the Single Judge. It was noted that the AT examined the surveyors



report in great detail and found it to be riddled with inconsistencies, arbitrary deductions and remarks which did not lie well with the evidence of damage caused by the cloudburst. AT found on the basis of evidence that the assessment of *Rs.10.45 crores* by the surveyor was grossly inadequate when the respondents detailed claim of *Rs.58 crores* on a reinstatement basis and *Rs.44 crores* on a market value basis seem to be reasonable. The Single Judge notes the detailed finding of AT which this Court has also perused and finds that inspection report itself are dispositive of severity of damage.

20.4.2 Notably, the Single Judge notes that AT found that remarks in the surveyor's report were adversarial in nature, shifting the burden of proving cause of damage upon the insured despite overwhelming evidence of cloudburst and resultant flooding. This lay at odds with the duty of the surveyor to conduct inspections, seek opinions and bring in independent experts. Claims which were disallowed by the surveyor, for example, on building claim of *Rs.3.33 crores* were disproportionate, as also for plant and machinery. The law relating to surveyor's report. points to the surveyors report not being sacrosanct and set in stone and incapable of being departed from. Single Judge highlighted these decisions *inter alia* in ***New India Assurance Co. Ltd v. Pradeep Kumar*** (2009) 7 SCC 787 followed by subsequent judgments.



20.4.3 Appellant's contention that surveyor's report ought to have been accepted at face value, does not hold water, particularly in the light of the law by the Supreme Court. The Supreme Court, in a catena of judgments, has consistently held that a surveyor's report, though statutorily recognised, is only a piece of evidence, is neither sacrosanct nor binding, and may be departed from where it suffers from infirmities or is outweighed by more reliable material on record. For the purpose of reference, said decisions are extracted as under:

i. ***New India Assurance Co. Ltd. v. Pradeep Kumar*** (2009) 7 SCC 787

“21. Section 64-UM (2) of the Act, 1938 reads:

“64-UM. (2) No claim in respect of a loss which has occurred in India and requiring to be paid or settled in India equal to or exceeding twenty thousand rupees in value on any policy of insurance, arising or intimated to an insurer at any time after the expiry of a period of one year from the commencement of the Insurance (Amendment) Act, 1968, shall, unless otherwise directed by the Authority, be admitted for payment or settled by the insurer unless he has obtained a report, on the loss that has occurred, from a person who holds a licence issued under this section to act as a surveyor or loss assessor (hereafter referred to as ‘approved surveyor or loss assessor’):

Provided that nothing in this sub-section shall be deemed to take away or abridge the right of the insurer to pay or settle any claim at any amount different from the amount assessed by the approved surveyor or loss assessor.”



The object of the aforesaid provision is that where the claim in respect of loss required to be paid by the insurer is Rs 20,000 or more, the loss must first be assessed by an approved surveyor (or loss assessor) before it is admitted for payment or settlement by the insurer. The proviso appended thereto, however, makes it clear that insurer may settle the claim for the loss suffered by insured at any amount or pay to the insured any amount different from the amount assessed by the approved surveyor (or loss assessor).

22. In other words, although the assessment of loss by the approved surveyor is a prerequisite for payment or settlement of claim of twenty thousand rupees or more by insurer, but surveyor's report is not the last and final word. It is not that sacrosanct that it cannot be departed from; it is not conclusive. The approved surveyor's report may be the basis or foundation for settlement of a claim by the insurer in respect of the loss suffered by the insured but surely such report is neither binding upon the insurer nor insured.

(emphasis added)

ii. ***National Insurance Co. Ltd. v. Hareshwar Enterprises (P) Ltd.*** (2021) 17 SCC 682:

“13. In that view of the matter the only question on merits which needs consideration herein is with regard to the loss assessed towards destruction of the stock-in-trade in the fire incident. On this aspect, the learned counsel for the appellant while contending that Ncdrc has committed an error in relying on the surveyor report as sacrosanct without giving credence to the investigation report has referred to the decision in New India Assurance Co. Ltd. v. Pradeep Kumar [New India Assurance Co. Ltd. v. Pradeep Kumar, (2009) 7 SCC 787 : (2009) 3 SCC (Civ) 314] and referred to paras 21 and 22 which read as hereunder : (SCC pp. 791-92)



