



2026:DHC:278-DB



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

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Judgment reserved on: 08.01.2026
Judgment pronounced on: 13.01.2026
Judgment uploaded on: 13.01.2026

+ FAO (COMM) 57/2023, CM APPL. 11061/2023, CM APPL. 11062/2023

OM PRAKASH

.....Appellant

Through: Mr. Saurabh Kansal, Adv.

versus

SMT LAXMI MAURYA

.....Respondent

Through: Mr. Rohan Ahuja, Adv.

CORAM:

HON'BLE MR. JUSTICE ANIL KSHETARPAL

HON'BLE MR. JUSTICE AMIT MAHAJAN

J U D G M E N T

ANIL KSHETARPAL, J.

1. While invoking the jurisdiction of this Court under Section 37 of the Arbitration and Conciliation Act, 1996 [hereinafter referred to as 'AC Act'], read with Section 13 of the Commercial Courts Act, 2015 [hereinafter referred to as 'CC Act'], the Appellant assails the correctness of the order dated 31.10.2022 [hereinafter referred to as 'Impugned Order'] passed by the learned Commercial Court, whereby the Appellant's petition under Section 34 of the AC Act seeking to set aside the arbitral award dated 15.11.2019 was dismissed.

2. The arbitral award directs the Appellant to pay to the Respondent a sum of Rs.6,00,000/-, along with interest quantified at Rs.3,15,000/- for the period from 08.04.2012 to 07.01.2014, further

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simple interest @ 8% per annum from 08.01.2014 till realization, with a stipulation of enhanced interest @ 10% per annum in case of non-payment within 90 days, besides Rs.35,000/- towards litigation costs.

FACTUAL MATRIX

3. In order to appreciate the controversy involved in the present Appeal, it is necessary to briefly advert to the relevant factual background. The Respondent asserts that she had advanced a friendly loan aggregating to a sum of Rs.6,00,000/- to the Appellant on execution of two agreements of mortgage dated 19.12.2011 and 07.12.2012, and that she was delivered possession of the entire first floor of the property bearing A-348, Near Pandu Nagar, Shadipur Depot, Delhi [hereinafter referred to as 'suit property']. As per the agreements, the Appellant was to pay monthly interest at the rate of Rs.15,000/- for a period of two years and to discharge the principal liability within the stipulated time.

4. It is the case of the Respondent that upon the Appellant's failure to adhere to the agreed repayment schedule and to service the interest liability, a notice dated 01.05.2014 was issued demanding repayment of the outstanding dues. As the disputes between the parties remained unresolved and the agreements contained an arbitration clause, the Respondent invoked the said clause. Consequent thereto, a petition under Section 11 of the AC Act was filed before this Court, pursuant to which a Sole Arbitrator came to be appointed *vide* order dated 13.07.2015. Despite service of notice in the said proceedings, the Appellant did not enter appearance at that stage.



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5. The Respondent thereafter filed a Statement of Claim, to which the Appellant filed his Statement of Defence disputing the execution and contents of the alleged mortgage agreements, contending that his signatures had been obtained on blank papers. While denying the creation of any mortgage, the Appellant admitted that he had borrowed amounts from the Respondent on three separate occasions of Rs.2,00,000/- each, asserting that the first two loans had been repaid in full and that out of the third loan, a sum of Rs.1,05,000/- had been paid, leaving a balance of Rs.95,000/-, which he expressed willingness to pay subject to return of his documents.

6. A rejoinder was filed by the Respondent controverting the assertions made in the Statement of Defence. The parties thereafter led their respective evidence before the learned Sole Arbitrator. Upon completion of pleadings and evidence, and after hearing the parties, the learned Arbitrator passed an award dated 15.11.2019, directing as under:

“46. The Respondent, therefore, is directed to pay the principal amount of Rs. 6,00,000/- (Rupees Six Lakhs Only) together with Rs.3,15,000/-(Rupees Three Lakhs Fifteen Thousand Only) as interest for the period 08.04.2012 to 07.01.2014 and further simple interest on the principal amount at the rate of 8% per annum w.e.f. 08.01.2014 till actual realisation.

