2026:DHC:7153

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

\# **CNR No. DLHC010287472026**

\+ O.M.P. (COMM) 290/2026 & I.A. 17434/2026

AMBROSIA CORNER HOUSE PVT LTD .....Petitioner
Through: Mr. Mudit Sharma, Ms. Nandini Sharma, Mr. Vinayak Mishra, Mr. Shashank Shekhar and Mr. Ritesh Dhyani, Advocates.

versus

COLDSMITHS RETAIL SERVICES PVT LTD .....Respondent
Through: Mr. Jai Sahai Endlaw, Ms. Shambhavi Kala and Ms. Rukmini Rajagopal, Advocates.

CORAM:
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT (ORAL)

% **13.08.2026**

1. The present petition has been preferred under Section 34 of the Arbitration and Conciliation Act, 1996[1], assailing the arbitral award dated 30.03.2026[2] rendered by the learned Arbitral Tribunal.

2. By the impugned Award, the learned Arbitral Tribunal rejected the principal claims of the Petitioner arising out of the Business Transfer Agreement dated 21.12.2017[3] and the Deed of Assignment dated 04.01.2018.[4] The Tribunal also rejected the Respondent's claim for refund of the Additional Consideration. However, it granted

[1] "Act" hereinafter
[2] "impugned Award" hereinafter
[3] "BTA" hereinafter
[4] "DOA" hereinafter

certain reliefs claimed by the Respondent under the Trademark Licence Agreement dated 03.01.2018[5].

3. The brief facts, in so far as necessary for adjudication of the present petition, are as follows:

4. On 21.12.2017, Ambrosia Corner House Pvt. Ltd., formerly known as Nirula's Corner House Pvt. Ltd.[6], entered into the BTA with Coldsmiths Retail Services Pvt. Ltd.[7], whereby the Petitioner agreed to transfer a part of its business, together with the associated trademarks, assets and other rights, to the Respondent for a total consideration of Rs.25 crores. Of the said consideration, Rs.20 crores was payable on the Closing date, i.e., 04.01.2018, while the balance amount of Rs.5 crores constituted the "Additional Consideration".

5. It is undisputed that the transaction was completed on the agreed Closing Date upon payment by the Respondent of the first tranche of consideration amounting to Rs.20 crores and execution of the DoA. Thereafter, the parties also executed various ancillary agreements in furtherance of the transaction, including the TMLA and the Rent Agreement dated 29.04.2018 in respect of the factory premises situated at Noida.

6. As part of the post-closing obligations under the BTA, the Petitioner was required, in terms of Schedule 10, to change its corporate name on or before 31.03.2019 so as to remove the expression "Nirula's" and to refrain from using any word or

[5] "TMLA" hereinafter
[6] "Petitioner" hereinafter

combination of words identical with, confusingly similar to or closely resembling “Nirula’s”.

7. Disputes subsequently arose between the parties concerning, *inter alia*, payment of the balance Additional Consideration and the Petitioner’s obligation to alter its corporate name by removing the expression “Nirula’s”.

8. Although an amount of Rs.2.5 crores out of the Additional Consideration was paid on 06.01.2020, the parties subsequently entered into a Letter Agreement dated 31.12.2020 in respect of the Balance Additional Consideration of Rs.2.5 crores. Under the said Letter Agreement, the balance amount was to be paid in two tranches, namely, Rs.1 crore by 30.01.2021 and Rs.1.5 crores by 30.06.2021. The time available to the Petitioner for changing its corporate name was also extended until 31.03.2021.

9. The Respondent paid the first tranche of Rs.1 crore on 30.01.2021. However, it withheld payment of the remaining Rs.1.5 crores, which fell due on 30.06.2021, on the ground that the Petitioner had itself failed to discharge its obligation to change its corporate name within the extended period.

