

KABC170080552020



**IN THE COURT OF LXXXV ADDL. CITY CIVIL &  
SESSIONS JUDGE, AT BENGALURU (CCH-86)  
(Commercial Court)**

**THIS THE 10<sup>th</sup> DAY OF MARCH 2026**

**PRESENT:**

**SRI.ARJUN. S. MALLUR. B.A.L.L.B.,  
LXXXV ADDL. CITY CIVIL & SESSIONS JUDGE,  
BENGALURU.**

**Com.A.P.NO.17/2020**

**BETWEEN:**

- 1. Sri. Mahadeva,**  
Aged about 46 years,  
S/o C. Nagappa,
- 2. Smt. Kavitha,**  
Aged about 37 years,  
W/o Mahadeva,
- 3. Master Shirish Gowda,**  
Aged about 13 years,  
S/o Mahadeva,
- 4. Master Chethan Gowda,**  
Aged about 9 years,  
S/o Mahadeva,

No.3 and 4 are minors and they are  
Rep. by their father & natural guardian  
Sri. Mahadeva.

All are residing at Nayanahalli village  
Lingapura Dhakale, Kasaba Hobli,  
Anekal Taluk, Bengaluru District.

**: PETITIONER/APPLICANT**  
**(Represented by Sri. A.M. Suresh Reddy , Advocate)**

**AND**

**1. M/s. Arattukulam Developers,**

A Partnership firm having its  
office at No.106/A, 4<sup>th</sup> 'C' Cross,  
Behind Raheja Arcade, 5<sup>th</sup>  
Block, Koramangala Industrial  
Area, Bengaluru -560 095.

Rep. By its Partner  
Sri. Tony Vincent,  
S/o. A.P. Kunju Kunju

**2. Sri. G. Raghavendra Rao,**

District Judge (Retired),  
Sole Arbitrator,  
Arbitration & Conciliation Centre,  
Bengaluru (Domestic & International)  
Bengaluru.

**: RESPONDENTS**

**(Represented by Sri.Siddharth Suman, Advocate for R.1)**  
**(Respondent No.2 Arbitrator)**

<b>Date of Institution of the suit</b>	<b>19.02.2020</b>
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<b>Nature of the suit (suit on pronote, suit for declaration &amp; Possession, Suit for injunction etc.)</b>	<b>Arbitration Suit under Sec. 34 of Arbitration &amp; Conciliation Act, 1996</b>
<b>Date of commencement of recording of evidence</b>	---
<b>Date on which judgment was pronounced</b>	<b>10.03.2026</b>
<b>Total Duration</b>	<b>Year/s    Month/s    Day/s</b> <b>06            00            20</b>

**(ARJUN. S. MALLUR)**  
**LXXXV Addl.City Civil & Sessions Judge,**  
**Bengaluru.**

### **JUDGMENT**

*This petition was earlier disposed off by this Court vide judgment dated 04.04.2022. The same came to be challenged in appeal by the claimants in Com.A.P.No.271/2022 and the Hon'ble High Court vide its judgment dated 12.06.2025 set aside the earlier judgment and remanded the matter for fresh consideration.*

Petition under Sec.34 of the Arbitration and Conciliation Act 1996 seeking setting aside the arbitral award passed by the Learned Sole Arbitrator in A.C.No.94/2018 dated 09.01.2020.

***Parties are referred as per their rank before the Arbitral Tribunal.***

**2. Facts in brief is as under:-**

The claimants are the absolute owners of the converted lands bearing Sy.No.95 measuring 2 acres 36 guntas, Sy.No.96 measuring 4 acres 4 guntas, Sy.No.97/1 measuring 30 guntas, Sy.No.97/2 measuring 1 acre 03 guntas and Sy.No.99/3 measuring 29 guntas in all measuring 9 acres 22 guntas situated at Lingapura village, Kasaba Hobli, Anekal Taluk, Bengaluru District. The first respondent entered into a Joint Development Agreement registered JDA dated 19.05.2014 with the claimants and the claimants also executed a registered GPA on the same day with respect to development of the schedule property. The JDA included developing the said lands by obtaining required plans, drawings, commencement certificate and also to deal with other statutory requirements for completion of the project. The respondent No.1 has also entered into a registered rectified Joint Development Agreement dated 19.11.2015 in which the sharing ratio that the claimant would be entitled for 67% of the sital area or 1,50,508 square feet in the residential layout and the respondent No.1 was to be entitle for remaining 33% of the sital

