

## MATTER UPDATE

### **HSA Advocates represented Coromandel International Ltd. before the High Court of Judicature at Bombay in a petition filed by National Insurance Company Limited under Section 34 of the Arbitration and Conciliation Act, 1996**

HSA Advocates successfully represented Coromandel International Ltd. (Coromandel) before the Hon'ble High Court of Judicature at Bombay, in a petition filed by National Insurance Company Limited (National Insurance) under Section 34 of the Arbitration and Conciliation Act, 1996.

In a significant judgment pronounced on 7th May 2026 (in Commercial Arbitration Petition No. 201 of 2023), the Hon'ble Bombay High Court dismissed the petition filed by National Insurance and upheld the arbitral award dated 28th March 2019, which had been passed in favour of Coromandel. The Court reaffirmed that the scope of interference under Section 34 is extremely narrow, and that where an arbitral tribunal adopts a plausible and reasoned view based on evidence on record, such findings cannot be set aside merely because an alternative view may be possible.

The dispute arose from a fire insurance policy obtained by Coromandel for its storage premises at Sarigam, Gujarat. Following a fire incident on 4th February 2012, National Insurance took the position that the policy covered only goods stored inside the closed godown and not those stored in the open area within the insured plot. The learned Sole Arbitrator had rejected this position, finding that National Insurance had unilaterally and without the consent of Coromandel inserted restrictive words in the policy document to narrow the scope of coverage and accordingly held that the insurance cover extended to all stocks within the entire insured premises, both inside the godown and in the open area.

This judgment reiterates the sanctity of insurance contracts as mutually agreed upon by the parties and clarifies that an insurer cannot unilaterally alter the terms of a policy to the detriment of the insured. The Court also affirmed the principle, drawn from *Canara Bank v. United India Insurance Co. Ltd.*, that coverage provisions in insurance policies ought to be interpreted broadly and any ambiguity resolved in favour of the insured.

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The judgment further reinforces the well-settled position that arbitral awards reflecting a reasonable and plausible view of the evidence are entitled to finality, and that the Section 34 Court must not act as a court of appeal over the findings of an arbitral tribunal.

The team was led by **Faranaaz Karbhari** (Counsel), supported by **Rahul Jain** (Counsel), **Khushboo Rupani** (Associate Partner), and **Sharan Shetty** (Associate).