

**IN THE HIGH COURT AT CALCUTTA
ORDINARY ORIGINAL CIVIL JURISDICTION
ORIGINAL SIDE
(COMMERCIAL DIVISION)**

**RESERVED ON: 03.12.2025
DELIVERED ON: 29.01.2026**

**PRESENT:
HON'BLE JUSTICE GAURANG KANTH**

AP-COM 106 OF 2024

**PREMIUM AGRO EXPORTS LTD.
VERSUS
THE JUTE CORPORATION OF INDIA LTD.**

Appearance:

***Mr. Sakya Sen, Sr. Adv.
Mr. Sankarsan Sarkar, Adv.
Mr. Jaydeb Ghorai, Adv.
Mr. Diptesh Ghorai, Adv.***

... for the petitioner

***Mr. Aman Agarwal, Adv.
Mr. Debabrata Das, Adv.
Mr. Tirthankar Nandi, Adv.***

... for the respondent

JUDGMENT

Gaurang Kanth, J.:-

- 1.** The Petitioner preferred the present arbitration petition under Section 34 of the Arbitration and Conciliation Act, 1996 challenging the award dated 07.12.2010 passed by the Sole Arbitrator, Mr. Sanjib Mishra.
- 2.** The facts leading to the present Petition are as follows:
- 3.** The Petitioner is a jute manufacturing company employing more than 2,000 workmen. Owing to financial constraints, the Petitioner engaged M/s S.B. Overseas Ltd. for the purpose of financing and procurement of raw jute of specified quality for its jute mill from various sellers. The said entity was also acting on behalf of four other jute mills, namely Baranagar

Jute Factory PLC, Loomtex Engineering Private Ltd., Agarpura Jute Mills Ltd., and Empire Jute Corporation Ltd., all situated in the State of West Bengal. M/s PEC Ltd., a Government of India enterprise, was engaged for the purpose of opening letters of credit for and on behalf of the Petitioner in favour of the Respondent.

4. The Respondent, '*The Jute Corporation of India Ltd.*', is a Government of India undertaking functioning as a price support agency with the mandate to procure raw jute from jute growers at the Minimum Support Price declared annually by the Government of India. The raw jute so procured is sold by the Respondent through different channels, including B-Twill Linkage and e-tender, to users of raw jute.
5. M/s S.B. Overseas Ltd., acting on behalf of the Petitioner and the four other jute mills, by letter dated 07.09.2006, booked a total quantity of 40,000 quintals of raw jute and deposited an amount of Rs.35,00,000/- as security deposit, pending furnishing of a bank guarantee or opening of a letter of credit in favour of the Respondent.
6. Pursuant thereto, two agreements were entered into between the parties, namely, (i) Agreement dated 08.09.2006 bearing No. JCI/223/2006-07/FS-5 for procurement of raw jute from South Bengal and the Purnea area; and (ii) Agreement dated 11.09.2006 bearing No. JCI/223/2006-07/FS-6 for procurement of raw jute from Guwahati, Assam.
7. Under the said two agreements, the Respondent agreed to supply various grades of raw jute aggregating to 1,800 quintals each to the Petitioner for a total consideration of Rs. 26,40,000/- and Rs. 28,47,500/- respectively, subject to the terms and conditions contained therein.

- 8.** In terms of the agreements, the Petitioner was required to deposit a security amount equivalent to 5% of the contract value within five working days. By letter dated 03.11.2006, M/s S.B. Overseas Ltd., acting on behalf of the Petitioner, informed the Respondent that the Petitioner was unable to deposit the said security amount or make full payment at one time. It was indicated therein that a sum of Rs.35,00,000/- had already been deposited and that supply of raw jute may be made on a pro-rata basis, with the balance quantity to be lifted in two instalments. As per the two contracts as mentioned herein above, the total quantity to be supplied to the Petitioner was 3,600 quintals. Pursuant thereto, the Respondent supplied 444 quintals of raw jute, leaving a balance quantity of 3,152 quintals.
- 9.** The record indicates that the Respondent procured and stored the requisite quantity of raw jute for delivery under the said contracts. Subsequently, by letter dated 22.11.2006, M/s S.B. Overseas Ltd. informed the Respondent that the Petitioner would not be in a position to perform the contracts and communicated cancellation thereof.
- 10.** Thereafter, disputes arose between the parties in relation to the non-lifting of the remaining quantity of raw jute. The Respondent invoked the arbitration clause contained in the agreements and referred the disputes to arbitration by way of a single reference before the learned Sole Arbitrator, Shri Sanjib Misra.
- 11.** Both parties appeared before the learned Sole Arbitrator and filed their respective pleadings. Upon consideration of the same, six issues were framed for adjudication. After conclusion of the arbitral proceedings, the learned Sole Arbitrator passed an Award dated 07.12.2010, whereby a

sum of Rs.12,58,746/- was awarded in favour of the Respondent, with a direction that the said amount be paid within three months from the date of the Award, failing which it would carry interest at the rate of 10% per annum. The present petition under Section 34 of the Arbitration and Conciliation Act, 1996 has been filed assailing the said Award.