47. If the Respondent, however, fails to pay the awarded amount to the Claimant within 90 days from the date of the Award, the same shall carry simple interest at the rate of 10% per annum from the date of the award till actual realisation.

48. The Respondent is additionally directed to pay to the Claimant litigation costs of Rs. 35,000/- (Rupees Thirty-Five Thousand Only) paid by her as her share of Arbitrator's Fee.”

7. Aggrieved thereby, the Appellant invoked the jurisdiction of the learned Commercial Court by filing objections under Section 34 of the AC Act, seeking setting aside of the arbitral award dated 15.11.2019.

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It was contended that the award was contrary to law, vitiated by material irregularity, and in conflict with the public policy of India. The Appellant, *inter alia*, questioned the validity of the arbitral proceedings on the ground of alleged delay in passing of the award and challenged the admissibility and evidentiary value of the two agreements/mortgage deeds on account of non-registration and insufficient stamping.

8. It was also specifically urged before the learned Commercial Court that the suit property is situated in a JJ Resettlement Colony on Government land, and therefore, according to the Appellant, no lawful mortgage could have been created in favour of the Respondent, who was stated to have no right, title or interest therein.

9. The learned Commercial Court, upon a detailed consideration of the pleadings, the arbitral record, and the submissions advanced by the parties, rejected all the aforesaid contentions and dismissed the objections *vide* the Impugned Order dated 31.10.2022, thereby upholding the arbitral award, which has led to the filing of the present Appeal.

CONTENTIONS OF THE PARTIES

10. Learned counsel for the Appellant advanced detailed submissions assailing the arbitral award dated 15.11.2019, as well as the Impugned Order. It was contended that the award suffers from material irregularity, is contrary to law, and is in conflict with the public policy of India.



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10.1. Delay in Pronouncement of Award: It was submitted that there was inordinate delay in the pronouncement of the award. The arbitral proceedings had concluded and the matter was reserved for award on 27.09.2018, yet the award was ultimately passed only on 15.11.2019, resulting in a delay of approximately fourteen months. Learned counsel argued that such delay rendered the award liable to be set aside. It was contended that the Arbitrator failed to provide any explanation or justification for this delay, and that this procedural lapse adversely impacted the Appellant's right to a timely resolution of the dispute.

10.2. Alleged Admission and Reliance thereon: It was further submitted that the Appellant had never admitted to having received a loan of Rs.6,00,000/- in its entirety. It was contended that the reliance placed by the learned Arbitrator and subsequently by the Commercial Court on such an alleged admission was wholly erroneous. The Appellant's case, as explained, was that he had borrowed three separate loans of Rs.2,00,000/- each: the first two loans had been repaid in full, while only Rs.1,05,000/- of the third loan had been discharged. Learned counsel emphasized that the Appellant had requested the Respondent to return the original property documents given as security once the balance amount was to be paid, but such request was refused. The Arbitrator, it was argued, failed to adequately consider these critical aspects, and by treating the alleged admission as conclusive, erred in law.

11. *Per contra*, learned counsel for the Respondent supported the Impugned Order and submitted that the present Appeal was, in



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essence, an attempt to seek re-appreciation of evidence and to challenge the concurrent findings of fact returned by the Arbitrator and upheld by the Commercial Court. It was urged that the award was based on cogent evidence, including the Appellant's own admissions at different stages, and therefore there was no ground for interference under Section 37 of the AC Act. Learned counsel contended that the Appellant's arguments regarding delay and purported non-admission of the loan were without substance, and amounted to an effort to re-litigate issues already considered and decided by the Arbitral Tribunal and the Commercial Court.

ANALYSIS & FINDINGS

12. This Court has heard learned counsel representing the parties at length and, with their able assistance, perused the paper book along with the lower Court record.