10. On 23.07.2021, the Petitioner issued a notice purporting to terminate the BTA and the DoA on account of the Respondent’s failure to pay the remaining amount of Rs.1.5 crores. The Respondent disputed the validity of the termination, giving rise to the disputes

[7] “Respondent” hereinafter

between the parties which were subsequently referred to arbitration before a three-member Arbitral Tribunal.

11. During the course of the arbitral proceedings, the parties agreed to consolidate the disputes arising out of the interconnected transaction documents, including the BTA, DoA, Rent Agreement and the TMLA before the same Arbitral Tribunal.

12. Upon considering the pleadings, evidence and contractual documents placed before it, the learned Arbitral Tribunal rendered the impugned Award dated 30.03.2026. The Tribunal, *inter alia*, held that the respective obligations relating to payment of the Additional Consideration and change of the Petitioner's corporate name were reciprocal in nature. On that basis, it concluded that, since the Petitioner had failed to perform its corresponding obligation to change its corporate name, it could not rely upon the Respondent's non-payment of the remaining Additional Consideration as a ground to terminate the BTA.

13. Learned Counsel appearing for the Petitioner assails the impugned Award principally on the ground that it suffers from patent illegality and, therefore, warrants interference in exercise of jurisdiction under Section 34 of the Act.

14. Learned Counsel for the Petitioner contends that the Tribunal disregarded the express terms of Clause 3.4 of the BTA, read with the Letter Agreement dated 31.12.2020. According to the Petitioner, Clause 3.4 conferred upon it an independent and unconditional right to

terminate the BTA in the event of the Respondent's failure to make payment within the stipulated period.

15. It is contended that, by treating the Respondent's obligation to pay the Additional Consideration and the Petitioner's obligation to change the corporate name as reciprocal obligations, the Tribunal introduced a condition which finds no place in the BTA and, in effect, rewrote the terms agreed between the parties. It is further submitted that the Tribunal's interpretation leaves Clause 3.4 with no meaningful field of operation and impermissibly subjects an express right of termination to a requirement which does not find support in the terms of the BTA.

16. Learned Counsel for the Petitioner further submits that the Tribunal erred in holding that the Petitioner remained in breach of its obligation to change its corporate name. It is contended that the subsequent Rent Agreement, read with the correspondence exchanged between the parties, showed that the Respondent was required to obtain and maintain the necessary licences for operating the factory. According to the Petitioner, a change in its corporate name before the Respondent had obtained the requisite licences would have adversely affected the Respondent's ability to operate the factory. Therefore, it is submitted that the Tribunal failed to properly consider the effect of the subsequent arrangement and correspondence between the parties.

17. It is further contended that the findings recorded by the Tribunal in paragraphs 31, 33, 38, 67 and 71(ii) of the impugned Award are mutually inconsistent and destructive of one another. The Petitioner

also relies upon what it describes as incorrect dates recorded in paragraphs 28 and 29 of the impugned Award while dealing with the Letter Agreement dated 31.12.2020 and the related payment correspondence. According to the Petitioner, these errors materially affect the Tribunal's reasoning and render the conclusions drawn therefrom contradictory and perverse in nature.

18. The Petitioner also assails the rejection of its claim relating to the equipment. It is contended that the Tribunal erroneously relied upon the letter dated 28.07.2021 and drew an inference therefrom which, according to the Petitioner, is neither borne out from the contents of the said communication nor supported by the material on record.

19. A further challenge is raised to the Tribunal's jurisdiction to adjudicate the claims arising under the TMLA. Learned Counsel for the Petitioner submits that the TMLA was terminated only on 17.04.2023, by which time the Tribunal had already entered upon the reference. It is, therefore, contended that disputes arising out of the subsequent termination of the TMLA did not form part of the original reference and could not have been adjudicated by the Tribunal. The relief granted in respect thereof is specifically challenged under Section 34(2)(a)(iv) of the Act.

