



A.F.R.

IN THE HIGH COURT OF ORISSA AT CUTTACK

ARBA No.20 of 2017

Along with

ARBA Nos.21, 22 and 23 of 2017.

(From the Judgment dated 11.10.2017 passed by the Learned District Judge, Jharsuguda in Arbitration Petition No. 2 of 2016 arising out of arbitration award dated 01.03.2016 passed by the Ld. Sole Arbitrator Retd. Justice A.S.Naidu)

(In ARBA No.20 of 2017)

Mahanadi Coalfields Limited & Anr. *Appellant (s)*

-versus-

Jalaram Transport *Respondent (s)*

Advocates appeared in the case through Hybrid Mode:

For Appellant (s) : *Mr. S.D. Das,*
Senior Advocate along with
Mr.H. Mohanty, Advocate

For Respondent (s) : *Mr. A. Patnaik, Advocate*

CORAM:

DR. JUSTICE S.K. PANIGRAHI

DATE OF HEARING:-28.02.2025

DATE OF JUDGMENT:-09.05.2025

Dr. S.K. Panigrahi, J.

1. These Appeals under Section 37 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "A&C Act") have been filed seeking setting aside of the Judgment dated 11.20.2017 passed by the learned



District Judge, Jharsuguda in Arbitration Petition No. 1 of 2016, Arbitration Petition No. 2 of 2016, Arbitration Petition No. 3 of 2016 and Arbitration Petition No. 4 of 2016. Since these Appeals arise from the similar questions of law and facts and involve similar contentions, the same were taken up for hearing together and are being dealt with by this common judgment and order.

I. FACTUAL MATRIX OF THE CASE:

2. The present dispute arises over recovery of excess payment made to the Respondent Contractors by the Appellant. The Appellant, Mahanadi Coalfields Limited is a Central Government Public Sector Undertaking who floated tender, i.e. NIT 287 on 26.12.2002 for transportation of crushed coal from Samaleswari Open Cast Project, Coal Handling Plant, hereinafter referred to as "SOCP, CHP" to Lajkur Railway Siding No.I, II and III of Ib Valley Area, MCL. Lead (distance) mentioned in NIT-287 was 4-5 kms. from SOCP, CHP to Railway Siding No.I & II. The Respondent Contractors were successful bidders and the Appellant entered into individual contracts with each of them. On 7.4.2003 letter of intent was issued to the Respondent Contractors. Work orders were issued on 2.6.2003. On 23.6.2003, the agreements were signed. Date of commencement of the work was 27.4.2003. Period of completion of the work was two years from the date of commencement of the work. Scheduled date of completion of the work was 26.4.2005. The Respondent Contractors executed additional quantity of work and the



time for completion of the additional quantity of the work was extended twice till 30.4.2006.

3. Internally, without notifying the Respondent Contractors, it was found that the distances mentioned in the NIT were more than the actual distance covered by the Respondent Contractors. Therefore, the Appellants arrived at a decision to recover the excess amounts paid to the Respondent Contractors as they had allegedly covered less distance than what was specified in the Agreement. The Appellants accordingly invoked Clause 16 of the General Terms and Conditions of the Contract and made recovery of the excess payment by deducting the amounts from the running bill.
4. Aggrieved, the Respondent Contractors approached this Court vide W.P.(C) No. 6366/2006, 6367/2006, 6368/2006 and 6369/2006 apart from four other identically placed contractors also challenging the deductions so made. This Court *vide* its order dated 30.3.2010 was pleased to allow the Writ Petitions and directed the present Appellants to refund the amounts deducted.
5. Further aggrieved, the Appellant Company preferred SLP No. 17482/2010, 17569/2010, 17619/2010 and 17622/2010 before the Hon'ble Supreme Court. The Hon'ble Supreme Court *vide* order dated 10.10.2014 disposed off the Civil Appeal No. 9711/2014 (arising out of SLP No. 17482/2010), Civil Appeal No. 9712/2014 (arising out of SLP No. 17569/2010), Civil Appeal No. 9713/2014 (arising out of SLP No. 17619/2010) and Civil Appeal No. 9714/2014 (arising out of SLP No.