“21. Section 64-UM(2) of the Act, 1938 reads:

‘64-UM. (2) No claim in respect of a loss which has occurred in India and requiring to be paid or settled in India equal to or exceeding twenty thousand rupees in value on any policy of insurance, arising or intimated to an insurer at any time after the expiry of a period of one year from the commencement of the Insurance (Amendment) Act, 1968, shall, unless otherwise directed by the Authority, be admitted for payment or settled by the insurer unless he has obtained a report, on the loss that has occurred, from a person who holds a licence issued under this section to act as a surveyor or loss assessor (hereafter referred to as “approved surveyor or loss assessor”):

Provided that nothing in this sub-section shall be deemed to take away or abridge the right of the insurer to pay or settle any claim at any amount different from the amount assessed by the approved surveyor or loss assessor.’

The object of the aforesaid provision is that where the claim in respect of loss required to be paid by the insurer is Rs 20,000 or more, the loss must first be assessed by an approved surveyor (or loss assessor) before it is admitted for payment or settlement by the insurer. Proviso appended thereto, however, makes it clear that insurer may settle the claim for the loss suffered by insured at any amount or pay to the insured any amount different from the amount assessed by the approved surveyor (or loss assessor).

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foundation for settlement of a claim by the insurer in respect of the loss suffered by the insured but surely such report is neither binding upon the insurer nor insured.”

14. In the said decision, it is no doubt held that though the assessment of loss by an approved surveyor is a prerequisite for payment or settlement of the claim, the surveyor report is not the last and final word. It is not that sacrosanct that it cannot be departed from and it is not conclusive. The approved surveyor's report may be the basis or foundation for settlement of a claim by the insurer in respect of loss suffered by insured but such report is neither binding upon the insurer nor insured. On the said proposition, we are certain that there can be no quarrel. The surveyor's report certainly can be taken note as a piece of evidence until more reliable evidence is brought on record to rebut the contents of the surveyor's report.

17. Having noted the said decisions, we are of the opinion that the same cannot alter the position in the instant case. On the proposition of law that the surveyor's report cannot be considered as a sacrosanct document and that if there is any contrary evidence including investigation report, opportunity should be available to produce it as rebuttal material, we concur. However, the issue to be noted is as to whether the surveyor's report in the instant case adverts to the consideration of stock position in an appropriate manner and in that circumstance whether an investigation report which is based on investigation that was started belatedly should take the centre stage. The fact remains that the surveyor's report is the basic document which has statutory recognition and can be made the basis if it inspires the confidence of the adjudicating forum and if such forum does not find the need to place reliance on any other material, in the facts and circumstances arising in the case. If in that light, the surveyor's report, on which reliance has been placed



by Ncdrc is taken note of insofar as the assessment relating to the loss due to destruction of stock, the consideration of the same has been adverted to in clause 8.1.1 and the stock position as declared to the bank has been referred to in clause 8.1.3. The learned counsel for the appellant as also the learned counsel for the respondents have made detailed reference and taken us through details contained in the report.”

(emphasis added)

iii. ***Khatema Fibres Ltd. v. New India Assurance Co. Ltd.***,
(2023) 15 SCC 327:

“35. This is why the law is settled that the surveyor's report is not the last and final word. It has been held by this Court in several decisions, that the surveyor's report is not so sacrosanct as to be incapable of being departed from. A useful reference can be made in this regard to the decision of this Court in New India Assurance Co. Ltd. v. Pradeep Kumar [New India Assurance Co. Ltd. v. Pradeep Kumar, (2009) 7 SCC 787: (2009) 3 SCC (Civ) 314] .”

(emphasis added)

iv. ***S.S. Cold Storage (India) (P) Ltd. v. National Insurance Co. Ltd.*** (2024) 2 SCC 467:

“32. Whilst considering the rival submissions, useful guidance can be drawn from the decisions of this Court in Hareshwar Enterprises [National Insurance Co. Ltd. v. Hareshwar Enterprises (P) Ltd., (2021) 17 SCC 682] and Pradeep Kumar [New India Assurance Co. Ltd. v. Pradeep Kumar, (2009) 7 SCC 787 : (2009) 3 SCC (Civ) 314] where it was held that though the report of a surveyor appointed by the insurance company may be considered as evidence while settling a claim, more evidence on record could be used to rebut the contents of the same.