20. The Petitioner further submits that the Tribunal placed reliance upon the communication dated 08.11.2022 and the document evidencing the agreement dated 06.12.2022 despite having recorded that these documents were not on record. According to the Petitioner, reliance upon material which did not form part of the arbitral record

vitiates the findings founded thereon.

21. *Per contra*, learned Counsel appearing for the Respondent submits that the present petition, though couched as a challenge under Section 34 of the Act, essentially seeks a re-appreciation of the contractual terms, evidence and factual findings recorded by the Tribunal. It is submitted that such an exercise falls beyond the limited scope of interference available to this Court under Section 34 of the Act.

22. Learned counsel for the Respondent submits that the Tribunal adopted a plausible and commercially reasonable construction of the BTA by construing Clause 3.3, 3.4 and 7.5.1 harmoniously. According to the Respondent, the Tribunal was justified in concluding that the Petitioner's obligation to change its corporate name and the Respondent's obligation to pay the Additional Consideration were interconnected and reciprocal obligations forming part of the same commercial arrangement.

23. It is further submitted that the Petitioner's purported right to terminate the BTA under Clause 3.4 could not be considered in isolation from its own obligation under Clause 7.5.1 to change its corporate name by 31.03.2021. Since the Petitioner admittedly did not change its corporate name within the stipulated period and continued in breach of the said obligation when it issued the termination notice dated 23.07.2021, the Petitioner could not invoke the Respondent's failure to pay the remaining Rs.1.5 crores as a ground for termination of the BTA. In substance, it is submitted that the Petitioner cannot be

permitted to take advantage of its own subsisting breach.

24. As regards the objection to the Tribunal's jurisdiction in respect of the disputes arising under the TMLA, leaned Counsel for the Respondent submits that the Petitioner had expressly consented, on 06.12.2022, to consolidation of the disputes arising out of the interconnected transaction documents, including the BTA, DoA, Rent Agreement and TMLA. It is submitted that, having consented to such consolidation and thereafter participated in the consolidated arbitral proceedings without raising any objection as to the Tribunal's jurisdiction or the scope of the reference, the Petitioner cannot now contend that the Tribunal acted beyond the scope of its jurisdiction.

25. I have considered the submissions advanced by the learned Counsel for the parties and have carefully perused the impugned Award, the pleadings, the contractual documents and the material placed on record.

26. At the outset, it is necessary to reiterate the settled principles governing the exercise of jurisdiction under Section 34 of the Act. A Court exercising jurisdiction under Section 34 of the Act does not sit in appeal over an arbitral award. It cannot re-appreciate the evidence or substitute its own interpretation of the contract merely because another view is possible.

27. Therefore, the scope of interference is confined to the grounds expressly recognised under Section 34 of the Act. An award cannot be set aside merely because, upon an independent assessment of the

material, the Court may have arrived at a different conclusion.

28. Where the contractual provisions are capable of more than one interpretation, the interpretation adopted by the Arbitral Tribunal must ordinarily be respected if it constitutes a possible or plausible view. These principles have been repeatedly been affirmed by the Supreme Court, including in ***DMRC Ltd. v. Delhi Airport Metro Express (P) Ltd.***[8]***, PSA Sical Terminals (P) Ltd. v. V.O. Chidambaranar Port Trust***[9]***, State of Chhattisgarh v. Sal Udyog Pvt. Ltd.***[10]***, and Associate Builders v. Delhi Development Authority***[11].