area. Clause 11.1 of the registered JDA required the respondent No.1 to develop and deliver the owners share of the sital area within 15 months from the date of registration of the JDA with a grace period of 2 months. Clause 11.2 required the respondent No.1 to compensate the owners at the rate of Rs.30,000/- per acre of land and to pay compensation every month in the event the developer fails to deliver the sital area. Under clause 11.3 the developer was not required to incur any liability towards delay in delivery of possession on account of governmental restrictions or by any act of God. It is submitted that the first respondent obtained the sanction plan from the concerned authority on 06.02.2016 and a registered supplemental agreement came to be entered into between the parties on 05.05.2016. As the first respondent failed to complete the project in terms of the registered JDA the claimants issued a notice dated 01.07.2016 demanding payment of damages at the rate amounting to Rs.2,86,500/- per month from 19.10.2015 to 19.06.2016 and also sought for payment of sum of Rs.2,86,500/- per month till delivery of the claimants share of the sital area. To the said notice the respondent No.1 issued an untenable reply dated 21.07.2016 to

which a rejoinder is also issued by the plaintiff on 26.07.2016.

**(a)** It is submitted the respondent has committed serious breach of the terms of the registered JDA by not completing the constructions as per the agreed terms by not concreting all the roads, not installing concrete box drainage, not constructed the required culverts, overhead electricity lines, required transformers, sewage treatment plant, not development of parks. It is submitted that as the respondents was never ready and willing to comply with the terms of the JDA the claimant raised a demand for payment of a sum of Rs.85,95,000/- together with interest at 18% p.a. and also for paying a sum of Rs.2,86,500/- monthly as penalty from the date of filing of the claim petition till handing over of the completely finished sital area. The claimants invoked clause 19 of the JDA which provides for resolution of dispute by arbitration and filed CMP No.60/2017 in which the learned sole arbitrator came to appointed.

**3.** Before the Learned Sole Arbitrator the claimant filed statement of claim and the first respondent also filed the statement of defence denying the claim. Upon considering the statement of claim and the statement

of defence the Learned Sole Arbitrator has framed in all 11 issues and after collecting the evidence on record by both sides vide the impugned award dated 09.01.2020 allowed the claim petition in part entitling the claimants for a compensation at the rate of Rs.1,28,925/- per month being 45% deficit in implementation of the project for the period 06.07.2017 to 23.05.2019 with interest at 12% p.a. till date of claim petition and at 9% per annum till realization.

**4.** Aggrieved by the said award the claimant is before this Court contending that the award passed by the Learned Sole Arbitrator is opposed to public policy, suffering from an error apparent on face of it and without properly appreciating the prevailing facts and circumstances and the oral and documentary evidence on record. It has been contended that the award passed by the Learned Sole Arbitrator is in complete ignorance of the vital evidence amounting to perversity and the Learned Sole Arbitrator has drawn conclusions beyond the scope of the contract. It is submitted that the Learned Sole Arbitrator grossly erred in holding that there has been breaches attributable to the respondent and has failed to consider the clauses 11.1 to 11.3 of the registered JDA. The Learned Sole Arbitrator grossly