17622/2010) apart from four other identical appeals holding that this Court ought not to have interfered when there are disputed questions of facts involved. Thereafter, the Hon'ble Apex Court was pleased to appoint Ld. Single Arbitrator, Retd. Justice A. Suryanarayan Naidu to adjudicate upon the dispute between the Parties.

6. After hearing the parties, the Ld. Sole Arbitrator was pleased to pass his final award on 1.3.2016 wherein, the Ld. Sole Arbitrator was pleased to direct the Appellant Company to pay the excess amounts so recovered to the Respondent Contractors. Here, for the sake of convenience, the amount awarded in each of the ARBA's is reproduced in a tabular form:

SL. NO.	ARBA NO. (Before this Court)	Amount awarded under the head "Amount Recovered along with Bank Guarantee and Security Deposit"	Amount awarded towards litigation costs
1.	20/2017	51,79,296/- With Interest @9% from 6.3.2006, till 1.3.2016 and interest @ 11% from the date of the award till payment is made.	2,27,420/-
2.	21/2017	22,66,061/- With Interest @9% from 6.3.2006, till 1.3.2016 and interest @ 11% from the date of the award till payment is made.	1,13,186/-
3.	22/2017	63,79,784/- With Interest @9% from 6.3.2006, till 1.3.2016 and interest @ 11% from the	1,59,450/-



		date of the award till payment is made.	
4.	23/2017	55,38,551/- With Interest @9% from 6.3.2006, till 1.3.2016 and interest @ 11% from the date of the award till payment is made.	2,25,637/-

7. Aggrieved, the Appellant assailed the final award dated 1.3.2016 under Section 34 of the A&C Act in the Court of the Learned District Judge, Jharsuguda *vide* Arbitration Petition No. 1 of 2016, Arbitration Petition No. 2 of 2016, Arbitration Petition No. 3 of 2016 and Arbitration Petition No. 4 of 2016 respectively. *Vide* separate judgments all dated 11.10.2017 in Arbitration Petition No. 1 of 2016, Arbitration Petition No. 2 of 2016, Arbitration Petition No. 3 of 2016 and Arbitration Petition No. 4 of 2016, the Ld. District Judge, Jharsuguda was pleased to dismiss the same upon arriving at the conclusion that the award was not in violation of the public policy of India, did not contain any plausible fact that would shock the conscience of the court and did not have any patent illegality on the face of the record.
8. Aggrieved by the judgments dated 11.10.2017 in Arbitration Petition No. 1 of 2016, Arbitration Petition No. 2 of 2016, Arbitration Petition No. 3 of 2016 and Arbitration Petition No. 4 of 2016, the instant Appeals have been preferred. As the facts leading up to the instant Appeal have been laid down, this Court shall endeavour to summarise the contentions of the Parties and the broad grounds that have been raised



to seek the exercise of this Court's limited jurisdiction available under S. 37 of the A&C Act.

II. APPELLANT'S SUBMISSIONS:

9. The Ld. Counsel for the Appellant assails the arbitral award and the judgment of the learned District Judge, mainly on the ground that the learned District Judge has completely failed to deal with or cogently answer the grounds raised by the present appellant in its application under Section 34 of the A & C Act, 1996, challenging the Award dated 1.3.2016, passed by the Learned Sole Arbitrator, and has disposed of the matter in a cursory, casual and lackadaisical manner with complete non-application of mind contrary to the well settled propositions of law and, hence, both the impugned order and the Final Award are liable to be set aside.
10. It is also contended that the Ld. District Judge being the final court on facts did not take into account the alleged errors in facts that had been committed by the Ld. Arbitrator and therefore by allegedly relying on the erroneous findings of the Ld. Arbitrator, the Ld. District Judge has committed gross illegality and such a judgment is liable to be interfered with and set aside.

III. RESPONDENT'S SUBMISSIONS:

11. *Per contra*, Learned Counsels for the present Respondent contends that the Appellant has not been able to showcase any reasonable ground for interfering with the impugned judgment apart from making bald statements towards the same. It was vehemently submitted that the



scope of interference of this Court in an application u/s Section 37 of the A&C Act is extremely limited and this Court cannot reappreciate evidence at this stage, therefore it may not revisit the factual findings of the Ld. Tribunal apart from testing the same on the mantle of reasonableness. It was also submitted that the Ld. District Judge had considered all the material aspects of the contentions raised by the parties and also duly regarded their submissions thereby warranting no interference with the concurrent views of the Ld. Arbitral Tribunal as well as the Ld. District Judge.