Submission on behalf of the Petitioner

- 12.** Learned Counsel for the Petitioner contends that the impugned Award is contrary to the mandate of Section 28(3) of the Arbitration and Conciliation Act, 1996, inasmuch as the learned Sole Arbitrator failed to adjudicate the disputes in accordance with the terms of the contract.
- 13.** Learned Counsel for the Petitioner further submits that the methodology adopted by the learned Arbitral Tribunal in computing the alleged loss is wholly untenable and contrary to settled principles of law. It is contended that the alleged breach is stated to have occurred on 22.11.2006, when the Petitioner cancelled the purchase orders for reasons recorded therein. However, under Clauses 4.7 and 2.2 of the contract, the Petitioner was required to lift the entire contracted quantity of jute within 60 days from the opening of the Letter of Credit. Admittedly, no Letter of Credit was ever opened. Consequently, the contract stood terminated by efflux of time on 08.11.2006, reckoned from the date of commencement of the contract. Despite the termination of the contract, the Respondent unilaterally treated the contract as subsisting and called upon the Petitioner to perform its alleged obligations thereunder. It is submitted that, in law, the Respondent could claim damages, if at all, only as on the date of breach/termination, i.e., 08.11.2006, and such damages would necessarily

be confined to the difference between the contract price and the prevailing market price on that date.

14. Learned Counsel further submits that the evidence on record unequivocally demonstrates that, on the date of termination, there was no difference between the contract price and the prevailing market price of jute. In the absence of any proven loss on the date of breach, the Arbitral Tribunal could not have awarded damages for breach of contract. However, the learned Arbitrator committed a patent illegality in determining the base price of jute on the basis of market rates prevailing nearly four months after the termination of the contract. Any assessment of loss, even assuming it to be permissible, ought to have been undertaken strictly with reference to the market rate prevailing on the date of cancellation/termination and not on the basis of a subsequently fluctuated market rate. The impugned award, therefore, runs directly contrary to Section 73 of the Indian Contract Act, 1872, which mandates that compensation must correspond to the loss actually suffered at the time of breach. In support of the aforesaid submissions, reliance is placed upon ***Muralidhar Chiranjilal v. Harishchandra Dwarakadas***, reported as **1961 SCC OnLine SC 100**; ***H.J. Baker & Brothers Inc. v. Minerals and Metals Trading Corporation Ltd.***, reported as **(2023) 9 SCC 424**; ***Sitaram Srigopal v. Smt. Daulati Devi***, reported as **(1979) 4 SCC 351**; and ***Sundareswaran v. M/s Sri Krishna Refineries***, reported as **1976 SCC OnLine Mad 68**.

15. It is next contended that the impugned Award is arbitrary, perverse, and legally unsustainable as no actual loss or damage was suffered by the Respondent.

- 16.** It is further urged that the learned Arbitrator erred in computing the alleged loss in the absence of any cogent evidence on record. No material or documentary evidence was produced by the Respondent to substantiate the alleged carrying charges or other incidental expenses said to have been incurred due to non-lifting of the jute by the Petitioner. It is submitted that the Respondent also failed to take any reasonable steps to mitigate its alleged losses, and as such, was not entitled to claim any damages. Reliance is placed on ***Ssangyong Engineering & Construction Company Ltd v. NHAI*** reported as **2019 (15) SCC 131**.

Submission on behalf of the Respondent

- 17.** Per contra, Learned Counsel for the Respondent has supported the impugned Award and submitted that the same is reasoned, well-considered, and based upon the material placed on record. It is contended that the Respondent had duly performed its contractual obligations and had procured and stored the requisite quantity of raw jute for delivery to the Petitioner. However, despite repeated assurances, the Petitioner, through its agent *M/s S.B. Overseas Ltd.*, failed to lift the balance quantity of raw jute, thereby committing a clear breach of the contract.
- 18.** It is further submitted that the learned Arbitrator, after due consideration of the pleadings and evidence, assessed the loss suffered by the Respondent in accordance with the terms of the contract and the prevailing circumstances. The Respondent incurred substantial expenses towards procurement, storage, handling, and maintenance of the unsold jute due to the Petitioner's failure to lift the same. The Award, therefore, represents a fair and equitable determination of the losses suffered and cannot be interfered with merely because another view is possible.