.....
41. Absence of consideration of relevant factors is, therefore, writ large on the Surveyor's Report. The reports of the loss assessor and the experts dwelled on general aspects of scientific observations relating to the absence of friction or movement when ammonia passes through the pipes and its alkalinity (non-acidic nature) not being corrosive to the pipes as well as the manufacturing details, and specifications of the pipes, which are conspicuous by their absence in the Surveyor's report. It seems, all relevant factors were not considered in the proper perspective by the Surveyor, yet, such Surveyor's Report was relied on by the respondent to defeat the claim of the appellant. The report having recorded the ipse dixit of the Surveyor, without any reference to the aforesaid aspects touched upon by the loss assessor and the experts, the same is, in our opinion, not worthy of acceptance.

(emphasis added)

v. *New India Assurance Co. Ltd. v. Mudit Roadways* (2024) 3

SCC 193:

“46. Guided by the above ratio, the situation in the present case is found to be similar. The surveyor's report cannot be considered a sacred document and contrary evidence, including an investigation report, is subject to rebuttal. The key question is whether the investigation report is indispensable, or if the survey report alone is sufficient, to determine the cause of the fire.”

(emphasis added)

20.5 *Issue No 5 -Whether the Petitioner and the surveyors appointed by the petitioner acted in accordance with the terms and conditions of the policy, rules and regulations while deciding the insurance claims.*



20.5.1 Appellant contended that the respondent failed to prove on record any breach of policy, rules or regulations and did not comply with the reinstatement clause of the policy, not completing it within 12 months.

20.5.2 AT emphasized that the insurer could not take advantage of its own breach by withholding payment and thereafter insisting that the insured failed to reinstate within the stipulated period. AT assessed the interpretation of reinstatement clauses in light of decision passed by the Madras High Court in ***HDFC Ergo General Insurance Co Ltd v. M/S Rohini Movie Park Rukmini***, O.P. No.651/2019, noting that there was no clause granting unilateral discretion to the insurer to convert the basis of settlement into a market value basis. Instead, insurers ought to release indemnity value to enable reinstatement rather than transferring the blame on the insured for the said purpose. Considering that no interim report was ever furnished in terms of *IRDAI Regulations 2002*, but instead survey process was delayed and was not transparent, AT held that petitioner and surveyor failed to act in accordance with policy and regulatory framework.

20.5.3 The survey process was delayed for two years without justification, and the reports were not furnished or shared with the respondent. Moreover, unilateral interpretations of policy terms were made to disallow legitimate heads of claim, which led to under assessment of the indemnity.



AT relying on the principle in *Canara Bank v. M/S United India Insurance Co. Ltd.* (2020) 3 SCC 455, held that coverage provisions must be interpreted broadly to give effect to reasonable expectations of the insured and ambiguities resolved in favor of the insured while exclusion clauses to be construed narrowly, found favor with the Single Judge as well. This being in consonance with business realities and commercial expediency, the Single Judge found no reason to set aside the award on this basis, which this Court also agrees with.

20.6 ***Issue No.6 -Whether respondent is entitled to claims”.***

20.6.1 AT was found to have assessed the claims in detail and found the surveyor’s report not a useful benchmark, being marred by contradictions, arbitrariness, and lack of objectivity. Therefore, the AT went to independently assess the claims on market value basis, drawing upon calculations and supporting documents, which found favor with the Single Judge as being logical and consistent.

20.6.2 Appellant’s contention that these claims were unsupported by evidence, were found untenable by the Single Judge. The objection to the chart filed by the respondent after conclusion of arguments was merely in the form of a convenience note, and it was noted that the AT afforded the appellant an opportunity to address arguments in the correctness of the chart, thereby ensuring



procedural fairness. Reinstatement and market value computed by AT was not completely as per claim of respondent but on independent assessment and after reducing various components.

20.6.3 Contentions of appellant were dealt in detail in the arbitral award, and the Single Judge had no reason to fault it nor does this Court find any reason, after perusal of the arbitral award and its assessment by the Single Judge.