12. It is submitted that the award is based on appreciation of the material and evidence that were placed before the arbitrator and it is not open in these proceedings to re-appraise the same. It is thus prayed that the present appeal be dismissed.

IV. ISSUES FOR CONSIDERATION

13. Having heard the parties and perused the materials available on record, this court here has identified the following issues to be determined:

A. Whether this Court should interfere with the impugned order given the narrow scope of its powers under Section 37 of the A&C Act?

V. ISSUE A: WHETHER THIS COURT SHOULD INTERFERE WITH THE IMPUGNED ORDER GIVEN THE NARROW SCOPE OF ITS POWERS UNDER SECTION 37 OF THE A&C ACT?

14. It is trite in law that whilst exercising power under Section 34 of the 1996 Act the Court does not sit in appeal over the arbitral award.



Interference with an arbitral award is only on limited grounds as set out in Section 34 of the 1996 Act. A possible view by the arbitrator on facts is to be respected as the arbitrator is the ultimate master of the quantity and quality of evidence to be relied upon. It is only when an arbitral award could be categorized as perverse, that on an error of fact an arbitral award may be set aside. Further, a mere erroneous application of the law or wrong appreciation of evidence by itself is not a ground to set aside an award as is clear from the provisions of subsection (2-A) of Section 34 of the 1996 Act.

15.In *Dyna Technologies (P) Ltd. v. Crompton Greaves Ltd.*¹, a three-Judge Bench of the Hon'ble Supreme Court held that Courts need to be cognizant of the fact that arbitral awards are not to be interfered with in a casual and cavalier manner, unless the court concludes that the perversity of the award goes to the root of the matter and there is no possibility of an alternative interpretation that may sustain the arbitral award. It was observed that jurisdiction under Section 34 cannot be equated with the normal appellate jurisdiction. Rather, the approach ought to be to respect the finality of the arbitral award as well as party's autonomy to get their dispute adjudicated by an alternative forum as provided under the law.

16.It is also a settled proposition that errors of fact cannot be corrected by the court while exercising the jurisdiction under Section 34 of the A&C

¹ (2019) 20 SCC 1



Act as it does not sit in appeal over the award. In *Parsa Kente Collieries Ltd. v. Rajasthan Rajya Vidyut Utpadan Nigam Ltd.*², it was further *inter alia* held that a possible view by the Arbitrator on facts has necessarily to pass muster as the Arbitrator is the ultimate master of the quantity and quality of evidence to be relied upon when he delivers his arbitral award. It was further observed that thus an award based on little evidence or on evidence which does not measure up in quality to a trained legal mind would not be held to be invalid on this score. Reliance can also be placed upon *NHAI v. ITD Cementation (India) Ltd.*³, and *SAIL v. Gupta Brother Steel Tubes Ltd.*⁴. The view was reiterated in *Dyna Technologies (P) Ltd. (supra)* wherein it was *inter alia* held that the courts should not interfere with an award merely because an alternative view on facts and interpretation of contract exists. It was reminded that the court should defer to the view taken by the Arbitral Tribunal even if the reasoning provided in the award is implied unless such an award portrays perversity unpardonable under Section 34 of the A&C Act. In *South East Asia Marine Engg. & Constructions Ltd. [SEAMAC Limited] v. Oil India Ltd.*⁵, it was *inter alia* held that the courts should not interfere with an award merely because an alternative view on facts and interpretation of the contract exists.

² (2019) 7 SCC 236

³ (2015) 14 SCC 21

⁴ (2009) 10 SCC 63

⁵ (2020) 5 SCC 164



17. This Court also places further reliance on the Hon'ble Apex Court's judgment in *Madnani Construction Corpn. (P) Ltd. v. Union of India*⁶ wherein it was held that:

"20. It is well settled that the arbitrator is the master of facts. When the arbitrator on the basis of record and materials which are placed before him by the Railways came to such specific findings and which have not been stigmatised as perverse by the High Court, the High Court in reaching its conclusions cannot ignore those findings. But it appears that in the instant case, the High Court has come to the aforesaid finding that the items mentioned above are excepted matters and non-arbitrable by completely ignoring the factual finding by the arbitrator and without holding that those findings are perverse."

