

IN THE HIGH COURT OF PUNJAB & HARYANA  
AT CHANDIGARH

FAO No. 1570 of 2019 (O&M)

Date of decision: 14<sup>th</sup> March, 2023

Dilwar Singh

Appellant

Versus

M/s Gugnani Financer (Regd.) and another

Respondents

**CORAM: HON'BLE MR. JUSTICE AVNEESH JHINGAN**

Present: Mr. Shubham Kashyap, Advocate for the applicant-appellant.

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**AVNEESH JHINGAN, J (Oral):**

1. This appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (for short, 'the Act') is filed aggrieved of dismissal of objections under Section 34 of the Act. The appeal is accompanied by an application for condonation of delay of 371 days in filing thereof.
2. The brief facts are that the applicant-appellant availed loan facility on 6.3.1995 of Rs.3,50,000/- for purchase of truck. The loan was to be repaid in 36 monthly instalments. The applicant-appellant defaulted in repayment of loan. The possession of hypothecated vehicle was taken by respondent No. 1 (hereinafter referred to as 'the respondent'). The applicant-appellant filed a civil suit claiming damages. On the application under Section 8 of the Act, the matter was referred to the arbitrator.
3. Counter-claim was filed by the respondent claiming that approximately Rs.22,000/- was due after adjusting the price of the truck

sold. Further an amount of Rs.3,00,000/- was claimed as the rent paid to the yard-owner where the truck was parked.

4. The arbitrator after considering the evidence adduced concluded that both the parties had breached the terms of agreement and dismissed the claim and counter-claim on 18.3.2017. The objections filed by the applicant-appellant under Section 34 of the Act were dismissed on 30.10.2017.

5. Learned counsel for the appellant submits that interest was wrongly charged by the respondent. He further submits that the truck was sold by the respondent but the amount was not refunded.

6. The scope of interference under Section 37 of the Act is limited. Reference in this regard is made to the decision of the Supreme Court in *Haryana Tourism Ltd. v. M/s Kandhari Beverages Ltd., 2022(3) SCC 237*.

7. The arbitrator by well-reasoned award concluded that there was breach of terms of agreement by both the parties. Further, that the claim and counter-claim was not substantiated by adducing evidence. It was taken note of that Rs.1,50,000/- the sale price of the truck was adjusted by the respondent in repayment of the loan amount.

8. The contention that interest has wrongly been charged is without any basis. No evidence was adduced that the interest charged was not as per the terms and conditions agreed.

9. The contention that the amount of Rs.1,50,000/- i.e. sale price of the truck was not refunded to the applicant-appellant is noted to be rejected, the said amount was adjusted towards the loan account.

10. Consequently, the appeal is dismissed.

11. As the appeal has been dismissed on merits, the application for condonation of delay is disposed of accordingly.

**[AVNEESH JHINGAN]**  
**JUDGE**

**14<sup>th</sup> March, 2023**

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1. Whether speaking/ reasoned : Yes / No  
2. Whether reportable : Yes / No