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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

Date of decision: 15.09.2025

(I) FAO-2222-2024 (O&M)

**HARYANA STATE CO-OPERATIVE SUPPLY AND MARKETING
FEDERATION LTD.**

...Appellant(s)

VERSUS

M/S JAI AMBEY RICE MILL AND ANR.

...Respondent(s)

(II) FAO-2225-2024 (O&M)

**HARYANA STATE CO-OPERATIVE SUPPLY AND MARKETING
FEDERATION LTD.**

...Appellant(s)

VERSUS

M/S SHIVA RICE MILL AND ANR.

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present:- Mr. Aman Bahri, Advocate and
Mr. Sachin Sharma, Advocate for the appellant.

Mr. S. K. Yadav, Advocate for respondent No.1.

JASGURPREET SINGH PURI, J. (Oral)

1. Both these appeals are taken up together for final disposal with the consent of learned counsels for the parties.
2. Both these appeals have been filed challenging the impugned judgment dated 03.10.2023 passed by the learned Additional District Judge,



Panchkula, whereby the objections filed by the appellant under Section 34 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') have been dismissed.

3. Learned counsel for the appellant in both the cases submitted that it is a case where an award was passed by the learned Arbitrator against the appellant in which various claims were mentioned. He further submitted that detailed objections under Section 34 of the Act were filed by the appellant before the learned Additional District Judge, Panchkula. While referring to one of the objections recorded at page No.45 of the paper-book, he submitted that a specific objection was taken by the appellant and duly noted by the learned Additional District Judge, Panchkula that the claim for expenses related to safety and maintenance of paddy stock was not part of the terms of the contract and therefore, the learned Arbitrator has gone beyond the scope of the terms and conditions of the contract and various other objections were also taken in this regard. He further submitted that although the learned Additional District Judge, Panchkula noted the contentions of both the counsels for the parties while dismissing the objections but from paragraph No.6 onwards of the impugned judgment, the learned Additional District Judge, Panchkula only referred to various judgments of Hon'ble Supreme Court and reproduced the same and thereafter, in paras No.11 and 12 only stated that the Court cannot re-appreciate the evidence and consequently, dismissed the objections. He further submitted that the aforesaid would not meet the requirements for deciding the objections under Section 34 of the Act because the objections, which were raised had to be considered in accordance with law and some reasons had to be recorded but the



learned Additional District Judge, Panchkula neither considered the objections nor passed any order with regard to the same and therefore, the aforesaid impugned judgment was totally unreasoned.

4. In this regard, he referred to the judgments of Hon'ble Supreme Court in **Bombay Slum Redevelopment Corporation Private Limited versus Samir Narain Bhojwani, 2024 SCC Online SC 1656** and **Kalanithi Maran versus Ajay Singh and another, SLP (C) No.14936/2024**, decided on **26.07.2024** and submitted that the present cases fall within the exception where although the scope of interference under Section 37 of the Act is very limited but in exceptional circumstances where the judgment passed by the learned Additional District Judge under Section 34 of the Act is absolutely perverse and without any reasons, the same can be set aside and the matter can be remanded back and has therefore, prayed that the present appeals may be allowed, with a further prayer for remanding the cases back to the learned Additional District Judge, Panchkula for deciding the objections afresh by considering them in accordance with law.

5. On the other hand, learned counsel for respondent No.1 submitted that once the learned Additional District Judge, Panchkula has so recorded in paras No.11 and 12 of the aforesaid impugned judgment that there can be no re-appreciation of evidence, then it was not necessary for the learned Additional District Judge, Panchkula to have considered each and every objection title-wise and therefore, it cannot be said that the aforesaid impugned judgment is erroneous. He further submitted that the scope of Section 37 of the Act is very limited and therefore, this Court may not interfere in the aforesaid judgment



passed by the learned Additional District Judge, Panchkula, especially in view of the specific provisions under Section 5 of the Act, which emphasize minimal judicial interference in the proceedings.