erred in not considering the fact that first respondent had gravely defaulted in not completing the project within the stipulated time. It is submitted that the Learned Sole Arbitrator failed to note that the subsequent amendments to the registered JDA did not alter the time in which project is to be completed and the respondent having failed to complete the project was liable to pay the compensation as prayed by the claimants. It is also submitted that the Learned Sole Arbitrator has failed to appreciate that the respondent had not led any credible evidence and in the cross-examination has also categorically admitted having not been able to complete the project within time. That the Learned Sole Arbitrator has failed to note that the respondent would not be liable for the delay only when the delivery of the possession was not possible on account of any Government restrictions and not otherwise. It is submitted that the Learned Sole Arbitrator has wrongly interpreted the document at Ex.D.2 and has arrived at a wrong conclusion in holding that the claimant themselves had consented for stopping of the work in the project based on a complaint filed by one by name Venkatesh which has been marked as Ex.D.2. It is submitted that Learned Sole Arbitrator has not properly construed the terms of the registered

JDA and the amended JDA and also the supplemental agreement and that the Learned Sole Arbitrator has failed to appreciate that the claimant had complied all their obligations under the JDA and it was only the respondent who was liable to comply with the same. On these grounds the claimants are seeking for setting aside the award and allow the claims as prayed.

**5.** Earlier there was a cross appeal by the present respondent no.1 which was registered as Com.A.P.No.53/2020 which also came to be disposed off by this Court through the judgment dated 04.04.2022. However the present respondent No.1 did not prefer any appeal against the said judgment. The first respondent has relied upon its petition in Com.A.P.53/2020 as objections to this petition. It is the contention of the respondent that the Learned Sole Arbitrator has failed to consider the fact that even after lapse of 17 months from 19.10.2015 and the rectified registered JDA and the supplementary agreement dated 05.05.2016 the time was not the essence of contract and that the delay in delivery of possession was beyond the control of the first respondent as the local Municipal Authority had not accorded approval for development of the entire sital area. It is contended by the first

respondent that the Learned Sole Arbitrator had not at all taken into consideration the document at Ex.P.6 and has failed to consider the fact that no delay has been caused on behalf of the respondent in completion of the project. The first respondent would contend that the ground urged by the claimants for setting aside of the award is not as per Sec.34 of the Arbitration and Conciliation Act and first respondent has further contended that tribunal has failed to note that there was disputes as regards the boundaries of the schedule land because of which full fledged developmental activity could not be undertaken and further the Anekal Town Planning Authority sanctioned the layout plan only on 06.02.2016 and therefore there could not have any delay in completion of the project as per the terms of the registered JDA. It is submitted that because of the encroachment made by one Mr. P Venkatesh into the schedule properties there has been hindrances in forming the layout and also implement the project to its full capacity. It is submitted that the first respondent was repeatedly requested the claimants to resolve the boundary issue with said Mr. Venkatesh but it is the claimants who have failed to do so. The first respondent had undertaken all other required work under the project and as boundary dispute remained unresolved

the entire project could not be completed by the first respondent. It is further submitted that the Commissioner report clearly discloses that the entire extent of 9 acres 22 grunts was never provided for the development. First respondent denies all other averments and seek for dismissal of the petition with costs.

**6.** The second respondent is the Learned Sole Arbitrator who is a formal party to whom the notice has been dispensed.

**7.** Heard the Learned Counsels appearing for the claimant and the counsel for first respondent. Perused the entire material on records. Learned counsel for the claimant has filed memo with several citations.

**8.** The points that arise for my consideration are as below:

- (1) Whether the respondent substantiates that the award passed by the Learned Sole Arbitrator in A.C.No.94/2028 dated 09.01.2020 is perverse, oppose to public policy and suffering from patent illegality appearing on the face of it requiring it to be set aside?

(2) What order?

9. My finding on the above Points is: -

Point No.1: In the **Negative.**

Point No.2: As per final order  
for the following:

### **R E A S O N S**

**10. POINT NO.1:-** It is the specific contention of the claimants that the Learned Sole Arbitrator did not take into consideration the fact that first respondent had caused unreasonable delay in completion of the project and therefore the Learned Sole Arbitrator erred in awarding compensation at the rate of Rs.1,28,925/- per month with respect to 45% deficit in implementation of the project whereas there has been 100% deficit on part of the first respondent in concluding the project.

