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The **Delhi High Court** in the case of **Gorkha Security Services vs Directorate of Health Services [O.M.P. (COMM) 453/2017]** dated **January 30, 2026**, has held that an arbitral award that is unreasoned or contains unintelligible reasoning is in conflict with the public policy of India because it contravenes the statutory mandate for a reasoned award under Section 31(3) of the Arbitration and Conciliation Act, 1996, and offends the basic notions of justice. Accordingly, the Court quashed the award under Section 34(2)(b)(ii) of the 1996 Act.

The Court has the inherent authority to set aside an award partially, provided the invalid portion is not legally and practically inseparable from the valid portions. However, in instances where a defect in the award, such as a lack of intelligible reasoning, is curable, the Court may exercise its discretion under Section 34(4) of the Act to remand the matter to the Arbitral Tribunal for the limited purpose of reconsidering the severed issue.

The Court began by acknowledging the narrow scope of its jurisdiction under Section 34 of the 1996 Act, which does not permit a re-appreciation of evidence but is confined to examining the legality and procedural aspects of the award. The Court noted that the requirement for a reasoned award, as mandated by Section 31(3) of the Act, is a fundamental facet of the principles of natural justice. The Court analysed the Arbitrator's reason for rejecting Claim No. 4, that there was an 'information gap on both sides', and found it to be a 'cursory assertion' that was 'opaque and unintelligible'.

The Court observed a complete absence of analysis regarding any contractual provisions for interest, findings on delay or default, or the principles governing the award of costs. Referring to the Supreme Court's decision in *OPG Power Generation (P) Ltd. vs. Enxio Power Cooling Solutions (India) (P) Ltd.* [(2025) 2 SCC 417], the Court categorized the award's reasoning on Claim No. 4 as one where the reasons are so unintelligible that it is equivalent to providing no reasons at all, making it vulnerable to being set aside. Lastly, the Court observed that the flawed portion of the award concerning interest and costs was clearly severable from the remainder of the award and that the matter was suitable for remand to the Arbitral Tribunal for fresh consideration of that specific claim.