18. Where Section 34 is concerned, the position is well settled by now that the court does not sit in appeal over the arbitral award and may interfere on merits on the limited ground provided under Section 34(2)(b)(ii) i.e. if the award is against the public policy of India. As per the legal position clarified through decisions of this Court prior to the amendments to the 1996 Act in 2015, a violation of Indian public policy, in turn, includes a violation of the fundamental policy of Indian law, a violation of the interest of India, conflict with justice or morality, and the existence of patent illegality in the arbitral award. Additionally, the concept of the 'fundamental policy of Indian law' would cover compliance with statutes and judicial precedents, adopting a judicial

⁶ (2010) 1 SCC 549



approach, compliance with the principles of natural justice, and reasonableness.

19. It is only if one of these conditions is met that the court may interfere with an arbitral award in terms of Section 34(2)(b)(ii), but such interference does not entail a review of the merits of the dispute, and is limited to situations where the findings of the arbitrator are arbitrary, capricious or perverse, or when the conscience of the court is shocked, or when the illegality is not trivial but goes to the root of the matter. An arbitral award may not be interfered with if the view taken by the arbitrator is a possible view based on facts.

20. Therefore, to reiterate, the scope of interference in proceedings under Section 34 of the Arbitration and Conciliation Act, 1996 has been laid down by the courts time and time again, more recently summarised in the judgment of the Hon'ble Delhi High Court in *Indian Railways Catering and Tourism Corp Ltd. v. Brandavan Foods Products*⁷. The operative portion of which reads as under:

“42. The scope of examination of an arbitral award under Section 34 of the Act can be traced, more significantly so, in Associate Builders v. DDA, 2024 : DHC : 6114 O.M.P. (COMM) 495/2022 & Conn. matters (2015) 3 SCC 49, Ssangyong Engg. & Construction Co. Ltd. v. NHAI, (2019) 15 SCC 131 and Delhi Airport Metro Express (P) Ltd. v. DMRC, (2022) 1 SCC 131. Reliance is also placed upon, inter alia, Dyna Technologies (P) Ltd. v. Crompton Greaves Ltd. (2019) 20 SCC 1; UHL Power Co. Ltd. v. State

⁷ 2024 : DHC : 6114



of H.P. (2022) 4 SCC 116; South East Asia Marine Engineering & Constructions Ltd. v. Oil India Ltd. (2020) 5 SCC 164; Patel Engineering Ltd. v. North Eastern Electric Power Corporation Ltd. (2020) 7 SCC 167; PSA SICAL Terminals (P) Ltd. v. Board of Trustees of V.O. Chidambranar Port Trust Tuticorin, 2021 SCC OnLine SC 508; and Army Welfare Housing Organisation v. Sumangal Services (P) Ltd. (2004) 9 SCC 619.

43. For the sake of brevity, the principles delineated in the aforesaid cases are summarised hereinafter.

44. The award can be set aside on the ground of patent illegality if : a) the view taken by the arbitral tribunal is impossible or such that no reasonable person could arrive at it; b) if the arbitral tribunal exceeds its jurisdiction by going beyond the contract, and adjudicating upon issues not referred to it; c) the finding of the arbitral tribunal is based on no evidence or it ignores material evidence. Rewriting of contractual terms by the Arbitrator is completely prohibited, and an Award which suffers from such perversity is liable to be set aside. The illegality must go to the root of the matter and does not include mere erroneous application of law or a contravention of law which is unrelated to public policy or public interest. If two views are possible, the Court will not interfere with the view of the arbitral tribunal if it has taken one of the two views. Reappreciation of evidence is also impermissible.