13. The first issue raised pertains to the alleged delay in pronouncement of the judgment/ award. It is noted that the award was reserved on 27.09.2018 and ultimately passed on 15.11.2019, a period of approximately fourteen months. Learned counsel for the Appellant contended that such delay renders the award liable to be set aside. This issue, however, is no longer *res integra*. The Supreme Court, in *M/s. Lancor Holdings Limited v. Prem Kumar Menon & Ors.*,¹ decided on 31.10.2025, has authoritatively held that mere delay in the delivery of an arbitral award, by itself, is not a ground for setting aside the award under Section 34 of the AC Act, 1996. It has been clarified

¹ 2025 INSC 1277



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that such delay would warrant interference only where it is undue and unexplained and where its adverse effect is explicit, demonstrably impacting the reasoning, fairness, or validity of the award, thereby rendering it in conflict with the public policy of India or vitiated by patent illegality. Applying the aforesaid settled legal position to the facts of the present case, this Court finds that the Appellant has failed to establish any prejudice or infirmity in the award attributable to the alleged delay. Consequently, the challenge to the award on the ground of delay alone is untenable.

14. The next contention of the Appellant relates to the alleged admission of the loan amount. It may be noticed that written statement filed by the Appellant in response to the Statement of Claim has been produced by the Appellant in Court and a perusal thereof shows that the Appellant has admitted to having borrowed a sum total of Rs.6,00,000/-, albeit in different tranches. Specifically, the first two loans of Rs.2,00,000/- each were stated to have been repaid in full, whereas of the third loan of Rs.2,00,000/-, an amount of Rs.1,05,000/- had been paid by the Appellant. Thus, there is a categorical admission by the Appellant regarding the total loan amount, notwithstanding his contention that he had partially repaid the loan. Furthermore, the Respondent has produced the two agreements of mortgage executed in respect of the loan of Rs.6,00,000/-.

15. Learned counsel for the Appellant further argued that the mortgage deeds being unregistered and insufficiently stamped could not be relied upon. This Court notes that even if the mortgage deeds are technically required to be registered, they can nevertheless be



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relied upon for collateral purposes, as contemplated under Section 49 of the Registration Act, 1908. Moreover, the Respondent has succeeded in proving her case by leading independent and cogent evidence, in addition to relying on the Appellant's admission. While the Appellant contends that he has repaid a total of Rs.5,05,000/-, he has failed to substantiate this claim with any credible evidence or documentary proof. No receipts or other records acknowledging repayment of the loan have been produced. Onus to prove his assertion lay upon the Appellant, but he failed to discharge the same by leading cogent evidence. Consequently, the Arbitral Tribunal and the Commercial Court were justified in relying on the admissions made by the Appellant.

16. The Appellant's final contention pertains to the admissibility of the agreements of mortgage for insufficiently stamped. It is observed that these documents were admitted into evidence and duly considered by the learned Arbitrator. At no stage did the Appellant formally object to the admissibility of these agreements. Therefore, the Arbitrator was well within his discretion to rely upon these documents in arriving at his conclusion.

17. In this context, it is pertinent to note that Section 36 of the Indian Stamp Act, 1899 prohibits a party from questioning the admissibility of an insufficiently stamped document once it has been admitted into evidence. Further, even in the absence of the agreement to mortgage, the Respondent has successfully established her claim, given the Appellant's admission of borrowing Rs.6,00,000/- in tranches.



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18. It is well settled that the jurisdiction of Courts while exercising powers under Section 34 of the AC Act is narrow and the scope of appeal under Section 37 of the AC Act is even further circumscribed [Ref. *UHL Power Co. Ltd. v. State of H.P.*²]. Courts under Sections 34 and 37 of the AC Act do not sit in appeal over the findings of fact recorded by the Arbitral Tribunal, and interference is permissible only in cases of patent illegality, violation of public policy, or procedural irregularity causing substantial injustice.

CONCLUSION

19. In view of the foregoing discussion, this Court finds that the Appellant has failed to make out any ground for interference with the Impugned Order as well as the arbitral award dated 15.11.2019. The findings of the Arbitral Tribunal, as upheld by the learned Commercial Court, are neither perverse nor contrary to law.

20. Consequently, the present Appeal, along with all pending applications, is dismissed.

ANIL KSHETARPAL, J.

AMIT MAHAJAN, J.

JANUARY 13, 2026
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² (2022) 4 SCC 116