29. Keeping the aforesaid principles in mind, the present challenge is required to be examined by this Court.

30. The principal controversy relates to the interpretation of Clause 3.3, 3.4 and 7.5.1 of the BTA and, in particular, the relationship between the Respondent's obligation to pay the Additional Consideration and the Petitioner's obligation to change its corporate name. The relevant clauses are reproduced hereunder:

> *"3. CONSIDERATION*
> *3.1 The Purchaser shall pay the Consideration to the Seller, including payment of such part of the Consideration on behalf of the Seller to Deutsche Bank Limited for foreclosing the DB Loans as specified in the DB Letter, for the Transferred Business and as fee towards the non-compete obligations of the Covenantors in Clause 14 of this Agreement, on the Closing Date.*
> *3.2 The Purchaser shall pay the Initial Additional Consideration to the Seller on the Initial Payment Date and the Balance Additional Consideration on the Balance Payment Date.*

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[8] **(2024) 6 SCC 357**
[9] **2021 SCC OnLine SC 508**
[10] **(2022) 2 SCC 275**
[11] **(2015) 3 SCC 49**

3.3 Notwithstanding anything stated hereinabove, the Parties agree that in the event of any default by the Seller in performing its obligations, and duties under the Transaction Documents, the Purchaser shall not have any obligation to pay the Additional Consideration or any part thereof to the Seller and the Seller shall have no right to claim the Additional Consideration or any part thereof.

3.4 In case the Covenantors have failed to pay the Purchaser in respect of an Indemnity Claim within the time specified in Clause 12 of this Agreement or any indemnity claim under any other Transaction Documents, then the Additional Consideration shall be adjusted to the extent of such indemnity claim and the Seller shall have no right to claim such amount of the Additional Consideration. Save as otherwise provided in this Agreement, in case the Purchaser commits any default in the payment of the Additional Consideration, the Seller shall have the right, by way of notice in writing, to terminate this Agreement. In case of termination of the Agreement by the Seller in such a case, the Seller shall not be required to refund or repay to the Purchaser the Consideration or any part thereof received by it from the Purchaser."

"7.5 Additional Consideration

7.5.1 Subject to the terms of Clause 3.2, Clause 3.3 and Clause 3.4 of this Agreement, and subject to fulfillment of the post-Closing Actions (as applicable) set out in Schedule 10 to the satisfaction of the Purchaser, the Purchaser shall pay the Initial Additional Consideration to the Seller on the Initial Payment Date and the Balance Additional Consideration on the Balance Payment Date.

31. The learned Tribunal has considered the aforesaid clauses conjointly and has concluded that the obligation to pay the "Additional Consideration" and the obligation of the Petitioner to change its corporate name were reciprocal.

32. In particular, the Tribunal construed Clause 3.3 as providing that, upon a default by the Seller in performing its obligations under the Transaction Documents, the Purchaser would have no obligation to pay the Additional Consideration or any part thereof.

33. In doing so, the Tribunal also considered the Letter Agreement dated 31.12.2020, under which the Balance Additional Consideration was divided into two tranches of Rs. 1 crore and Rs. 1.5 crores, payable by 30.01.2021 and 30.06.2021 respectively, while the time for changing the corporate name was extended up to 31.03.2021. The relevant reasoning of the learned Tribunal is reproduced hereunder-

> *"24. Ambrosia has based the right to terminate on Clause 3 .4 of the BTA due to non-payment of INR 1.5 crores which formed part of 'Balance Additional Consideration' that was payable by Coldsmiths to Ambrosia after the business was transferred. Coldsmiths on the other hand has contended that Ambrosia was in breach of the Transaction Documents (BTA, Deed of Assignment and Trademark License Agreement) for, inter alia, its failure to change its corporate name and other obligations. Thus, according to Coldsmiths it was not contractually bound to complete the payment of the 'Balance Additional Consideration'.*
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> *25. The BTA defines 'Additional Consideration' as 'Initial Additional Consideration' and 'Balance Additional Consideration. Clause 3.4 of the BTA which has been relied upon by Ambrosia reads as under:*
>
> > *"3.4 In case the Covenantors have failed to pay the Purchaser in respect of an Indemnity Claim within the time specified in Clause 12 of this Agreement or any indemnity claim under any other Transaction Documents, then the Additional Consideration shall be adjusted to the extent of such indemnity claim and the Seller shall have no right to claim such amount of the Additional Consideration. Save as otherwise provided in this Agreement, in case the Purchaser commits any default in the payment of the Additional Consideration, the Seller shall have the right, by way of notice in writing, to terminate this Agreement. In case of termination of the Agreement by the Seller in such a case, the Seller shall not be required to refund or repay to the Purchaser the Consideration or any part thereof received by it from the Purchaser."*
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> *26. A perusal of Clause 3.4 reveals that it does not give Ambrosia an absolute right to terminate, for the reason the said sentence in the Clause commences with the saving phrase: "Save as otherwise provided in this Agreement". Further, Clause 3.3 which immediately precedes Clause 3.4 records as follows:*
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> > *"3.3 Notwithstanding anything stated hereinabove, the Parties*