45. The award can also be set aside on the ground of it being in contravention with public policy of India, the scope of which includes : a) fraud or corruption; b) violation of Sections 75 and 81 of the Act; c) any contravention with the fundamental policy of Indian law; d) violation of the most basic notions of justice or morality, so as to shock the conscience of the Court. The Court does not function as a Court of appeal, and errors of fact cannot be corrected. The arbitrator's findings on facts must be accepted, as



the arbitrator is the ultimate master of the quantity and quality of evidence in making the award.

46. It is also relevant to note that the Court cannot modify or rewrite the Award, and can only set it aside, post which the parties can re-initiate arbitration proceedings, if they so choose. However, partial setting aside is valid and justified, if the part proposed to be annulled is independent and can be removed without affecting the rest of the award. For this, reliance is placed upon McDermott International Inc. v. Burn Standard Co. Ltd., (2006) 11 SCC 181; S.V. Samudram v. State of Karnataka (2024) 3 SCC 623 and National Highways Authority of India v. Trichy Thanjavur Expressway Ltd. 2023 SCC OnLine Del 5183.”

21. Moreover, on the aspect of the Ld. Arbitrator being the master of facts, the Supreme Court has recently in ***NTPC Ltd. v. Deconar Services (P) Ltd.***⁸, has held as under:

“12. Further, it is also a settled proposition that where the arbitrator has taken a possible view, although a different view may be possible on the same evidence, the court would not interfere with the award. This Court in Arosan Enterprises Ltd. v. Union of India [Arosan Enterprises Ltd. v. Union of India, (1999) 9 SCC 449], held as follows : (SCC p. 475, paras 36-37)

“36. Be it noted that by reason of a long catena of cases, it is now a well-settled principle of law that reappraisal of evidence by the court is not permissible and as a matter of fact exercise of power by the court to reappraise the evidence is unknown to proceedings under Section 30 of the Arbitration Act. In the event of there being no reasons in the award, question of interference of the court would not arise at all. In

⁸ (2021) 19 SCC 694



the event, however, there are reasons, the interference would still be not available within the jurisdiction of the court unless of course, there exist a total perversity in the award or the judgment is based on a wrong proposition of law. In the event however two views are possible on a question of law as well, the court would not be justified in interfering with the award.

37. The common phraseology “error apparent on the face of the record does not itself, however, mean and imply closer scrutiny of the merits of documents and materials on record. The court as a matter of fact, cannot substitute its evaluation and come to the conclusion that the arbitrator had acted contrary to the bargain between the parties. If the view of the arbitrator is a possible view the award or the reasoning contained therein cannot be examined.”

22.It is no longer res integra that the scope for interference in an appeal under Section 37 of the Act is narrow. In order to succeed, the Appellant must establish that the finding of the arbitrator is based on no evidence or the arbitrator has taken into account material which is irrelevant or has ignored vital evidence.

23.This Court also notes that it has been repeatedly held that while entertaining appeals under Section 37 of the Act, the court is not actually sitting as a court of appeal over the award of the Arbitral Tribunal and therefore, the court would not reappreciate or reassess the evidence. The position of law stands crystallised today, that findings, of fact as well as of law, of the arbitrator/Arbitral Tribunal are ordinarily not amenable to interference either under Sections 34 or Section 37 of the Act. The scope of interference is only where the finding of the tribunal



is either contrary to the terms of the contract between the parties, or, ex facie, perverse, that interference, by this Court, is absolutely necessary. The arbitrator Tribunal is the final arbiter on facts as well as in law, and even errors, factual or legal, which stop short of perversity, do not merit interference under Section 34 or Section 37 of the Act.

24. While deciding an appeal it must be kept in mind that the arbitrator Tribunal is the final arbiter on facts as well as law, and even errors, factual or legal, which stop short of perversity, do not merit interference under Section 34 or Section 37 of the Act. The Hon'ble Supreme Court of India has consistently held that an arbitration award should not be lightly interfered with. In this regard we may place reliance on the Hon'ble Apex Court's judgments in *Renusagar Power Co. Ltd. v. General Electric Co.*⁹; *ONGC v. Saw Pipes Ltd.*¹⁰; *Hindustan Zinc Ltd. v. Friends Coal Carbonisation*¹¹ and *Associate Builders v. DDA*¹².
25. The scope of judicial scrutiny and interference by an appellate court under Section 37 of the Act is even more restricted, than while deciding a petition under Section 34 of the Act. The Hon'ble Supreme Court in *McDermott International Inc. v. Burn Standard Co. Ltd.*¹³ held as under:

