



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

**FAO-2198-2017 (O&M)  
Date of Decision:20.08.2025**

**Hindustan Petroleum Corporation Ltd.**

....Appellant(s)

**Versus**

**Ms/ Brar Oil Carriers and another**

.....Respondent(s)

**CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI**

Present: Mr. Raman Sharma, Advocate,  
for the appellant.

Dr. Rau P.S. Girwar, Advocate,  
for respondent No.1.

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**JASGURPREET SINGH PURI, J. (Oral)**

1. The present appeal has been filed by the appellant under Section 37 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') challenging the order dated 13.05.2016 passed by the learned Additional District Judge, Bathinda under Section 34 of the Act.
2. Learned counsel appearing on behalf of the appellant submitted that there was a contract between the appellant and respondent No.1 and respondent No.1 being a Transport Company was running trucks in pursuance of the agreement. A dispute arose between the parties and by virtue of the arbitration clause, the matter was referred to the Sole Arbitrator and vide Annexure A-1 dated 30.11.2010, learned Sole Arbitrator passed an award by observing that the blacklisting of four trucks of



respondent No.1 and also one more truck. The truck numbers are given in the award itself and termination of the contract was not justified and therefore, the order of blacklisting and termination of the contract for the trucks was set aside. It was further directed that the appellant if he so wishes is at liberty to initiate appropriate proceedings of action against the provisions of relevant contract to which malpractices are detected, whereas so far as the prayer of the claimant/respondent with regard to monetary terms is concerned, it was observed that the claimant/respondent did not produce any material or record in monetary terms or otherwise in support of his prayer for compensation for loss sustained by them due to the action of the appellant and therefore, no such order was passed on the prayer of the claimant/respondent and therefore, the prayer was not allowed

3. Learned counsel submitted that therefore the appellant /Corporation was aggrieved by the first part of the award dated 30.11.2010 whereby it was directed that the blacklisting of the trucks and termination of the contract is not justified to which they filed objections under Section 34 of the Act before the learned Additional District Judge which were dismissed erroneously and therefore, the present appeal has been filed. He submitted that on the basis of the evidence adduced before the Arbitrator, the blacklisting and the termination should have been permitted by the learned Arbitrator but the same aspect has not been properly considered by the Additional District Judge and therefore, the order passed by the Additional District Judge may be set aside.

4. On the other hand, learned counsel for respondent No.1 submitted that the order passed by the learned Additional District Judge



under Section 34 of the Act is perfectly in accordance with law since no ground was made out which falls under any of the grounds mentioned in Section 34 of the Act and therefore, the learned Additional District Judge while deciding the objections came to the conclusion that there is no such ground available with the objectors that the award of the learned Arbitrator is in conflict with the public policy. He submitted while referring to the law laid down by Hon'ble Supreme Court with regard to scope of Section 34 of the Act that since the objections have been dismissed, the present appeal is liable to be dismissed.

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

6. The learned Arbitrator while passing the award did not grant any monetary compensation for any loss caused to the claimant-respondent but so far as the appellant-Corporation is concerned, it was directed that the order of blacklisting and termination of the contract was not justified. The learned Arbitrator based upon the evidence has passed the aforesaid award by considering the facts and circumstances. When the appellant-Corporation filed objections under Section 34 of the Act, then the same were duly considered by the learned Additional District Judge and it was so observed that there was no scope left for judicial intervention under Section 34 of the Act. The learned Court observed that the learned Arbitrator has assessed the material and evidence placed before it in detail and the Court while deciding objections under Section 34 of the Act should neither sit as a Court of appeal nor it can re-appreciate the evidence because it is the duty of the Court to see as to whether the view taken by the learned Arbitrator is a plausible view on the facts, pleadings and evidence before the learned Arbitrator. The Court



is not to re-assess the facts and the evidence available even if when two views are possible and the Arbitrator has taken one possible view. It was further observed by the learned Additional District Judge that it is not a case that the learned Arbitrator has misused his power and it was rather an admitted position between the parties that the objectors have also given contract for subsequent period to the same transporter, who is respondent No.1 and therefore, no such perversity was found and in view of the above, the learned Additional District Judge could not have interfered in the award.

7. The law with regard to scope of Sections 34 and 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 facts and circumstances, this Court is of the considered view that there is no illegality or perversity in the order passed by the learned Additional District Judge while deciding objections under Section 34 of the Act and so far as the scope of intervention under



Section 37 of the Act is concerned, there is no ground available with the appellant to seek intervention in appeal under Section 37 of the Act since none of the grounds available under Section 34 of the Act is satisfied.

9. Consequently, finding no merit in the present appeal, the same is hereby dismissed.

20.08.2025

(JASGURPREET SINGH PURI)

*rakesh*

**JUDGE**

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