

**HIGH COURT OF JUDICATURE FOR RAJASTHAN
AT JODHPUR**

S.B. Civil Miscellaneous Appeal No. 1551/2025

CNR: RJHC010227612025

URN: CMA / 3954U / 2025

The Rajasthan State Agricultural Marketing Board, Krishi Upaj
Mandi, Bikaner, Through The Executive Engineer.

----Appellant

Versus

Inderjeet Singh S/o Shri Harbans Singh, R/o Village And Po 40 F,
Tehsil Shri Karanpur, District Sri Ganganagar

----Respondent

For Appellant(s)	:	Mr. Kunal Bishnoi Mr. Dinesh Bishnoi
For Respondent(s)	:	Mr. Sheetal Kumbhat

HON'BLE MR. JUSTICE FARJAND ALI

Order

06/07/2026

1. The instant civil miscellaneous appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (hereinafter to be referred as "the Act of 1996") against the judgment dated 28.11.2024 passed by the learned District Judge and Sessions Judge No.1 Sri Ganganagar in Civil Misc. Case No.4/2022 whereby the learned Court below dismissed the application under Section 34 of the Act of 1996 seeking the quashing of the award dated 30.07.2022 passed by the learned Sole Arbitrator.

2. Briefly stated the facts of the case are that the appellant-Rajasthan Agricultural Marketing Board awarded a contract to the respondent, M/s Inderjeet Construction Company, for construction of a 3-kilometre link road pursuant to a tender floated during the

financial year 1994–95. Disputes having arisen out of the execution of the contract, the respondent invoked the arbitration clause, and after the demise of two previously appointed arbitrators, a Sole Arbitrator was appointed by this Court. The learned Sole Arbitrator, vide award dated 30.07.2022, partly allowed the respondent's claims and awarded a sum of Rs.1,08,187.30 along with interest. The appellant assailed the said award by filing an application under Section 34 of the Act of 1996, which came to be dismissed by the learned District Judge vide order dated 28.11.2024. Aggrieved thereby, the appellant has preferred the present appeal questioning the legality and validity of both the arbitral award as well as the order passed under Section 34 of the Act of 1996.

3. Heard learned counsels appearing on behalf of the parties and perused the impugned order as well as arbitral award.

4. The controversy involved in the present appeal lies in a very narrow compass. The appellant seeks interference with the order whereby its objections under Section 34 of the Act of 1996 came to be rejected and, consequently, the arbitral award dated 30.07.2022 was allowed to stand.

4.1 At the outset, it deserves to be noticed that the scope of judicial scrutiny under Section 34 of the Act of 1996 is extremely limited. The Court exercising jurisdiction under the said provision does not sit in appeal over the findings recorded by the learned Arbitrator. Re-appreciation or re-evaluation of evidence, reassessment of factual findings or substitution of the Court's own view in place of that taken by the learned Arbitrator is wholly

impermissible. Interference is warranted only on the well-recognized statutory grounds enumerated under Section 34 of the Act of 1996, namely, incapacity of a party, invalidity of the arbitration agreement, violation of principles of natural justice, lack of jurisdiction, adjudication beyond the scope of the reference, conflict with the public policy of India or patent illegality appearing on the face of the award, as contemplated by the statute. Unless the award falls within these limited parameters, the Court is duty-bound to exercise judicial restraint and respect the finality attached to arbitral adjudication.

4.2 A careful examination of the impugned order reveals that the learned Court below has appreciated the statutory limitations governing proceedings under Section 34 of the Act of 1996 in their correct perspective. The learned Court has rightly observed that the learned Sole Arbitrator was appointed pursuant to the orders passed by this Court; both the parties were afforded adequate and effective opportunity to lead oral as well as documentary evidence; every issue framed by the learned Arbitrator was considered independently and answered by assigning cogent and intelligible reasons; and no procedural irregularity, misconduct or jurisdictional error has been demonstrated by the appellant.

4.3 This Court also finds that the objections raised by the appellant are essentially directed against appreciation of evidence and factual findings recorded by the learned Arbitrator. Such submissions are nothing but an attempt to invite this Court to undertake a fresh evaluation of the merits of the dispute, which is wholly beyond the permissible scope of interference either under

Section 34 of the Act of 1996 or in an appeal arising therefrom. The findings recorded by the learned Arbitrator cannot be substituted merely because another view is possible.

4.4 The aforesaid principle has been authoritatively reaffirmed by the Hon'ble Supreme Court in **Gayatri Balasamy v. ISG Novasoft Technologies Ltd.** reported in (2025) 7 SCC 1 wherein it has been held that though a Court, in exceptional and narrowly circumscribed situations, possesses a limited power to modify an arbitral award, such power cannot be equated with an appellate jurisdiction so as to permit re-assessment of evidence or re-adjudication of the disputes decided by the Arbitral Tribunal. The Constitution Bench has reiterated that the Court must exercise utmost restraint and interfere only to the extent permissible under the statutory framework.

4.5 The learned Court below has, therefore, committed no error in declining to interfere with the arbitral award. The conclusions arrived at by the Court below are founded upon the settled principles governing arbitral jurisprudence and do not suffer from any perversity, patent illegality or jurisdictional infirmity warranting interference by this Court. However, this Court finds substance in the limited submission advanced on behalf of the appellant with regard to the rate of interest awarded for the period from 12.11.1996 to 29.05.2000. Although an Arbitrator undoubtedly possesses the jurisdiction to award interest for the pre-reference, *pendente lite* and post-award periods, such discretion is required to be exercised on a reasonable and

equitable basis keeping in view the facts and circumstances of the case.

5. Having regard to the nature of the dispute, the period involved, and the overall equities governing the parties, this Court is of the considered opinion that the award of interest @15% per annum for the aforesaid period appears to be on the higher side. Accordingly, while maintaining the entitlement of the claimant to interest, this Court deems it appropriate to suitably modify the rate thereof. The interest awarded by the learned Sole Arbitrator @15% per annum for the period from 12.11.1996 to 29.05.2000 shall stand substituted and reduced to 9% per annum. The award of interest @9% per annum from 30.05.2000 till the date of actual payment shall remain unaltered. Save and except the aforesaid limited modification in the rate of interest, the arbitral award dated 30.07.2022 does not call for any interference.

6. Consequently, the order dated 28.11.2024 passed by the learned Additional District & Sessions Judge No.1, Sri Ganganagar rejecting the objections under Section 34 of the Act of 1996 is hereby affirmed with slight modification that the claimant shall be entitled to interest @9% per annum instead of @15% per annum for the period from 12.11.1996 to 29.05.2000 also, while the remaining terms and conditions of the award shall remain intact.

7. Accordingly, the present Civil Miscellaneous Appeal stands disposed of in the above terms. Pending application(s), if any, also stand disposed of.

(FARJAND ALI),J