- 19.** Learned Counsel for the Respondent thus submits that the findings recorded by the learned Sole Arbitrator are based on due appreciation of facts and evidence, and that the scope of interference by this Court under Section 34 of the Arbitration and Conciliation Act, 1996, being limited, no ground is made out for setting aside the Award. Reliance is placed on **OPG Power Generation Pvt Ltd v. Enexio Power cooling Solutions India Pvt Ltd** reported as **2025 (2) SCC 417**, **Reliance Infrastructure Ltd v. State of Goa** reported as **2024 (1) SCC 479**, **Delhi Airport Metro Express Pvt Ltd v. DMRC** reported as **2022 (1) SCC 131**.

Legal Analysis

- 20.** This Court heard the arguments advanced by both the parties and examined the documents placed on record.
- 21.** During the arbitral proceedings, the learned Sole Arbitrator framed six issues and adjudicated the Respondent's claims on the basis of the findings recorded thereon. Although the principal challenge in the present proceedings is confined to Issue No. 6, this Court, for the sake of completeness and continuity of reasoning, considers it appropriate to examine the findings of the Arbitral Tribunal issue-wise.

Issue No.1: Whether the contract signed between the parties is a concluded contract and is binding between the parties

- 22.** The learned Sole Arbitrator decided this issue in the affirmative, upon consideration of the following material aspects:
- (i) That both the parties, with full knowledge and consent, executed two written contracts dated 08.09.2006 bearing No. JCI/223/2006-07/FS5 and 11.09.2006 bearing No. JCI/223/2006-07/FS6, under which the Respondent agreed to supply various grades of raw jute

aggregating 1800 quintals to the Petitioner for a total consideration of Rs. 26,40,000/- and Rs. 28,47,500/- respectively.

(ii) That *M/s S.B. Overseas Ltd.*, acting on behalf of the Petitioner, by its letter dated 03.11.2006, informed the Respondent that due to financial constraints, the Petitioner was unable to make full payment or furnish the stipulated security deposit. It was, however, stated that a sum of Rs. 35,00,000/- was being deposited and a request was made to supply raw jute on a pro-rata basis, with an assurance that the remaining quantity would be lifted in two installments. Acting upon the said request, the Respondent supplied 444 quintals of raw jute to the Petitioner.

(iii) That the parties had duly signed and acted upon the written contracts, clearly evincing their intention to be bound by the contractual terms, and therefore, a concluded and enforceable contract existed between them.

23. Upon consideration of the record, this Court finds no infirmity or perversity in the finding of the learned Sole Arbitrator. The conclusion that a concluded contract existed between the parties is supported by documentary evidence as well as by the admitted conduct of the Petitioner in accepting partial supply against payment. The correspondence and performance clearly establish that the parties treated the agreement as operative and binding. The view taken by the learned Arbitrator is a plausible and reasonable interpretation of the contractual terms and cannot be said to be perverse or contrary to law. In view of the above, this Court finds no infirmity or perversity in the finding of the learned Sole Arbitrator that a concluded contract existed between the parties. The said

finding, being based on due appreciation of evidence and consistent with the contractual record, warrants no interference and is accordingly upheld.

Issue No. 2: Whether there has been a novation of the contract due to part supply of jute and consequent adjustment of Rs. 35,00,000/- deposited by the representatives of the jute mills, as per the written and oral requests made by the said mills.

24. The learned Sole Arbitrator decided this issue in the negative, recording the following reasons:

- (i) That by letter dated 03.11.2006, *M/s S.B. Overseas Ltd.*, acting as the agent of the jute mills, requested the Respondent to adjust a sum of Rs. 35,00,000/- as advance payment and to supply an equivalent quantity of raw jute to the various jute mills. It was further stated therein that the balance payment would be made in two installments on 20.11.2006 and 04.12.2006, and that the entire quantity of jute would be lifted accordingly. The Respondent accepted the said proposal and, acting thereon, supplied jute to the respective mills.
- (ii) Although the clause relating to the security deposit was not adhered to by either party, the main contract otherwise remained operative and binding between them.
- (iii) From the tenor of the letter dated 03.11.2006 and the subsequent conduct of the parties, it was evident that both parties intended to continue with and act upon the principal contract.
- (iv) It was never the intention of the parties to substitute or supersede the original contract, but rather to perform it with certain mutually agreed deviations. The mere waiver or non-enforcement of one

particular clause, by mutual consent, cannot be construed as novation of the entire contract.