6. I have heard the learned counsels for the parties.

7. Before proceeding further, it would be just and proper to reproduce the relevant portion of the aforesaid impugned judgment dated 03.10.2023 passed by the learned Additional District Judge, Panchkula, in both the cases. Relevant extract of para No.2 and paras No.11 to 13 of the aforesaid impugned judgment are reproduced as under:-

“2. xxx-xxx-xxx-xxx.... It is further submitted that the learned Arbitrator while passing the impugned Award has totally ignored that there was no agreement between the parties and there is no provision in law and also there was no provision in Haryana Rice Procurement (Levy) Order KMS 2009-10 Policy framed by Haryana Government and the Guidelines issued by the Financial Commissioner & Principal Secretary to the Government of Haryana, Food & Supply Department issued vide Memo No RP-2-2009/20267 Dated-18.09.2009 for the payment of the expenses safety and maintenance of paddy stock by the objector/petitioner to the claimant in any manner and as such the award to that is also liable to be set aside being violative of rules, regulations and provisions of law also.

xxx-xxx-xxx-xxx

“11. It is necessary to point out here that a bare perusal of the objection petition makes it clear that objections raised in the petition needs appreciation of evidences and further an observation of this court becomes necessary in order to ascertain that whether the evidences have been appropriately considered/ evaluated by the learned Arbitrator or not at the time of passing the award.



However, in view of the aforementioned discussion in respect to provisions of the Act and the case laws together it is not possible for this court to indulge itself in re-appreciating the evidences in order to verify the sustainability of the impugned award.

12. In other words, in view of the aforesaid discussion of position of law on the facts and circumstances of present case, the conclusion drawn by the Arbitrator need not to be faulted and interfered with. The Arbitrator keeping in view the facts and circumstances of the case in his wisdom, passed the Award. This Court is not to sit as Court of appeal on it and is required to keep its role of interference to minimal level. There is no valid ground made out to interfere in the findings recorded by the Arbitrator.

13. As a sequel to the above discussion, the present petition under section 34 of the Act filed by the petitioner is hereby dismissed. Memo of costs be prepared accordingly. Records of the Arbitrator be returned to the quarter concerned for safe custody after the expiry of appeal or revision, if any. File be consigned to the record room after due compliance.”

8. A perusal of the impugned judgment would show that various objections were raised by the appellant before the learned Additional District Judge, Panchkula and it was specifically so pointed out by the learned counsel for the appellant that there was no provision in the terms of the contract for granting expenses related to safety and maintenance of paddy stock, which was in fact granted in the claim and as per the learned counsel for the appellant, various other objections were also raised.

9. A further perusal of the aforesaid impugned judgment would show that the learned Additional District Judge, Panchkula has only referred to various judgments of Hon’ble Supreme Court and Section 5 of the Act and only reproduced the same. However, it was necessary for the learned Additional



District Judge, Panchkula to at least refer to the objections raised by the appellant and to consider the same in accordance with law particularly objection pertaining to going beyond the terms of contract. So far as the argument raised by the learned counsel for respondent No.1 that there was no need to deal with each and every objection title-wise is concerned, the same cannot be accepted in view of the fact that a perusal of paras No.11 to 13, as reproduced above, would show that the learned Additional District Judge, Panchkula has not considered even a single objection filed by the appellant and only observed that the Court is powerless to re-appreciate the evidence, which has already been considered by the learned Arbitrator.

10. This Court is of the considered view that the reliance made by the learned counsel for the appellant on the aforesaid judgments and the law laid down by Hon'ble Supreme Court is well placed. There is no dispute with regard to the proposition that the scope of Section 37 of the Act is very limited. However, at the same time, interference is not barred under any law. It is only in exceptional cases looking into the facts and circumstances of each and every case that intervention can be made. This Court is satisfied that the present cases fall in exceptional circumstances, where a perusal of the relevant portion of the aforesaid impugned judgment would show that not even a single objection raised by the appellant was considered and what to talk of giving any reason as to why the objections were not sustainable. General observations have been made that the Court cannot re-appreciate the evidence.

11. In view of the aforesaid facts and circumstances, both the present appeals are allowed. The impugned orders dated 03.10.2023 passed by the



learned Additional District Judge, Panchkula, in both the cases, are hereby set aside. The matters are remanded back to the learned Additional District Judge, Panchkula for deciding the objections filed by the appellant afresh by fresh application of mind and uninfluenced by the impugned judgment dated 03.10.2023 passed by the learned Additional District Judge, Panchkula as well as the present order passed by this Court. The learned Additional District Judge, Panchkula is directed to decide the objections under Section 34 of the Act, preferably within a period of three months from today.

15.09.2025
Chetan Thakur

(JASGURPREET SINGH PURI)
JUDGE

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No