20.7 ***Issue No.7 -Interests and costs.***

20.7.1 AT's discretion to grant interest for pre-reference as well as post award periods, on the basis of the settled law *inter alia* in ***Pam Developments (P) Ltd. State of W.B*** (2024) 10 SCC 715 (*supra*) and ***Vedanta Ltd. Shenzhen Shandong Nuclear Power Construction Co. Ltd*** (2019) 11 SCC 465, was found to be sound and robust by the Single Judge. Appellant's contention that interest could not be granted from 1st February 2012 since the respondent had failed to reinstate, cannot be sustained, as found by the single judge and this Court also finds no substance in the appellant's position. The award of interest was on the basis of *Section 31 (7) (a) & (b)* of the Act as well as *IRDAI Regulations 2002* which obligates insurers to settle claims within 30 days of receipt of survey report. The surveyor submitted its report on 29 January 2014 beyond prescribed limits, and even after the consent voucher had been signed, while payments were made only



in April and August. Interest therefore, from 1st February 2012, the date on which the respondent submitted the final claim, was justified, The Single Judge did not find 9% rate of simple interest to be unreasonable or perverse, nor does the Court find it as reason to set aside the award. Bogey of public money by appellant stating that they will be obliged to pay *Rs.65 crores* plus, has been rightly rejected by the Single Judge, noting that any insurance company publicly held would on that premise, would stand immune from any claim, which position cannot be accepted by any stretch of logic.

21. This Court has consciously refrained from extracting large portions of the arbitral award to avoid unnecessary repetition, since, in exercising jurisdiction under *Section 37*, this Court, as noted above, must be persuaded by appellant that the arbitral award shocks the conscience of the Court or is perverse or patently illegal, none of which the appellant has been able to establish in submissions advanced before this Court.

22. However, for sake of completeness, since the Court has perused the arbitral award in detail, certain portions of the arbitral award need to be highlighted to demonstrate that the findings in the Arbitral Award are basis on appreciation of evidence and are a reflection of a plausible interpretation of documents and evidence on record.

23. On the issue of discharge voucher, *paragraph nos. 123 to 125* record the sequence of events relating to claimant's communication with the office of respondent, which resulted in acceptance of *Rs.10.45 crores* in the context of having repeatedly sought interim payment. Findings of



the AT regarding the discharge are contained in *paragraph 136* and *137* in context of arbitrability of the dispute.

24. Assessment of **Issue No.2** deals with the aspect of ‘*duress*’ and ‘*undue pressure*’. On the issue of economic duress, *paragraph nos. 141 to 143* are noteworthy wherein AT reaches the finding that the respondent/claimant had no alternative but to sign the same so as to continue the reinstatement and had no other way to take the activity forward except by complying with the dictates of appellant.

25. As regards **Issue No.3**, relating to allegations that letters dated August 2012 and January 2014 were forged and fabricated, relevant part of discussion is contained in *paragraphs 151, 152, 154, 155*, where AT has reached the conclusion that the letters alleged to be fabricated essentially highlight technical aspects of the claim, but do not affect the claim of quantum.

26. On the fairness of restricting claim to *Rs.10.45 crores* as full and final settlement, AT determined **Issue No.4** and carried a tabulated analysis of the final surveyor report in *paragraphs 161*, where each reason provided under surveyor’s report has been assessed for its correctness, accuracy, logic and consistency.

27. AT, on various heads, has reached the conclusion that surveyor’s comments are illogical, unreasonable and inconsistent. AT further examined the voluminous records made available to surveyor to prove the claim in *paragraph 162* of the arbitral award.

28. In *paragraph 164*, AT notes that despite surveyor’s report on the first visit stating the condition of site and related photographs would bring out extent of the damage, in a detailed claim for *Rs.58 crores* on



reinstatement value and a demand of Rs.25 crores as an interim payment, Rs.10.45 crores was totally inadequate as an indemnity.