⁹ 1994 Supp (1) SCC 644

¹⁰ (2003) 5 SCC 705

¹¹ (2006) 4 SCC 445

¹² (2015) 3 SCC 49

¹³ (2006) 11 SCC 181



“52. The 1996 Act makes provision for the supervisory role of courts, for the review of the arbitral award only to ensure fairness. Intervention of the court is envisaged in few circumstances only, like, in case of fraud or bias by the arbitrators, violation of natural justice, etc. The court cannot correct errors of the arbitrators. It can only quash the award leaving the parties free to begin the arbitration again if it is desired. So, scheme of the provision aims at keeping the supervisory role of the court at minimum level and this can be justified as parties to the agreement make a conscious decision to exclude the court’s jurisdiction by opting for arbitration as they prefer the expediency and finality offered by it’.”

26.It is also settled law that the courts cannot travel beyond the scope of Section 34 in an appeal under Section 37 from an order of the court in an application preferred by a party to set aside an arbitral award under Section 34 of the A&C Act as has been laid down by the Supreme Court in **MMTC Ltd. v. Vedanta Ltd.**¹⁴ where the Apex Court held:

“14. As far as interference with an order made under Section 34, as per Section 37, is concerned, it cannot be disputed that such interference under Section 37 cannot travel beyond the restrictions laid down under Section 34. In other words, the court cannot undertake an independent assessment of the merits of the award, and must only ascertain that the exercise of power by the court under Section 34 has not exceeded the scope of the provision. Thus, it is evident that in case an arbitral award has been confirmed by the court under Section 34 and by the court in an appeal under Section 37, this Court must be extremely cautious and slow to disturb such concurrent findings.”

¹⁴ (2019) 4 SCC 163



27. Section 34 of the Act makes provision for the supervisory role of courts for review of arbitral award only to ensure fairness. Intervention of the court is envisaged in few circumstances only, like, when an award is in conflict with the public policy of India, which includes cases of fraud, breach of fundamental policy of Indian law and breach of public morality. The other ground provided under Section 34 is patent illegality. It specifically provides that an award cannot be set aside on the ground of erroneous application of law or on re-appreciation of fact. In the decision of *McDermott International Inc. v. Burn Standard Co. Ltd.* (supra), a reference was made to the decision of *U.P. State Handloom Corpn. Ltd. v. Asha Lata Talwar*¹⁵ and it was observed that under Section 34 of the Act of 1996 there is a departure from the scheme of Section 16 in the 1940 Act where perhaps the court was given wider amplitude of powers. The Apex Court interpreted the scope of interference under Section 34 and observed that the court cannot correct errors of the arbitrators. It can only quash the award leaving the parties free to begin the arbitration again if it is desired. The scheme of the provision aims at keeping the supervisory role of the court at minimum level and this can be justified as parties to the agreement make a conscious decision to exclude the court's jurisdiction by opting for arbitration as they prefer the expediency and finality offered by it. Under Section 34(2) of the Act 1996 the court is empowered to set aside an arbitral award on the grounds specified therein. There is no specific

¹⁵ 2009 SCC OnLine All 624



power granted to the court to itself allow the claims originally made before the Arbitral Tribunal where it finds the Arbitral Tribunal erred in rejecting such claims. If such a power is recognised as falling within the ambit of Section 34(4) of the Act, then the court would be acting no different from an appellate court which would be contrary to the legislative intent of the Section 34 of the Act, 1996. The court shall decline to decide the claim that had been rejected even if wrongly so by the learned Arbitrator.

28. In the decision of *Dyna Technologies (P) Ltd. v. Crompton Greaves Ltd.*¹⁶, the Supreme Court noted that only when there is complete perversity in the reasoning then it can be challenged under the provisions of Section 34 of the Act. The power vested under Section 34(4) of the Act, 1996 to cure defects can be utilised in cases where the arbitral award does not provide any reasoning or if the award has some gap in the reasoning or otherwise and that can be cured so as to avoid the challenge based on the aforesaid curable defects under Section 34 of the Act.