- (v) Relying on Section 62 of the Indian Contract Act, 1872, the learned Sole Arbitrator held that novation requires substitution of a new contract in place of an existing one, which was not the case herein. The correspondence and conduct of the parties demonstrated continuity of the original contractual relationship rather than substitution or extinguishment thereof. Accordingly, the learned Arbitrator concluded that there was no novation of the main contract, and that the written agreements dated 08.09.2006 and 11.09.2006 continued to remain valid, subsisting, and binding between the parties.

- 25.** This Court finds no infirmity in the view taken by the learned Sole Arbitrator. The finding that there was no novation of the contract is based on a correct appreciation of the facts and the law. The conduct of the parties, including the acceptance of part supply and adjustment of advance payment, clearly indicates continuation of the original contractual arrangement rather than substitution thereof. The reasoning of the learned Arbitrator is consistent with Section 62 of the Indian Contract Act, 1872, and does not suffer from any perversity or illegality warranting interference. Accordingly, the said finding is upheld.

Issue No. 3: What is the cumulative effect of Clauses 4.3, 4.6 and 4.7 of the contract requiring payment of security deposit and the consequent recovery of amounts therefrom by the claimant due to the failure of the respondent to lift the goods.

- 26.** The learned Sole Arbitrator, while deciding this issue, observed that Clauses 4.3, 4.6, and 4.7 of the contract conferred upon the Respondent

the right to forfeit the security deposit and/or to take such other remedial measures as enumerated therein in the event of default by the buyer. However, in the present case, since the Respondent, acting in good faith, had adjusted the amount of Rs. 35,00,000/- deposited by the Petitioner towards part supply of jute, the Respondent had effectively waived the enforcement of these clauses. The learned Arbitrator noted that by choosing to supply jute against the said advance payment instead of insisting upon the security deposit, the Respondent voluntarily gave a go-by to the stipulation regarding security deposit and thereby relinquished its right to invoke or exercise the remedies contemplated under the said clauses. Consequently, in the absence of any subsisting security deposit, the question of recovering any amount or charge therefrom did not arise.

- 27.** This Court finds no illegality or perversity in the above reasoning of the learned Sole Arbitrator. The conclusion is based on a logical interpretation of the contract and is supported by the conduct of the parties. The view taken by the learned Sole Arbitrator is, therefore, just, equitable, and in accordance with law, and the same is hereby upheld.

Issue no. 4: What is the effect of Clause 12.1 of the contract authorising the claimant to take steps as enumerated therein in case the respondents violate the contract thereby causing loss to the claimant

- 28.** While examining and interpreting Clause 12.1 of the contract, the learned Sole Arbitrator observed that the said clause operates independently of other provisions of the agreement, including those relating to the security deposit. The clause unequivocally empowers the Respondent to take such measures as specified therein in the event of any breach or default by the Petitioner causing loss or damage to the Respondent. The learned Arbitrator, therefore, concluded that the Respondent is legally entitled to

recover the loss, if any, occasioned by the Petitioner's failure to perform its contractual obligations. Clause 12.1, being a comprehensive and enabling provision, confers plenary authority upon the Respondent to take appropriate action to safeguard its interests and recover any consequential loss.

- 29.** This Court finds no infirmity in the interpretation placed by the learned Sole Arbitrator. The reasoning is consistent with the plain language and intent of Clause 12.1, which was evidently inserted to provide the Respondent with a contractual remedy independent of other stipulations. The finding is neither perverse nor contrary to law and, therefore, merits affirmation. Accordingly, the conclusion of the learned Sole Arbitrator on this issue is upheld.

Issue No. 5: Whether the Claimant suffered loss by the action of the respondent and the extent of such loss

- 30.** The learned Sole Arbitrator, upon a detailed examination of the evidence and contractual terms, held that the Respondent had procured raw jute in accordance with the concluded contract entered into between the parties. However, midway through the contractual performance, the Petitioner, citing financial constraints, refused to lift the remaining quantity of jute and thereby unilaterally terminated its obligation under the contract.
- 31.** The learned Arbitrator observed that as a direct consequence of the Petitioner's failure to lift the balance quantity, the Respondent incurred substantial losses on several counts, including storage and godown charges, carriage expenses, and additional handling costs. Further, the Respondent also suffered loss on account of the fall in the market price of raw jute during the relevant period. The learned Arbitrator, therefore,

concluded that the losses sustained by the Respondent were a direct result of the Petitioner's breach and that, under the principles embodied in the Contract Act, the Petitioner was liable to compensate the Respondent for such loss.