**11.** It is a settled position of law that a Sec.34 Court would not sit in appeal against the award passed by the Learned Sole Arbitrator. It has been made clear now that an Arbitral award can be set aside apart from the grounds of non-service of notice and not adhering to the terms of the contract only when there is a breach of public policy and there is an error apparent on face of it

rendering the award unsustainable. Under Sec.34 of the Act the Court cannot conduct a review of the case on merits nor it can go for appreciation of the evidence led before the Tribunal. It is also observed that merely because another view is possible the award need not be set aside so long as it is based on sound principles of natural justice and reasoning and appreciation of evidence. The Apex Court in ***Associate Builders case*** has observed that where the Learned Sole Arbitrator fails to appreciate the evidence on record or arrives at a conclusion which no reasonable prudent man can arrive shocking the conscience of the Court then it amounts to perversity resulting in breach of public policy and also amounting to an error apparent on face of it rendering the award liable to be set aside.

**12.** Keeping in mind the settled position of law as regards the challenge to an arbitral award and also bearing in mind the observations made by our Hon'ble High Court while remanding this matter for fresh disposal it is now required to see whether Learned Sole Arbitrator has committed any perversity or illegality in passing the award as contended. Before the Learned Sole Arbitrator the claimants made a claim for directing the first respondent to pay a sum of Rs.85,95,000/- as

penalty from 19.10.2015 till realization with interest at 18% p.a. and also direct the first respondent to continue to pay a sum of Rs.2,86,500/- per month as penalty till the respondent hands over finished share of the sital area as per the registered JDA. The first respondent filed its statement of defence denying the claim averments in toto raising several defence. The Learned Sole Arbitrator has framed in all 11 issues and among them Issue Nos.1 to 3 the burden is upon the claimants to prove breach of terms of the JDA by the respondents, the respondent deliberately setting up the neighbor Venkatesh to delay the implementation of JDA and entitlement for the compensation as prayed. On the other hand issue Nos.4 to 6, 8 and 9 have been framed casting burden on the respondent to prove that by virtue of the registered supplementary deed dated 05.05.2016 there was implied extension of time for completion of the project and the delay in sanctioning of the plan was on account of the claimants suppressing the location of the karab land situated in the middle of the schedule area and that it was the claimant who had committed breach of the terms of the JDA.

**13.** Before the Learned Sole Arbitrator the claimant examined himself as P.W.1 and got marked documents

at Ex.P.1 to P.21. The first respondent examined himself as R.W.1 and got marked documents at Ex.D.1 to D.3. The Learned Sole Arbitrator after considering the evidence on record has allowed the claim in part directing the respondent to pay a sum of Rs.1,28,925/- as compensation per month being the 45% deficit in implementation of the project as per the registered JDA with interest at 12% p.a. for the period 06.07.2017 to 23.05.2019 and thereafter at 9% till realization. The claimants were also ordered to refund the balance refundable deposit of Rs.60,00,000/- after adjusting any amounts payable by the respondent and also held that both parties were entitled for the share in the sites released by the Anekal Town Planning Authority.

**14.** Though under Sec.34 of the Arbitration and Conciliation Act 1996 this Court is not empowered to either undertake review on merits or re-appreciation of the evidence the main issue that was before the tribunal was who actually committed breach of the terms of the registered JDA dated 19.05.2014. As per the terms of the register JDA the project ought to have been completed within 15 months as per the sanctioned plan with a grace period of 2 months. It is the specific defence of the respondent that plan approval by the