agree that in the event of any default by the Seller in performing its obligations and duties under the Transaction Documents, the Purchaser shall not have any obligation to pay Additional Consideration or any part thereof to the Seller and the Seller shall have no right to claim the Additional Consideration."

27. Clause 3.3 provides that payment of 'Additional Consideration', which includes 'Initial Additional Consideration' and 'Balance Additional Consideration', is contingent upon Ambrosia fulfilling its obligations under the Transaction Documents. Thus, the obligation to change corporate name and payment of Additional Consideration/Balance Additional Consideration are reciprocal obligations, where unless the former is fulfilled, the latter cannot be claimed as a matter of right.

28. Ambrosia had argued that the Letter Agreement dated 18.12.2020 shows that Coldsmiths made an unqualified promise to pay INR 1 crore by 31.01.2021 and INR 1.5 crores by 30.06.2021, and hence, payment of 'Balance Additional Consideration' is not contingent on Ambrosia fulfilling its obligations. We are unable to accept the interpretation canvassed by Ambrosia since the Letter Agreement specifies only the dates and the sums to paid on the said dates. It does not, in any manner, refer to, let alone amend, vary or modify Clauses 3.3, 3.4 or 7.5.1.

29. Further, the correspondence between the parties shows that the payment of 'Balance Additional Consideration' and extension of time for Ambrosia to change its corporate name was being conducted in parallel. For instance, on 04.10.2020, Ambrosia sought extension of time to change its corporate name by 30.12.2020. Simultaneously, on the same date, Coldsmiths also sought extension of time to pay the 'Balance Additional Consideration' requiring the same to be deferred till 30.06.2020. Again, on 31.12.2020, when the Letter Agreement was executed between the parties that INR 1 crore out of the 'Balance Additional Consideration' would be payable on 31.01.2021 and INR 1.5 crores would be payable on 30.06.2021, the same day Coldsmiths also extended the time for Ambrosia to change its corporate name by 31.03.2021. Thus, the Letter Agreement cannot be read in isolation and has to be understood in the context of the BTD and the correspondence between the parties. The correspondence herein before referred to in the present paragraph shows that the sum of INR 1.5 crores was to be paid by Coldsmiths to Ambrosia on 30.06.2021 but before said date, on 31.03.2021 Ambrosia was to effect change in its corporate name by removing the word 'Nirula's' from its corporate name. It is not in dispute that by 31.03.2021, Ambrosia changed in its corporate name by removing the word 'Nirula's' nor it did so when it issued the termination notice dated 23.07.2021.

30. As Clauses 3.3, 3.4, and 7.5.1 of the BTA continue to stand

as they are and the said obligations are held to be reciprocal obligations, it stands to reason that in the event Ambrosia did not fulfil its obligations under the Transaction Documents, Ambrosia was not entitled to claim any part of Additional Consideration. Consequently, Ambrosia could not have terminated the BTA on non-payment of 'Balance Additional Consideration'.