29. It is well recognized in Arbitration jurisprudence that the scope of interference by the Courts in arbitration proceedings and arbitral awards is narrow and that the Courts ought to be cautious and circumspect in interfering with any award which is passed by an arbitral tribunal which has been appointed pursuant to an agreement

¹⁶ (2019) 20 SCC 1



between the parties to the dispute. The exceptions of the aforementioned rule finds place in Section 34 and Section 37 of the Act wherein certain instances have been outlined where the Courts can interfere with any award passed by arbitral tribunals and set it aside. This court therefore shall also examine the award with the aforesaid restrictive mandate of law.

30. Furthermore, this Court is cognizant that Section 37 of the Arbitration and Conciliation Act provides a statutory forum for appeal, inter alia, against an order either setting aside or refusing to set aside an arbitral award under Section 34 of the Act. The scope of such an appeal is inherently limited to the grounds enumerated under Section 34, thereby ensuring that the appellate process remains confined to the specific parameters established by the statute.

31. In view of the foregoing, this Court shall carefully examine the arguments advanced by the counsel for the Appellant, wherein it is asserted that the claims upheld by the Arbitrator are inconsistent with the terms of the contract or that the impugned Award lacks any supporting material or evidence.

32. *Prima facie*, a perusal of the impugned judgment and Award unequivocally demonstrates that the Arbitrator relied upon written submissions, documentary evidence, and the statements of the parties involved in the transaction to determine and quantify the claims.

33. The Ld. District Judge has first and foremost taken note of the scope of its powers under Section 34 of the A&C Act and the settled position of



law pertaining to the grounds where it may exercise it's powers which is in line with the position of law laid down by the Hon'ble Supreme Court in *PSA SICAL Terminals Pvt. Ltd. v. Board of Trustees of V.O. Chidambranar Port Trust Tuticorin and Ors.*¹⁷; *K. Sugumar and Anr. v. Hindustan Petroleum Corporation Ltd. & Anr.*¹⁸; *UHL Power Company Ltd. v. State of Himachal Pradesh*¹⁹; *Sutlej Construction Limited v. Union Territory of Chandigarh*²⁰; *Venture Global Engineering v. Satyam Computer Services Limited and Anr.*²¹ and *Patel Engineering Limited v. North Eastern Electric Power Corporation Limited*²².

34. Thereafter, the Ld. District Judge has taken note of the contentions of the Parties including the law relied upon by either side. Then the Ld. District Judge applied it's mind and referring to the findings of the Ld. Arbitrator has come to the conclusion that the Ld. Arbitrator has arrived at it's findings after due consideration of the documents on record, the agreement and the evidence adduced by the Parties. Such a finding having being arrived at cannot be trifled with in the absence of a glaring error as it is trite in law that a finding arrived at by the Ld. Arbitral Tribunal if plausible, cannot be interfered with.

¹⁷ AIR 2021 SC 4661

¹⁸ (2020) 12 SCC 539

¹⁹ (2022) 4 SCC 116

²⁰ (2018) 1 SCC 718

²¹ (2010) 8 SCC 660

²² (2020) 7 SCC 167



35.This Court, therefore, does not find that the order of the Tribunal, as confirmed by the learned District Judge, is so perverse or suffers from patent illegality which requires interference.

36.In view of the discussion above, this Court finds no infirmity, illegality or impropriety in the award and order of the learned District Judge, which would require interference in the present appeal. Appeal is accordingly dismissed.

VI. CONCLUSION:

37.Therefore, in light of the discussion above, keeping the settled principles of law in mind and for the reasons given above, this Court is of the considered view that the impugned orders as well as the Arbitral Awards warrant no interference under Section 37 of the A&C Act.

38.The amounts awarded in favour of the Respondent Contractors are directed to be disbursed in their favour, along with interest accrued, within a period of four weeks from the date of this judgement/ order.

39.These appeals are disposed of, accordingly. No order as to costs.

40. Interim order, if any, passed earlier in any of the aforesaid Appeals stands vacated.

(Dr. S.K. Panigrahi)
Judge

*Orissa High Court, Cuttack,
Dated the 9th May, 2025/*