

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE/INHERENT JURISDICTION**

CIVIL APPEAL NO(S). 5536/2017

THE STATE OF PUNJAB

.....APPELLANT(S)

VS.

SDB INFRASTRUCTURE PVT. LTD. & ORS.RESPONDENT(S)

WITH

CONTEMPT PETITION (C) NO. 962/2017 IN C.A. NO. 5536/2017

O R D E R

CIVIL APPEAL NO(S). 5536/2017

- 1. This appeal by special leave challenges the judgment and order dated 23.07.2016 passed by the High Court of Punjab and Haryana at Chandigarh. The High Court had rejected the appeal under Section 37 of the Arbitration and Conciliation Act (for short, 'the said Act') and affirmed the rejection of objections under Section 34 of the said Act.**
- 2. The undisputed facts are that a works contract was entered into by the appellant with the respondent (hereafter referred to as the "contractor") on 23.11.1994.**

The date of commencement was 25.03.1995. However, no less than eight extensions were granted for completion after mutual agreement. Eventually, the contract was completed on 25.11.2000. The contractor raised disputes in respect of certain amounts payable towards various heads of works.

3. The Engineer In-charge of the works, which was part of a World Bank project, by letter dated 15.12.2000 recommended that the Contractor's claim for the sum of ₹19.04 Crores be granted. This, however, was not heeded, which resulted in invocation of the arbitration clause by the Contractor. Eventually, the arbitration proceedings commenced. In those proceedings the contractor raised claims under various heads. The appellant/State resisted and denied the claims. Ultimately, by award dated 15.09.2011, certain amounts were granted to the Contractor - the principal amount of ₹19.04 Crores was allowed, however, other claims were partially allowed and some entirely rejected.

4. The appellant's objections under Section 34 of the said Act were rejected on 06.01.2012.

5. The appellant's petition under Section 34 of the said Act was rejected by the learned Additional District Judge,

Patiala; the appeal was rejected by a learned Single Judge of the High Court of Punjab and Haryana.

6. Having regard to the extremely narrow contours of Section 37, this Court is of the opinion that the course adopted by the High Court was justified in the overall circumstances. No patent error of law, or any finding contrary to the terms of the contract was established. The appeal has to therefore, fail.

7. The appellant/State shall comply with the award and ensure that the balance amounts including the interest accrued thereon are paid to the respondent/contractor, within twelve weeks from today.

8. The appeal is dismissed, in terms of the above directions.

9. Pending application(s), if any, are disposed of.

CONTEMPT PETITION (C) NO. 962/2017 IN C.A. NO. 5536/2017

1. It is stated by the learned counsel that this petition has rendered infructuous.

2. The Contempt Petition is, accordingly, dismissed as having become infructuous.

**.....J.
(S. RAVINDRA BHAT)**

.....J
(PRASHANT KUMAR MISHRA)

NEW DELHI;
AUGUST 14, 2023

ITEM NO.66

COURT NO.8

SECTION IV

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

CIVIL APPEAL NO(S). 5536/2017

THE STATE OF PUNJAB

APPELLANT(S)

VERSUS

SDB INFRASTRUCTURE PVT. LTD. & ORS.

RESPONDENT(S)

WITH

CONTEMPT PETITION (C) NO. 962/2017 IN C.A. NO. 5536/2017 (IV)
(FOR ADMISSION)

Date : 14-08-2023 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE PRASHANT KUMAR MISHRA

For Appellant(s) Mr. Sunil Fernandes, AAG
Ms. Nupur Kumar, AOR
Ms. Priyansha Sharma, Adv.
Ms. Muskan Nagpal, Adv.

For Respondent(s) Mr. Arvind Minocha, Sr. Adv.
Mr. Rakesh Kharb, Adv.
Mr. Mayank Kshirsagar, AOR

Mr. Sunil Fernandes, AAG
Ms. Nupur Kumar, AOR
Ms. Priyansha Sharma, Adv.
Ms. Muskan Nagpal, Adv.

UPON hearing the counsel the Court made the following
O R D E R

CIVIL APPEAL NO(S). 5536/2017

The appeal is dismissed, in terms of the signed order.

CONTEMPT PETITION (C) NO. 962/2017 IN C.A. NO. 5536/2017

The Contempt Petition is dismissed as having become
infructuous, in terms of the signed order.

(NARENDRA PRASAD)
ASTT. REGISTRAR-cum-PS

(BEENA JOLLY)
COURT MASTER (NSH)

(Common Signed order, as above, is placed on the file)