31. Ambrosia was obligated to change its corporate name from "Nirula's Corner House Private Limited" to any other name such that it does not use the word "Nirula's" under Clause 7.5.1 read with Schedule 10 by 31.03.2019, which was extended up to 31.03.2021 by Coldsmiths. Admittedly, this was not done. Ambrosia only changed its corporate name from "Nirula's Corner House Private Limited" to its present name on 10.09.2021. Hence, on the date Ambrosia issued the notice of termination, it was a party in breach of its obligations and had no right to claim 'Balance Additional Consideration'.

34. Before this Court as well as before the Tribunal, the Petitioner's case is that Clause 3.4 gave it an exclusive right to terminate the BTA once the Respondent committed a default in payment of the Balance Additional Consideration of Rs 1.5 crores.

35. This Court is unable to accept the contention that the Tribunal's interpretation is contrary to the terms of the BTA or is one that no reasonable person could have adopted.

36. In my considered view, Clause 3.4 undoubtedly, provides that, where the Purchaser commits "*any default in the payment of the Additional Consideration*", the Seller shall have the right to terminate the BTA. But it is pertinent to note that the clause begins with the words "*Save as otherwise provided in this Agreement*". These words make it clear that the right under Clause 3.4 has to be read subject to the other clauses of the BTA.

37. Clause 3.3 assumes significance in this context. It specifically

provides that in the event of "*any default by the Seller in performing its obligations*" under the Transaction Documents, the Purchaser shall have no obligation to pay the Additional Consideration or any part thereof.

38. Therefore, the issue before the Tribunal was not confined to whether the amount of Rs.1.5 crores remained unpaid on 30.06.2021. It was also necessary to consider whether, having regard to Clause 3.3, the Respondent was obliged to make that payment despite the Petitioner's failure to perform its obligation under Clause 7.5.1 to change its corporate name. The Tribunal answered that question against the Petitioner.

39. Further, the submission of the Petitioner that the interpretation by the Tribunal leaves Clause 3.4 meaningless is also devoid of any merit. Clause 3.4 confers a right to terminate where the Purchaser is in default in payment, but as already noted above that right is expressly qualified by the words "*Save as otherwise provided in this Agreement*".

40. In addition, even the Letter Agreement dated 31.12.2020 does not alter this position. While it rescheduled payment of the Balance Additional Consideration into two tranches and extended the deadline for changing the Petitioner's corporate name until 31.03.2021, nothing in the Letter Agreement shows that Clauses 3.3 or 7.5.1 stood amended, waived or dispensed with. Therefore, the revised dates of payment cannot be read as making the Respondent's obligation to pay as unconditional.

41. The Petitioner has also relied upon certain incorrect dates recorded in paragraphs 28 and 29 of the impugned Award. In my view, these errors are merely clerical in nature and do not affect the substantive findings or the reasoning of the Tribunal.

42. Further, the Tribunal found that the Petitioner had not changed its corporate name by the extended deadline of 31.03.2021 and remained in default even on 23.07.2021, when it issued the termination notice. It considered the Rent Agreement and the subsequent correspondence and found no material establishing that the obligation under Clause 7.5.1 had been waived or dispensed with.

43. In my view, the aforesaid findings of the Tribunal are squarely based on the material placed before it. Therefore, in the limited jurisdiction vested to this Court under Section 34, this Court cannot reappreciate that material and substitute its own factual finding merely because another view may be possible.

44. The Tribunal further held that the Petitioner's failure to comply with Clause 7.5.1 disentitled it from terminating the BTA. This cannot be said to amount to rewriting Clause 3.4. Once the Tribunal found that the Petitioner was itself in breach and that the Respondent's obligation of payment was subject to Clause 3.3, it was open to the Tribunal to examine whether the non-payment could constitute a default under Clause 3.4.

45. Whether another interpretation of the Clauses could also have been adopted is not a question for this Court under Section 34. The

Court cannot choose between competing interpretations as if exercising appellate jurisdiction.

46. The contention that the Tribunal has rendered mutually destructive findings is also not sustainable when the findings are read in the context in which they were rendered. Paragraphs 31 and 33 of the impugned Award deal with the Petitioner's breach of Clause 7.5.1 of the BTA while examining the validity of its termination of the BTA on account of non-payment of the Balance Additional Consideration.

