

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

COMMERCIAL ARBITRATION APPEAL (ST) NO.21703 OF 2026

WITH

INTERIM APPLICATION NO.6134 OF 2026

Kulgaon Badlapur Municipal Council,]
Through its Chief Officer,]
Having address at:-]
Late Dubey Hospital Building,]
1st Floor, Adarsh Vidyamandir Rd.,]
Near Fly over bridge, Badlapur-]
421 503, Dist: Thane.] ... Appellant

V/s.

M/s. Sparsh Pratishthan]
Through Its President Kedar]
Dawalbhkta, S/at: M1 B1,]
Mezzanine Floor, Manas]
Anand C.H.S., Dongripada,]
Ghodbunder Road, Thane.] ... Respondent

Mr. Narayan R. Bubna a/w. Adv. Aryanraj A. for the Appellant.

Mr. Abhijit P. Kulkarni a/w. Adv. Abhishek Roy, Adv. Sweta Shah for the Respondent.

CORAM : A. S. GADKARI AND
KAMAL KHATA, JJ.

DATE : 11th August, 2026

Judgment (Per : A. S. Gadkari, J) :-

1) By this Appeal filed under Section 37 of the Arbitration and Conciliation Act, 1996 ('the Arbitration Act') the Appellant impugns the

Judgment and Order dated 29th June 2026, passed by District Judge-2, Kalyan in Civil Miscellaneous Application No.53 of 2024. By the impugned Judgement, the learned Judge dismissed the said Application filed under Section 34 of the Arbitration Act, thereby confirming the Award dated 15th February 2024, passed by the learned Sole Arbitrator.

2) Heard Mr. Bubna, learned Advocate for the Appellant and Mr. Kulkarni, learned Advocate for the Respondent. Perused entire record.

3) Record indicates that the Respondent is a Non-Government Organization duly registered under the provisions of Bombay Public Trust Act, 1950, with the Office of the Charity Commissioner, Maharashtra. The Appellant is a local Authority established under the provisions of Maharashtra Municipal Council, Nagar Panchayats and Industrial Township Act, 1965.

4) The Appellant had published a Tender Notice for a Project Management Consultant to undertake work of preparing a Detailed Project Report ('D.P.R.') to construct 3000 tenements under JNNURM-BSUP (Basic Services to Urban Poor) Scheme floated by the Government of India under Pradhan Mantri Awas Yojana (PMAY). An Agreement dated 6th September 2016 was executed with the Respondent being selected as the lowest bidder. The Respondent had to invoke the Arbitration since, despite having rendered its services to the Appellant, its payments were not released on the schedule dates as per the terms of the Agreement. The Sole Arbitrator

after recording evidence and hearing the learned Advocates for the respective parties, by its Award dated 15th February 2024, was pleased to partly allow the claim of the Respondent and reject the counter-claim and set off of the Appellant. By the said Award, the Appellant was directed to pay the Respondent an amount of Rs.6,72,96,000/- (Rupees Six Crores Seventy Two Lakh Ninety Six Thousand Only) alongwith an interest at the rate of 12% per annum from the date on which it became due till the date of realization of the amount, as per the work Order dated 17th September 2019. Additionally, the Appellant was directed to pay a sum of Rs.6,50,000/- towards cost of the said Arbitration proceedings to the Respondent, and to bear its own costs.

5) Aggrieved by the said Award, the Appellant preferred Civil Miscellaneous Application No.53 of 2024 under Section 34 of the Arbitration Act before the learned District Judge-2, Kalyan. The learned Judge of the first Appellate Court dismissed the said Application by its impugned Judgment and Order dated 29th June 2026.

6) In this precise factual background, the Appellant has preferred the present Appeal under Section 37 of the Arbitration Act.

7) Mr. Bubna, learned Advocate for the Appellant, submitted that, the Award deserves to be set aside as the Respondent did not complete the work and thereby has not performed its part of the obligation, therefore no award could have been passed in the Respondent's favour by the learned

Arbitrator. He submitted that at the most, the Respondent is entitled to an amount for which the work stands completed and certainly not for entire claim. He submitted that both, the learned Arbitrator, as well as the learned Judge of the first Appellate Court have not taken into consideration the relevant clauses from the Contract dated 6th September 2016. He submitted that, both the Authorities below failed to take into consideration the fact that subsequently, a fresh Agreement was executed on 5th November 2021 and in view thereof, the earlier Agreement was not to be acted upon. He submitted that the Respondent failed to comply with its obligations as per the fresh Agreement dated 5th November 2021 and therefore, the claim of the Respondent awarded by the Arbitrator is not only excessive but is contrary to the provisions of both the Agreements. He therefore prayed that both the impugned Award and the Judgment passed by the first Appellate Court be set aside, allowing the Appeal.

8) Mr. Kulkarni, learned Advocate appearing for Respondent, vehemently opposed the Appeal. He submitted that the learned Judge of the first Appellate Court has categorically observed that the Agreement dated 5th November 2021 was never acted upon and therefore, the submissions of learned Advocate for the Appellant to that extent are not only contrary to record but thoroughly misconceived. He submitted that both forums have properly evaluated the evidence on record and have reached the correct conclusion while passing the impugned Order. He

submitted that there is no merits in the Appeal and that it may be dismissed.

9) Perusal of record indicates that the Respondent has performed its part of obligations as per terms and conditions of the Agreement dated 6th September 2016. It was only when the Appellant did not release and/or pay its legitimate dues that the Respondent was constrained to invoke Arbitration proceedings. The Award dated 15th February 2024, in paragraph No. 70 thereof, has recorded a finding that the said Agreement dated 5th November 2021 was never acted upon.

10) Apart from the submissions recorded hereinabove, the other submissions advanced by the learned Advocate for the Appellant amount to re-appreciation of the evidence, which is not permissible in an Appeal under Section 37 of the said Act. Perusal of record clearly indicates that the learned Arbitrator, as also the learned Judge of the Appellate Court, have not committed any error while considering and appreciating the evidence on record.

11) In *M.P. Road Development Corporation. Ltd. v. Jabalpur Corridor (P) Ltd.*, reported in *2026 SCC OnLine SC 1001* the Supreme Court has held as under:

“40. From the consistent pronouncements of this Court, it is evident that the jurisdiction under Sections 34 and 37 of the 1996 Act is narrowly circumscribed and cannot be equated with ordinary appellate jurisdiction. The

appellate Court under Section 37 does not sit as a court of appeal on the merits of the arbitral award; its role is confined to examining whether the Court under Section 34 has acted within the limits prescribed by law. Interference is permissible only where the Section 34 Court has exceeded its jurisdiction or failed to exercise it within the confines of Section 34, and not merely because another view of the facts or interpretation of the contract may appear preferable. Courts ordinarily must give requisite deference to finality of arbitral awards unless it is palpably clear that the award is perverse and unreasonable. The arbitral tribunal remains the final authority on appreciation of evidence, and concurrent findings under Sections 34 and 37 are entitled to great deference. The statutory scheme thus reinforces the principle of minimal judicial intervention, ensuring that arbitral awards are not disturbed save in circumstances expressly contemplated by the Act.”

12) According to us, there is no error either in law or on facts, committed by the learned Judge of the Appellate Court in passing the impugned Judgment and Order dated 29th June 2026.

13) Considering our minimalistic role under Section 37, we find that the Appeal is entirely de hors of any merit and is accordingly dismissed.

14) In view of disposal of Appeal, Interim Application filed therein does not survive and is accordingly disposed off.

(KAMAL KHATA, J.)

(A.S. GADKARI, J.)