Anekal planning authority was given only on 06.02.2016 and governed as per the 11.3 of JDA which stipulates that no delay can be attributed to the respondent where it is on account of Governmental actions. The terms of the JDA clause 3 requires that the developer shall make available to the first party one set of sanction plan and license and as per clause 4 the developer must furnish a set of sanction plan to the first party within 15 days of such sanction. Clause 8 of commencement of the developmental work which was to commence after securing the sanction plan and as per clause 11 the delivery of the sital area was within 15 months from the date of registration of JDA with a grace period of 2 months. Clause 11.2 requires the developers to pay by way of compensation to the first party a sum of Rs.30,000/- per acre in the schedule brand property per month. Clause 11.3 is the no liability clause which stipulates that if the developmental work could not be undertaken or the delay is caused on account of any Governmental restrictions or any act of God. If the delay is beyond the control of the developer the developer would be entitled for extension of time. Clause 18 of JDA required the developer to pay a sum of Rs.30,00,000/- as non refundable deposit and a sum of Rs.60,00,000/- as refundable securing deposit.

Annexure C to the JDA enlists the specifications and amenities to be provided by the developer while undertaking the said project which is as under:

- a) 40 feet and 60 feet concrete roads with Box type concrete drainage.
- b) 30 feet concrete roads with culvert drainage and footpaths.
- c) Water Supply lines with points to each site.
- d) Sewage line with points to each site.
- e) Overhead electricity lines with required transformers.
- f) Sewage treatment plant of required capacity.
- g) Fully developed parks.
- h) Sump Tank of required capacity.
- l) Over head tank of required capacity
- j) Swimming pool
- k) Club house
- l) All round compound of 7 feet height.

**15.** As per the registered JDA dated 19.05.2014 the time for completion of the project was 15 months with grace period of additional 2 months. The registered rectification deed which is executed after the date of completion i.e., 19.11.2015 is with respect to the

sharing ration. Subsequently almost more than a year later a supplemental deed is executed on 05.05.2016 in which the identification and allotment of sites has been undertaken. The execution of these two deeds which is about 17 months after the registered JDA no where prevented the first respondent from undertaking completion of the project. The first respondent in the statement of defence has contended that the claimant suppressing 27 guntas of karab land in the schedule premises was one of the main reasons why the planning authority gave the sanction of the layout plan only on 06.02.2016. This contention of the respondent cannot be sustained for the reason that the respondent is not an individual but a development firm which has a legal team to scrutinize the documents and the existence of the karab land in the schedule properties was clearly evident from all the revenue documents. Therefore the existence of the karab land in the area where the construction had to be taken up cannot become a reason for the respondent not sticking to the time schedule.

**16.** Clause 8 of the registered JDA clearly stipulates that the development work has to commence on the schedule property after securing the plan sanction from

the local planning authority. Though clause 5 says 15 plus 2 months is the period for completion of the project from the date of execution of JDA the respondent could have taken up construction of the project only when the layout plan is sanctioned by the competent authority. It is nobody's case that as on the date of entering into the JDA or immediately thereafter the sanction plan has been obtained from the competent authority. In fact it is not at all in dispute as seen from the records that the sanction plan was even by the competent authority i.e., the Town planning authority Anekal only on 06.02.2016. Therefore for all practical purpose it is to be construed that the time for completion of the project i.e., 15 months plus 2 months has to be calculated and computed from 06.02.2016 and not from the date of entering into the JDA. The period of 15 months from 06.02.2016 would end by 06.07.2017 by which date the respondent was required to complete the construction. Moreover it is also not in dispute that the town planning authority had released only 40% of the sital area which is evidence from the sanction order dated 06.02.2016 and the next 30% of the sital area has been released two years later on 01.06.2018. Further more the balance 30% of the sital area could not have been released because of some boundary dispute between

the neighboring land owners which in fact has driven the parties to the arbitral proceedings as by that time the claimant had invoked the arbitral clause and also resorted to appointment of the Arbitrator for resolution of the dispute.