- 32.** This Court finds no infirmity or perversity in the findings and reasoning of the learned Sole Arbitrator. The conclusion is supported by the material on record and is in consonance with the settled principles governing contractual compensation. The assessment of loss and the consequent award rendered by the learned Sole Arbitrator are thus held to be just, reasonable, and in accordance with law. Accordingly, the finding and award on this issue are upheld.

Issue No. 6: Whether the Claimant is entitled to relief and if so, to what extent ?

- 33.** While assessing the quantum of loss, the learned Sole Arbitrator took note of the admitted position that the stock of raw jute procured by the Respondent was not sold immediately upon cancellation of the contract. Having regard to the nature of the Respondent as a government agency and the attendant procedural and logistical constraints, the learned Arbitrator reasonably inferred that a reasonable period would necessarily elapse before the stock could be disposed of. Upon such appreciation of the evidence, the learned Arbitrator assessed a period of four months as a reasonable time for effecting sale and, accordingly, adopted the market value of jute prevailing four months after the termination of the contract for the purpose of quantifying loss.
- 34.** The learned Arbitrator further relied upon the price list issued by the Jute Balers Association and determined that the difference between the

contractual rate and the prevailing market rate represented the actual loss suffered per quintal. On this basis, the loss was quantified at Rs.165 per quintal, aggregating to Rs.2,23,740/- (Rs.165 × 1356 quintals) for Contract No. JCI/223/2006-07/FS5 and Rs.2,97,000/- (Rs.165 × 1800 quintals) for Contract No. JCI/223/2006-07/FS6. The learned Arbitrator also noted that a similar methodology had been adopted and accepted in a prior arbitral award arising out of comparable transactions, thereby ensuring consistency and uniformity in assessment.

35. In addition thereto, the learned Arbitrator considered Clause 4.6 of the contract, which expressly provided for storage charges at the rate of Rs.25 per quintal per month. Applying the said contractual stipulation, the carrying and storage losses were computed at Rs.1,35,600/- (1356 quintals × Rs.25 × 4 months) for FS5 and Rs.1,80,000/- (1800 quintals × Rs.25 × 4 months) for FS6.
36. Re-appreciation of evidence or substitution of the Arbitrator's view with that of the Court is impermissible so long as the view adopted is a plausible one. This principle stands authoritatively reiterated in **Delhi Airport Metro Express Pvt. Ltd.** (*Supra*), wherein the Hon'ble Supreme Court held that even an erroneous application of law or an alternative interpretation of contractual terms does not warrant interference unless the award is vitiated by perversity or patent illegality going to the root of the matter.
37. The said position has been further reinforced in **Reliance Infrastructure Ltd.** (*supra*), wherein the Hon'ble Supreme Court emphasised that Section 34 proceedings are supervisory in nature and that courts must refrain from undertaking a merits based review or reassessing the sufficiency of

evidence relied upon by the Arbitrator. Similarly, in **OPG Power Generation Pvt. Ltd.** (*supra*), the Hon'ble Supreme Court reiterated that once the Arbitrator has taken a possible view on the basis of the contractual framework and evidence on record, the same cannot be interdicted merely because another view is conceivable.

- 38.** Viewed in this backdrop, the approach adopted by the learned Arbitrator cannot be faulted on the strength of the decisions relied upon by the Petitioner. **Muralidhar Chiranjilal** (*supra*) and **Sitaram Srigopal** (*supra*) arose out of civil suits, where the Appellate Court exercises plenary jurisdiction to re-appreciate evidence and substitute its own conclusions. Those principles operate in a materially different context and cannot be mechanically applied to arbitral proceedings. In the present case, this Court is exercising limited jurisdiction under Section 34 of the Arbitration and Conciliation Act, 1996, and does not sit in appeal over the findings of the Arbitral Tribunal. Interference is confined to statutorily recognised grounds such as patent illegality or conflict with the public policy of India.
- 39.** The contention that loss must invariably be assessed with reference to the market price on the date of breach also cannot be accepted as an inflexible rule. While **Muralidhar Chiranjilal** (*supra*) recognises the general principle of valuation as on the date of breach, it equally acknowledges the duty to mitigate loss and does not prohibit assessment with reference to a later date where immediate resale is not reasonably possible. In the present case, the learned Arbitrator has returned a categorical finding of fact, based on evidence, that the stock of jute could not have been sold immediately upon termination and that a period of four months constituted a reasonable time for disposal, particularly having regard to