47. On the other hand, paragraph 67 deals with the Respondent's counter-claim for refund of Rs. 5 crores. In that context, the Tribunal observed that the earlier breach had been "condoned" since the Respondent had subsequently made further payments and therefore, could not seek a refund on that basis. This observation did not amount to a finding that the obligation under Clause 7.5.1 was waived or discharged. Similarly, the finding in paragraph 71(ii) concerned different counter-claims and cannot be read in isolation to nullify the specific finding on Clause 7.5.1.

48. The contention that the findings in paragraphs 33 and 34 of the impugned Award are inconsistent is equally untenable. In paragraph 33, the Tribunal referred to the emails as corroborative material indicating that the obligation to change the corporate name continued to subsist. Paragraph 34, however, considered a different question, namely, whether those emails, by themselves, were sufficient to establish the Petitioner's case that a change in its corporate name would adversely affect the licences and operations of the factory.

Therefore, it is apparent that emails were considered for different purposes. Thus, no inconsistency can be discerned between the findings recorded in the said paragraphs.

49. Lastly, I also find the contention regarding paragraph 38 to be without merit. The amount was held to be rightly withheld by the Respondent on 30.06.2021 since the Petitioner was not entitled to it on account of its own breach. Although the amount was subsequently deposited before this Court pursuant to the order dated 16.09.2021 in OMP(I) No. 314/2021 and permitted to be withdrawn by Petitioner, such withdrawal does not mean that the amount was payable on 30.06.2021 or that its withholding on that date was unjustified.

50. In view of the foregoing reasons, no patent illegality is made out in the Tribunal's interpretation of the terms agreed between the parties. The Tribunal has neither ignored Clause 3.4 nor added a wholly new term into the BTA. It has read Clauses 3.3, 3.4 and 7.5.1 together, in conjunction with the Letter Agreement dated 31.12.2020, and determined the legal effect of the parties' respective obligations thereunder. In view of this Court, the interpretation adopted by the Tribunal is a possible and plausible view of the contractual arrangement between the parties. The mere possibility of another interpretation does not furnish a ground for interference within the limited scope of Section 34 of the Act.

51. The challenge to the Tribunal's finding that the respective obligations of the parties were reciprocal is, accordingly, rejected.

52. The contention regarding the absence of a specific declaratory prayer, and the alleged misapplication of ***K.S. Maniunath & Ors. v. Moorasavirappa & Ors.***[12] ***and Sangita Sinha v Bhawana Bhardwaj and Others***[13], also does not merit interference. The Tribunal considered both decisions and examined the validity of the Petitioner's termination, since the substantive reliefs claimed by it were premised on the termination being valid and both parties had led evidence on the issue. Therefore, the Tribunal was entitled to determine the validity and legal effect of the termination while adjudicating the claims arising therefrom.

53. ***Sangita Sinha (supra)*** was distinguished by the Tribunal on the ground that, unlike in that case, the Respondent had not accepted the termination. It shows that the Tribunal has considered the relevant issue and the authorities relied upon by the parties and applied the same to the facts before it. Even if the application of the said judgments is assumed to be open to another view, an impugned Award cannot be interfered merely on that ground as Section 34(2A) expressly circumscribes the Court's jurisdiction and does not permit an award to be set aside merely on account of an erroneous application of law or by undertaking a re-appreciation of evidence.

54. As regards the Petitioner's challenge to the rejection of its claim relating to the equipment, on the ground that the Tribunal incorrectly construed the letter dated 28.07.2021 and drew an erroneous inference from it, the challenge essentially invites this Court to re-appreciate the evidence and substitute its own conclusion with the Tribunal's

[12] **2025 SCC OnLine SC 2378**

conclusion. Such an exercise is wholly impermissible within the jurisdiction of this Court under Section 34 of the Act.