29. Paragraph 169 and 170 of arbitral award are to be specifically taken note of, where AT effectively synopsis facts and circumstances in which the claim was set by respondent and was countered by appellant, and is reproduced hereunder for ready reference:

“169. In the case on hand before the Tribunal, the situation appears worse than the case cited above regarding which the Supreme Court found fault with the practice of no claim certificates. The Claimant has offered evidence that the claim arose from a natural calamity which overwhelmed its factory with flood water, mud and trees and in the process, it sustained a recorded loss estimated at Rs. 58 crores after obtaining estimates from all manufacturers and suppliers of the damaged machinery and other assets. As the Claimant ran out of finance, it sought from the Respondent an interim payment of Rs. 25 crores, considered reasonable in the light of the claim of Rs. 58 crores, and also sought for extension of time to reinstate the factory. The fact that the Claimant had started clearing the site almost immediately after the loss and began to reinstate the factory was duly recorded by the Surveyor. However, it is seen that after the early stage the Surveyor, as seen in the report, changed course and began to cast negative remarks about the manner in which the Claimant was proceeding to prove the claim, even though voluminous documents, running into almost 950 pages of various documents were submitted which have been attached to the Survey Report itself by finding fault with the Claimant and ensuring that it ran out of finance and by not disclosing the Interim Survey report which had provided ground for admitting liability and for paying an on-account payment, the Respondent and the Surveyor waited for



the 12-months period to be over. During this period and later, the Respondent never replied to the letters and pleas of the Claimant. Then the Claimant was faced with the prospect of a repudiation of the claim, if the voucher was not signed. All these appeared possible given the bad faith progressively displayed both by the Surveyor and Respondent as the claim was dragged into delay and non-response from the Respondent.

170. However, what strikes as strange, unjust and illegal is the fact that the full and final discharge voucher is procured from the Claimant before the Survey Report was finalized and the Respondent had a chance to read, verify the report and approve the claim for settlement.”

30. On **Issue No.5**, while examining whether the appellant and the surveyor had acted in accordance with policy, rules and regulations while deciding the claim, the Court has examined the specific terms and conditions of the policy and the conduct of surveyor and the appellant while dealing with the same, which are detailed out in *paragraphs 188 to 190*.

31. As regards the entitlement of respondent to the claims, as pressed, and its final quantification, in *paragraph 206*, AT rejects the assessment of surveyor and then looks for other means to evaluate a proper indemnity. It has thereafter assessed the statement of estimation of loss extracted in *paragraph 212* and then proceeds to evaluate the same in *paragraphs 213 to 220*.

32. On the issue of interest, which forms part of the deliberation under **Issue No.7**, in *paragraph 233*, AT reaches a conclusion that there was delay on the part of surveyor and the insurer/appellant and therefore, found



it reasonable to grant interest at the rate of 9% from 1st February 2012 till realisation.

Conclusion

33. To wind up this discussion, after assessment of both the arbitral award and *Section 34* decision by the Single Judge, this Court notes that the insured/respondent suffered extensive losses to its works, plant, and machinery due to cloudburst and heavy flooding, all of which stood admitted. Appellant delayed the clearance/settlement of claim and carried the matter for a considerable period, attempting to shift certain procedural burdens upon the insured/respondent, leading to severe economic distress. Faced with this economic distress, the insured/respondent signed on the dotted line on discharge voucher to accept *Rs.10.45 crores*.

34. The insured, having been forced into a corner, raised its protest, albeit after some time, and invoked arbitration to assert its claim. AT sifted through thousands of pages of evidence and returned an extremely detailed award based on sound logic and reasoning, as well as a plausible interpretation of law, which neither contravened the fundamental tenets of Indian law nor suffered from any perversity. The insurer/appellant has clearly pressed hard to avoid discharging its liability under the insurance contract, despite having agreed to cover the risks.

35. Upon a holistic consideration of the arbitral award, the impugned judgment of the Single Judge, and the limited contours of appellate interference under *Section 37* of A&C Act, this Court is satisfied that no ground has been made out to warrant interference. AT adopted a reasoned, evidence-based, and legally plausible view, which was correctly upheld by the Single Judge within the narrow confines of *Section 34* of A&C Act.



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Appellant's challenge, in substance, seeks a re-appreciation of facts and a substitution of the arbitral assessment, an exercise expressly impermissible in law.

36. The appeal is accordingly dismissed.
37. Pending applications are rendered infructuous.
38. Judgement be uploaded on the website of this Court.

(ANISH DAYAL)
JUDGE

(NITIN WASUDEO SAMBRE)
JUDGE

DECEMBER 24,2025/SM/tk

Signature Not Verified

Digitally Signed
By: MANISH KUMAR
Signing Date: 24.12.2025
12:24:05

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