



219

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

FAO-2856-2020(O&M)

Date of Decision: 20.11.2025

Punjab State Cooperative Supply and Marking Federation Limited

....Appellant

Versus

M/s Kunal Rice Mills and another

.....Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present: Mr. Ankit Chaudhary, Advocate,
for the appellant.

Mr. Vishesh Bhatia, Advocate,
for the respondents.

JASGURPREET SINGH PURI, J. (Oral)

1. The present appeal has been filed assailing the order dated 02.03.2020 passed by learned Additional District Judge, Chandigarh, 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.

2. Learned counsel appearing on behalf of the appellant submitted that the appellant-MARKFED had filed a claim before learned Arbitrator and similarly, the respondents had also filed their counter claim. Learned Arbitrator had allowed the claim of the appellant to the tune of Rs. 7,89,671/- and so far as the counter claim of the respondents is



concerned, the same was also allowed to the extent of Rs. 12,05,439/-. In this way, the appellant was liable to pay differential awarded amount to the tune of Rs. 4,15,768/- by way of a set off. He submitted that during the execution proceedings the aforesaid amount stands already paid by the appellant to respondents.

3. Learned counsel submitted that so far as the objections which were filed under Section 34 of the Act before the learned Additional District Judge is concerned, the appellant had filed such objections to the extent that the claim of the appellant was required to be allowed in toto and the respondents were not entitled to the counter claim but the same were dismissed by learned Additional District Judge and therefore, the present appeal has been filed.

4. On the other hand, learned counsel appearing on behalf of the respondents submitted that the aforesaid amount of Rs. 4,15,768/- already stand paid to the respondents and so far as the objections which have been decided by the learned Additional District Judge are concerned, the same have been dismissed in view of the fact that the learned Arbitrator has gone into detail with regard to the calculations and the Court of learned Additional District Judge while exercising the powers under Section 34 of the Act could not have gone into re-appreciation of the evidence or to substitute its own opinion and there was no ground available with the appellant who had filed the objections under Section 34 of the Act for challenging the award passed in the present case and because of this reason the objections were dismissed. He further submitted that the scope of Section 34 of the Act is very narrow because unless the grounds so specified under Section 34 of the Act are satisfied, the Court would not interfere into the



same but also the scope under Section 37 of the Act before this Court is also in a narrow compass and there is no ground available with the appellant to challenge the same. He submitted that even otherwise also, the entire amount as settled by the learned Arbitrator stands paid to the respondents and therefore, the appeal may be dismissed.

5. I have heard the learned counsel for the parties.

6. The dispute was between the appellant-MARKFED and the respondents. Learned Arbitrator had allowed the claim of the appellant to the tune of Rs. 7,89,671/- and counter claim of the respondents to the tune of Rs. 12,05,439/- and remaining differential amount of Rs. 4,15,768/- was paid to the respondents by the appellant during the execution proceedings regarding which there is no dispute. Learned Additional District Judge, while deciding the objections under Section 34 of the Act, considered the scope of Section 34 of the Act vis-a-vis the grievance raised by the appellant. It came to the conclusion that learned Arbitrator had already taken into consideration all the issues raised by the parties and if they are to be considered again, the same would be re-appreciation on the merits and it is a settled proposition of law that a Court exercising the powers under Section 34 of the Act would not go into re-appreciation of the evidence and substitute the award passed by the Arbitrator with its own opinion. Learned Additional District Judge relied upon various judgments of Hon'ble Supreme Court in this regard and held that there are no allegations of any defect in procedure or even in reasoning and therefore, the objections were beyond the purview of the grounds under Section 34(2) of the Act.

7. The law with regard to interference under Section 37 of the Act is no longer *res integra*. Hon'ble Supreme Court in *M/s C and C*



Constructions Limited versus IRCON International Limited, 2025 (4) SCC

234 held that the scope of interference in an appeal under Section 37 of the Act is well settled and reference was made to the earlier judgments passed by Hon'ble Supreme Court in ***Larsen Air Conditioning and Refrigeration Company versus Union of India and others, (2023) 15 SCC 472*** and also in ***Konkan Railway Corporation Limited versus Chenab Bridge Project Undertaking, (2023) 9 SCC 85***. The relevant portion of the aforesaid judgment in ***M/s C and C Constructions Limited's case (Supra)*** is reproduced as under:-

*“34. As far as scope of interference in an appeal under Section 37 of the Arbitration Act is concerned, the law is well settled. In **Larsen Air Conditioning & Refrigeration Co. v. Union of India**, this court held thus: (SCC P.478)*

“15. The limited and extremely circumscribed jurisdiction of the court under Section 34 of the Act, permits the court to interfere with an award, sans the grounds of patent illegality i.e. that illegality must go to the root of the matter and cannot be of a trivial nature; and that the Tribunal must decide in accordance with the terms of the contract, but if an arbitrator construes a term of the contract in a reasonable manner, it will not mean that the award can be set aside on this ground [ref : Associate Builders, SCC p. 81, para 42]. The other ground would be denial of natural justice. In appeal, Section 37 of the Act grants narrower scope to the appellate court to review the findings in an award, if it has been upheld, or substantially upheld under Section 34.”

(emphasis in original and supplied)



35. In *Konkan Railway Corpn. Ltd. v. Chenab Bridge Project* in para 18, this court held thus: (SCC P.93)

*“18. At the outset, we may state that the jurisdiction of the court under Section 37 of the Act, as clarified by this Court in *MMTC Ltd. v. Vedanta Ltd*, is akin to the jurisdiction of the court under Section 34 of the Act. Scope of interference by a court in an appeal under Section 37 of the Act, in examining an order, setting aside or refusing to set aside an award, is restricted and subject to the same grounds as the challenge under Section 34 of the Act.”*

8. In view of the aforesaid settled law and the facts of the present case, this Court is of the considered view that there was no ground available with the appellant under Section 34(2) of the Act for seeking interference in the award passed by the Arbitrator.

9. The learned Court exercising power under Section 34 of the Act could not have re-appreciated the evidence. There is nothing to show that there was any defect in the procedure adopted by the Arbitrator or even in the reasoning given by the Arbitrator. Even otherwise also, it is a well settled position of law that even if minor details or disputes crops up in the award of the Arbitrator, the same also cannot become a ground for setting aside the award. It is a settled law that even if the findings of the Arbitrator are perverse and they are in trivial in nature, then the same cannot be set aside unless there are major discrepancies which shocks the conscience of the Court. However, in the present case, there is no such material or ground available with the appellant. Even otherwise also, the appellant has already paid the aforesaid amount to the respondents in the execution proceedings.



Therefore, considering the aforesaid facts and circumstances, this Court does not find any merit in the present appeal and the same is hereby dismissed.

20.11.2025

(JASGURPREET SINGH PURI)

rakesh

JUDGE

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