



FAO-3535-2024 (O&M)

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**THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH**

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FAO-3535-2024 (O&M)
Date of decision: 01.08.2024

Haryana State Agricultural
Marketing Board

... Appellant

Vs.

Bhoop Singh and another

... Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr.Vishal Garg, Advocate
for the appellant.

SUVIR SEHGAL J.

CM-12884-2024 and
CM-12885-2024

1. For the reasons given in the applications, which are supported with separate affidavits of the appellant, delay of 17 days in the re-filing and 3 days in filing of the appeal, is condoned.

2. Applications are allowed.

Main case.

3. Instant appeal has been filed under Section 37 of the Arbitration and Conciliation Act, 1996 (for short 'the Act') assailing judgment dated 29.01.2024 passed by the learned Additional District Judge, Rewari, whereby objection petition filed by the appellant



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under Section 34 of the Act against award dated 12.06.2017, passed by the Arbitrator-respondent No.2, has been dismissed.

4. Factual matrix leading to the filing of the appeal is that vide allotment letter dated 10.12.1996, work of special repair/strengthening of the urban roads in Narnaul City was allotted to respondent No.1. The estimated cost of the work was Rs.15,36,400/- but the scope of work was later on increased to Rs.23,03,100/-. Respondent No.1 completed the entire work to the satisfaction of the appellant, however, complete payment against final bill prepared by respondent No.1 was not made. A dispute arose between the parties, and by order dated 13.12.2013, this Court appointed respondent No.2 as an Arbitrator to determine the dispute between the parties. Both the parties filed their claims and counter-claims before the Arbitrator and vide award dated 12.06.2017, Arbitrator rejected the counterclaim of the appellant and awarded a total amount of Rs. 4,59,994/- in favour of respondent No. 4, besides interest. Appellant filed objections under Section 34 of the Act, which had been rejected vide order under challenge herein.

5. Counsel for the appellant has urged that under Claim Nos.1 and 4, the Arbitrator has awarded amount to respondent No.1 for the work which had not been done. He asserts that the Arbitrator accepted the claim on assumption and presumption. He submits that the Arbitrator passed the award ignoring that respondent No.1 failed to complete the work and proceeded to award interest beyond the terms of the agreement. It is also his argument that the Arbitrator has



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failed to pass a reasoned award, even though, it was clearly stipulated in Clause 25-A of the agreement that a reasoned award has to be passed.

6. I have heard the arguments of the counsel for the appellant and examined the documents placed along with the paper-book.

7. A perusal of the award, dated 12.06.2017 shows that under claim No.1, the Arbitrator found that against the total executed work of Rs.23,51,283.73/-, respondent No.1 had been paid Rs.16,78,496/- and the balance amount due to him was Rs.6,72,783.73/-, however, as respondent No.1 had restricted the claim to Rs.3,77,177/-, the Arbitrator awarded this amount to respondent No.1. Insofar as claim No.4 is concerned, the Arbitrator came to the conclusion that a recovery of Rs. 32,877/- had been made from the security deposited by respondent No.1 and as the recovery was illegal, the Arbitrator found respondent No.1 to be entitled to the said amount. An amount of Rs.50,000/- was awarded by the Arbitrator under claim No. 5 on account of the costs of arbitration proceedings, although, the claim raised by respondent No.1 was of Rs.2 Lacs. In this manner, the total amount awarded by the Arbitrator worked out to Rs.4,59,994/-. The Arbitrator further awarded interest @ 12% p.a. on the amount illegally withheld by the appellant. The Arbitrator directed that the payment of arbitral amount be made within a period of three months from the date of the delivery of the signed copy of the award and on failure of the appellant to do so, future



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simple interest @12% p.a., on the awarded amount will be liable to be paid. It is evident from the award that the Arbitrator has analysed the documentary evidence produced before it and has given detailed reasons in support of each and every item of claim. The argument of the counsel that the award is non-speaking and not in terms of the arbitration clause, therefore, is unfounded and is rejected. Counsel for the appellant has not been able to point out as to how the awarded amount is in excess of the work executed by respondent No.1. The grant of interest @ 12% p.a. is very reasonable and does not call for any interference.

8. The Court while considering the challenge to an arbitral award does not sit in an appeal over the finding and decision of the Arbitrator. An Arbitrator is entitled to take the view which he deems to be correct, after considering the material before him and after interpreting the clauses of the agreement. The decision of the Arbitrator has to be accepted as final and binding. In **P.R. Shah, Shares and Stock Brokers Private Limited Versus M/s B.H.H. Securities Private Limited and others, (2012) 1 SCC 594**, Supreme Court has held that the Court is not required to reassess or re-appreciate the evidence led before the Arbitral Tribunal. An award can be challenged only on the grounds stipulated in Section 34 (2) of the Act. The scope of interference with Arbitrator's award while hearing an appeal under Section 37 of the Act is very limited and an award cannot normally be interfered with. In **Hindustan Construction Company Limited Versus National Highways Authority of India,**

(2024) 2 SCC 613, Supreme Court has held that an Arbitrator is a Judge chosen by the parties and his decision is final. Even in a case, where the award contains reasons, the interference therewith would still not be available within the jurisdiction of the Court, unless, of course, the reasons are totally perverse or the judgment is based on wrong propositions of law. No such material could be brought to the notice of this Court by the counsel for the appellant. This Court therefore, does not find any illegality or perversity in the reasons given by the Arbitrator in his award.

9. For the foregoing reasons, this Court does not find any reason to interfere with the award or to set aside the impugned judgment passed by the learned Additional District Judge, Rewari. Appeal being bereft of merit is dismissed.

01.08.2024
pooja saini

(SUVIR SEHGAL)
JUDGE

Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No