55. A reading of the impugned Award shows that the Tribunal did not based its conclusion solely upon the letter dated 28.07.2021. It considered the said letter together with the evidence regarding the disputed signature, the presence of the Petitioner's representative at the time of handing over of the equipment, and the absence of any complaint regarding the alleged unauthorized removal. The finding, therefore, cannot be characterized as one based on "no evidence". As held in ***Ramesh Kumar Jain v. Bharat Aluminium Company Limited***[14], "no evidence" means an absolute absence of evidence and not merely scant or weak evidence.

56. The Petitioner next contends that the Tribunal exceeded the scope of the reference by adjudicating disputes arising under the TMLA which arose after the Tribunal entered into reference. This contention also does not merit acceptance. The material placed before this Court demonstrates that the parties had agreed to consolidate the disputes arising out of the interconnected transaction documents, including the BTA, DoA, Rent Agreement and TMLA before the same Arbitral Tribunal

57. The Tribunal also took note of the Petitioner's own List of Dates, wherein it was stated that the parties had agreed to consolidate the disputes under the BTA, DoA, TMLA and Rent Agreement before the same Tribunal. Even before this Court, the Petitioner does not

[13] **2025 SCC OnLine SC 723**

dispute that such letters does not exist.

58. Therefore, this objection is only on the technicality that the relevant documents relied upon were not on the record of the Tribunal. However, the Tribunal considered the Petitioner's own statement in the List of Dates and on that basis concluded that the disputes arising out of TMLA also formed part of the agreed reference.

59. Accordingly, in such circumstances, the mere absence of the document from the Tribunal's record does not render the finding to be perverse or based on no "evidence", particularly when the contents written are not denied.

60. Even otherwise, the fact that the TMLA was formally terminated only on 17.04.2023, after the Tribunal had entered upon the reference on 09.01.2023, also does not take the disputes arising therefrom outside the agreed reference. The TMLA was already included in the documents covered by the parties' agreement for consolidation. It is also recognised by the Supreme Court in ***Adavaya Projects (P) Ltd. v. Vishal Structurals (P) Ltd.***[15], that the scope of reference is not confined to the disputes stated at the initial stage, so long as the dispute falls within the arbitration agreement.

61. In these circumstances, there is no fault of the Tribunal in relying upon the Petitioner's acceptance of the consolidation, while determining the scope of the reference. The mere absence of the original document does not, in the facts of the present case, establish

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[14] **2025 SCC OnLine SC 2857**

that no such agreement existed. Therefore, the Petitioner failed to demonstrate that the Tribunal, in adjudicating the TMLA disputes, acted beyond the scope of the reference to arbitration so as to attract Section 34(2)(a)(iv) of the Act.

62. In view of the aforesaid discussion, the impugned Award reflects a reasoned adjudication of the disputes referred to the Tribunal. The Tribunal considered the relevant clauses, the respective obligations of the parties and the evidence on record, and gave detailed reasons for its conclusions.

63. The principal challenge rests on an alternative interpretation of the BTA. In my view, the interpretation adopted by the Tribunal is a plausible construction of the clauses and cannot be said to rewrite the terms agreed between the parties or disclose any patent illegality warranting interference under Section 34 of the Act.

64. The challenge concerning the TMLA also fails. The material relied upon by the Tribunal supported its conclusion that the parties had agreed to consolidate the disputes arising from the interconnected transaction documents, including the TMLA. In these circumstances, the Tribunal cannot be said to have acted beyond the scope of the reference.

65. Accordingly, this Court finds that the Petitioner has failed to establish any ground under Section 34 of the Act warranting interference with the impugned Award.

[15] **(2025) 9 SCC 686**

66. The present petition is, accordingly, dismissed.

67. Pending application(s), if any, also stand disposed of.

OM PRAKASH SHUKLA, J

AUGUST 13, 2026/pa