**17.** It is also seen from the records that when the planning authority released 30% of the sital area the claimant themselves objected by making a complaint to the Metropolitan Commissioner BMRDA and Anekal planning authority which is evident from Ex.D.2 and also as per Ex.P.15 dated 01.06.2018. In fact in Ex.P.15 it is mentioned that the first respondent has completed civil works namely road, Sewage work, drainage, underground drainage, water supply including pipe lines. The claimant themselves have complained that respondent has obtained release of 30% out of the balance of 60% sital area by misleading the local planning authority and therefore by way of Ex.P.15 they have raised objections to the release of 30%. Before the Learned Sole Arbitrator there has been no contra material regarding action being taken upon the representation given at Ex.P.15. In the course of cross-examination of R.W.1 it is brought out that the swimming pool work is not completed though the soil

has been excavated and also club house is not constructed as there already existed a club house in the adjacent property.

**18.** The claimants have issued the notice demanding compensation within 5 months of date of sanction of the plan which is 01.06.2016. Said notice is issued on 01.07.2016 to which a reply is given on 21.07.2016. In the meanwhile one Mr. Venkatesh has filed a complaint under Ex.P.19 to the planning authority complaining that sufficient width of the road is not left affecting his right to passage. Before the Learned Sole Arbitrator a commissioner was appointed to determine whether there were irregularities in the width of the road blocking the right of passage as alleged by said Mr. Venkatesh. The surveyor of land record Anekal who was appointed as a Commissioner though submitted his report but it was without service to the respondents and therefore the tribunal has rightly declined to entertain the Commissioner's report. In so far as the contention of the claimant that the respondent ought to have completed the work by 19.10.2015 the same cannot be sustained as already mentioned above clauses 5 and 8 of the registered JDA which has to be read harmoniously would clearly indicate that the commencement of the

project could have been only after 06.02.2016 when the planning authority issued the sanction order and not before it. And from that date 15 plus 2 months would require the completion of the project on or before 06.07.2016 and therefore the claimant issuing a notice for compensation has been without any justification whatsoever. It is a fact borne out from the records that 70% of the site have been released by the planning authority and before any development could be undertaken claimants under Ex.D.2 have requested cancel of the release order of 30% of sites dated 01.06.2018. In view of these controversies surrounding the project it is to be construed that the first respondent was made available only with 70% of the sital area and as the required amenities have not fully been completed and considering the overall assessment of the project the conclusion of the Learned Sole Arbitrator that the first respondent is found deficient to the extent of 45% is absolutely based on proper appreciation of evidence and material on record and the same does not suffer from any infirmities or perversity. There is absolutely no illegality or breach of public policy on part of the Arbitrator in concluding that there is a breach of the terms of the JDA to the extent of 45% and failure on part of the respondent to prove that the claimant

committed breach of contract. Based on the terms of the registered JDA the Learned Sole Arbitrator has concluded that deficiency is limited to 45% and accordingly claimant have been awarded compensation at the rate of Rs.1,28,925/- per month being the 45% deficit in implementation of the project for the period 06.07.2017 to 23.05.2019. Hence upon careful perusal of the evidence led before the tribunal and the prevailing circumstances emerging from the records there is no hesitation to hold that the award passed by the Learned Sole Arbitrator is not in breach of any public policy of India nor there is any error apparent on face of it requiring the same to be set aside. The award also does not suffer from any perversity as contended by the claimant.

**19.** The leaned counsel for the claimants in support of his arguments has placed reliance upon the following decisions.

**1. (1975) 1 Supreme Court Cases 70, M/s Erusian Equipment and Chemicals Ltd, vs. State of West Bengal and another,** wherein at paragraph 20 it has been observed as under:

*Para 20: Black listing has the effect of preventing a person from the privilege and*

*advantage of entering into lawful relationship with the Government for purposes of gain. A person who is on the approved list is unable to enter into advantageous relations With the Government because of the order of black listing. A person who has been dealing with the Government in the matter of sale and purchase of materials ha& a legitimate interest or expectation. Black listing tarnishes one's reputation and reputation is a part of person's character and personality. The fact that a disability is created by the order of black listing indicates that the relevant authority is to have an objective satisfaction. Fundamentals of fair play require that the person concerned should be given an opportunity to represent his case before be is put on the black list.*

**2. (2001) 8 Supreme Court Cases 604, Grosos Pharmaceuticals (P) Ltd., and another vs. State of U P and others**, wherein at para 2 it is observed as under:

*Para 2: There is no statutory rule which requires that an approved contractor cannot be blacklisted without giving an opportunity of show cause. It is true that an order blacklisting an approved contractor results in civil consequences and in such a situation in the absence of statutory rules, the only requirement of law while passing such an order was to observe the principle of audi alteram partem which is one of the facet of the principles of natural justice. The*

*contention that it was incumbent upon the respondent to have supplied the material on the basis of which the charges against the appellant were based was not the requirement of principle of audi alteram partem. It was sufficient requirement of law that an opportunity of show cause was given to the appellant before it was blacklisted.*

**3. (2012) 11 Supreme Court Cases 257, Patel Engineering Limited vs. Union of India and another**, wherein at paragraph 15 and 22 it has been observed as under:

*Para 15: It follows from the above Judgment that the decision of State or its instrumentalities not to deal with certain persons or class of persons on account of the undesirability of entering into contractual relationship with such persons is called blacklisting. State can decline to enter into a contractual relationship with a person or a class of persons for a legitimate purpose. The authority of State to blacklist a person is a necessary concomitant to the executive power of the State to carry on the trade or the business and making of contracts for any purpose, etc. There need not be any statutory grant of such power. The only legal limitation upon the exercise of such an authority is that State is to act fairly and rationally without in any way being arbitrary - thereby such a decision can be taken for some legitimate purpose. What is the legitimate purpose that is sought to be achieved by the State in a*

*given case can vary depending upon various factors.*

*Para 22: The power to blacklist is available only in the cases of the commission of any or some of unacceptable practices by the bidder or his agents, etc., but not in the case, where the successful bidder declines to enter into a contract on being declared as a successful bidder.*

**4. (1989) 1 Supreme Court Cases 229, Raghunath Thakur vs. State of Bihar and others** , wherein at para 4 it is observed as under:

*Para 4: it is an implied principle of the rule of law that any order having civil consequence should be passed only after following the PG NO 869 principles of natural justice. It has to be realised that black-listing any person in respect of business ventures has civil consequence for the future business of the person concerned in any event. Even if the rules do not express so, it is an elementary principle of natural justice that parties affected by any order should have right of being heard and making representations against the order.*

**20.** In all the above cited decisions the facts were such that upon termination of the contract the state agency had also resorted to black-listing of the contractor. In those circumstances the Hon'ble Apex Court has observed that black-listing of a contractor will be a

harsh punishment and the same cannot be resorted to in the absence of cogent and satisfying material. In the present case no where the Learned Sole Arbitrator either in the course of the proceedings or in the award has passed any order black-listing the claimants. In fact the claimants are not at all the contractors. Also there is no observation by the Learned Sole Arbitrator that the first respondent is required to be black-listed. Therefore the above cited decisions does not in any manner support the arguments put forth by the learned counsel for the claimant. In the result for the aforesaid reasons there is no hesitation to hold that the award passed by the Learned Sole Arbitrator does not suffer from any infirmities nor it is oppose to any public policy nor there is any error apparent on face of it requiring it to be set aside. Accordingly, I answer **Point No.1 in Negative.**

**21. POINT NO.2:** - For the aforesaid reasons, I proceed to pass the following.

### **ORDER**

Petition filed by the petitioner under Sec.34(3) of the Arbitration and Conciliation Act 1996 is **dismissed with costs.**

Award passed by the Learned Sole Arbitrator in A.C.No.94/2018 dated 09.01.2020 stands **confirmed.**

Send back arbitral records to the Arbitration and Conciliation Centre Bengaluru.

Office to send soft copies of the judgment to both parties on their e-mail if furnished.

(Dictated to the Stenographer Grade-III, transcribed by her, corrected and then pronounced by me in open court on this the 10<sup>th</sup> day of March, 2026)

**(ARJUN. S. MALLUR)**  
**LXXXV Addl.City Civil & Sessions Judge,**  
**Bengaluru.**