



FAO-CARB-33-2019 (O&M)

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

FAO-CARB-33-2019 (O&M)

Date of decision: 28.10.2025

Haryana Power Generation Corporation Limited**...Appellant****Vs.****M/S R.N. Metals and another****...Respondents**

**CORAM: HON'BLE MR. JUSTICE ASHWANI KUMAR MISHRA
HON'BLE MR. JUSTICE ROHIT KAPOOR**

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

Mr. S.S. Rangi, Senior Advocate with
Mr. Varun Veer Chauhan, Advocate
Ms. Aneet Kaur, Advocate
for respondent No. 1.

ASHWANI KUMAR MISHRA, J. (Oral)

1. This appeal arises out of an order dated 05.12.2018 passed by the Commercial Court, Gurugram, in Arbitration Case No. 87 of 2018, whereby objections filed by the appellant under Section 34 of the Arbitration and Conciliation Act, 1996, challenging the arbitral award dated 16.12.2013 in Arbitration Case No.142 of 2011, have been dismissed.

2. Briefly stated, the appellant, Haryana Power Generation Corporation Limited (hereinafter referred to as “the appellant”), floated a tender for supply of 960 Metric Tons (MT) of Hi-Chrome Grinding Media Balls of sizes 30 mm, 40 mm, and 50 mm for its 210 MW Unit-6 and 250 MW Units 7 & 8 at Panipat. In response, three firms submitted bids, including M/s R.N. Metals, Jaipur (respondent No. 1). The High Powered Purchase Committee accepted the offer of respondent No. 1 and placed a purchase order



dated 01.10.2008 for the aforesaid supply.

3. The respondent's offer contained technical specifications and a performance warranty stipulating that the maximum wear rate of Hi-Chrome Grinding Media would not exceed 125 grams per MT of coal ground. In case of excess wear, the supplier was liable to supply the additional quantity free of cost. Respondent No. 1 also agreed to replace broken or defective balls beyond the permissible limit and furnished two performance bank guarantees of ₹ 23,37,600/- each through State Bank of Bikaner and Jaipur.

4. Subsequently, the appellant found that the wear rate of the Grinding Media supplied exceeded 125 grams per MT of coal ground. On this basis, the appellant short-closed the purchase order at 807.087 MT against the ordered 960 MT and demanded recoupment of the excess wear quantity. Payment for the 9th lot was withheld, leading to a dispute between the parties.

5. The principal issue that arises for consideration is whether the appellant-Corporation was justified in withholding the payment to the respondent on the premise that the Grinding Media supplied was of inferior quality, having a wear rate higher than the permissible limit prescribed under the Notice Inviting Tender (NIT) and Contract Agreement. It is not in dispute that the contractual relationship between the parties was governed by the same NIT and standard Contract Agreement which formed the basis of adjudication in *FAO-CARB-43-2018 (Haryana Power Generation Corporation Ltd. v. M/s Shree Balaji Industrial Products Ltd.)*. The NIT specifically stipulated that the maximum wear rate of Hi-Chrome Grinding Media would be 125 grams per metric ton of coal ground for all types of Indian coal conditions, and in case of any excess wear rate, the supplier would be obliged to supply the additional



grinding media at site, free of cost.

6. Respondent No. 1 approached the learned District Judge, Panipat, under Section 9 of the Arbitration and Conciliation Act, seeking interim protection, whereupon an order of status quo with respect to the bank guarantees was passed. Thereafter, an arbitrator was appointed who, after hearing both sides, passed an award dated 16.12.2013 for ₹ 71,78,065/- along with interest at 18% per annum. The appellant's objections under Section 34 were rejected by the learned Commercial Court, giving rise to the present appeal.

7. We have heard learned counsel for the parties and perused the record. The controversy essentially pertains to the appellant's claim that the wear rate exceeded the permissible limit and that respondent No. 1 was liable to supply additional Grinding Media free of cost. The Arbitrator, upon considering the contractual terms and evidence, held that the appellant failed to establish that the wear rate had been calculated in accordance with the agreed methodology under Annexure C/IV and therefore disallowed the appellant's claim.

8. The Arbitrator has returned a finding that foreign coal was also utilized by the appellant and therefore the condition that respondent is liable to make good any excess use of coal would not arise. In FAO-CARB-43-2018, we have held such view of Arbitrator to be in consonance with the term of contract.

9. The learned Commercial Court, while affirming the award, rightly observed that the scope of interference under Section 34 of the Act is limited.

The appellant did not raise any objection to the appointment of the Arbitrator



during the proceedings, and the award, being reasoned and based on evidence, cannot be interfered with merely because another view is possible.

10. It is well-settled that a court, in exercise of jurisdiction under Section 34 or Section 37 of the Act, cannot re-appraise evidence or substitute its own conclusions for that of the Arbitrator. Reference may be made to *Consolidated Construction Consortium Ltd. v. Software Technology Parks of India*, (2025) 7 SCC 757, and *Punjab State Civil Supplies Corp. Ltd. v. Sanman Rice Mills and Ors.*, 2024 SCC OnLine SC 2632, wherein the Hon’ble Supreme Court has reiterated that arbitral autonomy must be respected and judicial interference must remain minimal.

11. In the present case, the Arbitrator’s findings are supported by the contractual record and represent a plausible view of the matter. No ground falling within the ambit of Section 34 or Section 37 of the Act is made out to warrant interference.

12. Accordingly, the appeal is **dismissed**.

13. All pending miscellaneous applications, if any, also stand disposed of.

(ASHWANI KUMAR MISHRA)
JUDGE

(ROHIT KAPOOR)
JUDGE

28.10.2025

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Whether speaking/reasoned :	Yes	No
Whether Reportable :	Yes	No