the Respondent's status as a government agency. The assessment of loss on the basis of contemporaneous market data after such reasonable period is neither speculative nor remote, but a commercially realistic view consistent with Section 73 of the Contract Act. In view of the limited scope of interference under Section 34, as reiterated in **Delhi Airport Metro Express Pvt. Ltd.** (*supra*), **Reliance Infrastructure Ltd.** (*supra*), and **OPG Power Generation Pvt. Ltd.** (*supra*), this Court cannot substitute its own view merely because an alternative computation is possible.

40. The reliance on **Sitaram Srigopal** (*supra*) is also misconceived. There, damages were awarded by the Trial Court on conjectural tabulation of prices without reliable evidence of the market value of goods of comparable quality. The Appellate Bench, upon reappraisal of evidence, found that the goods were old and second hand, while the evidence relied upon pertained to new goods, and consequently held that no actual loss was proved, a conclusion affirmed by the Hon'ble Supreme Court. The present case stands on an entirely different footing. Here, the learned Arbitrator has recorded clear findings of fact, supported by contemporaneous material, regarding the market value of the goods and the reasonable period required for mitigation. There is neither absence of evidence nor any mismatch in quality, and the quantification of loss is reasoned and evidence based, warranting no interference under Section 34.

41. The decisions in **H.J. Baker & Brothers Inc**(*supra*). and **Sundareswaran** (*supra*) also do not advance the Petitioner's case. Both turned on the absence of any contractual or evidentiary foundation for adopting post-breach price variations. In contrast, the present case involves express contractual provisions governing storage charges and performance

obligations, coupled with a clear factual finding that immediate resale was not commercially feasible. The determination of loss is thus grounded in evidence and contract, excluding any element of speculation.

- 42.** The reliance on ***Ssangyong Engineering & Construction Company Ltd.*** (*supra*) is equally misplaced. In that case, the Hon'ble Supreme Court interfered as the Tribunal had introduced a unilateral formula for price adjustment, contrary to the contract, thereby rewriting its terms and attracting patent illegality. In the present case, the learned Arbitrator has acted strictly within the contractual framework and adopted a plausible methodology based on contractual stipulations and contemporaneous market data. The award neither rewrites the contract nor discloses any perversity, patent illegality, or violation of public policy. Consequently, the ratio of ***Ssangyong Engineering & Construction Company Ltd.*** (*supra*) has no application to the facts of the present case.

Conclusion

- 43.** In light of the foregoing discussion and upon a careful examination of the arbitral record, this Court finds that the learned Sole Arbitrator has duly appreciated the evidence, interpreted the contractual terms correctly, and rendered findings based on a reasonable and cogent analysis of the material placed before him. The learned Arbitrator has rightly held that the Petitioner, having failed to lift the balance quantity of raw jute in terms of the concluded contracts, was in breach of its contractual obligations, and that the Respondent, being a Government agency, had indeed suffered quantifiable losses on account of storage, handling, and the decline in jute prices. The computation of loss and the award of Rs.12,58,746/-, along with interest, are supported by both factual and legal reasoning.

- 44.** This Court is mindful of the settled legal position that under Section 34 of the Arbitration and Conciliation Act, 1996, the scope of interference with an arbitral award is narrow and circumscribed. The Court cannot act as an appellate authority to reappreciate evidence or substitute its own interpretation for that adopted by the Arbitrator. Where two possible interpretations of a contract or factual inference exist, and the Arbitrator has taken one which is plausible and not perverse, the Court must defer to that view.
- 45.** In the present case, the findings of the learned Sole Arbitrator neither disclose any perversity nor any patent illegality apparent on the face of the record. The award is not contrary to the public policy of India, nor does it offend the fundamental principles of justice or morality. On the contrary, it reflects a reasoned, fair, and judicious approach consistent with the intent of the Arbitration and Conciliation Act, 1996.
- 46.** Accordingly, this Court finds no merit in the present petition. The arbitral award dated 07.12.2010 passed by the learned Sole Arbitrator, Shri Sanjib Misra, is upheld in its entirety. The petition under Section 34 of the Arbitration and Conciliation Act, 1996, is therefore dismissed.

(GAURANG KANTH, J.)