

HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Civil Miscellaneous Appeal No. 5329/2025

Rajasthan State Ganganagar Sugar Mills Ltd., 4Th Floor, Nehru
Sahkar Bhawan, B.s. Road, Jaipur-302006.

----Appellant

Versus

M/s Premier Alcobev Pvt. Ltd, Having Its Registered Office At F-
33/4, Okhla Industrial Area, Phase-Ii, New Delhi 110020
Through Its Authorized Signatory Mr. Ashu Malik S/o Sh.
Mahendra Singh, Aged About 42 Years, Presently R/o H.no. C-
196, Chandavardai Nagar, Taragarh Road, Ajmer, Permanent R/o
Geeta Bhawan, Gandhi Road, Rajddoot Agency Wali Gali, Shakti
Nagar, Chandausi, Sambhal, Uttar Pradesh-202412.

----Respondent

For Appellant(s)	:	Mr. Vikram Pratap Singh
For Respondent(s)	:	Mr. Kamendra Singh Rathore with Mr. Kamendra Sihag

HON'BLE THE ACTING CHIEF JUSTICE MR. SANJEEV PRAKASH SHARMA
HON'BLE MRS. JUSTICE SANGEETA SHARMA

Order

11/02/2026

1. Heard.
2. The challenge in this appeal is to the order passed by the learned Commercial Court dated 11.09.2025, whereby the objections raised by the appellant in terms of Section 34 of the Arbitration and Conciliation Act, 1996 (for short 'the Act of 1996'), were rejected and the award was upheld.
3. Mr. Vikram Pratap Singh, learned counsel for the appellant submits that learned Commercial Court as well as learned Arbitrator have failed to take into consideration the reasons, which were taken into consideration by the appellant for deducting the

amount of Rs.38,23,200/-, from the security deposit. It is submitted that there was a palpable and deliberate delay in installment and learned Arbitrator has erred in holding that there was no delay on the part of the claimant.

4. The question whether there has been a delay or not, is a pure question of fact. Learned Arbitrator, after considering the statement and the documents which had come on record, reached to the conclusion that the delay in getting the requisite licenses, cannot be held to be on the claimant's accounts.

5. Such a finding arrived at, cannot be a ground to interfere in terms of Section 34 of the Act of 1996, which provides as under:

"34. Application for setting aside arbitral award-(1) *Recourse to a Court against an arbitral award may be made only by an application for setting aside such award in accordance with sub-section (2) and sub-section (3).*

(2) *An arbitral award may be set aside by the Court only if-*

(a) *the party making the application [establishes on the basis of the record of the arbitral tribunal that]-*

(i) *a party was under some incapacity, or*

(ii) *the arbitration agreement is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law for the time being in force; or*

(iii) *the party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or*

(iv) *the arbitral award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration:*

Provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the arbitral award which contains decisions on matters not submitted to arbitration may be set aside; or

(v) *the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties, unless such agreement was in conflict with a*

provision of this Part from which the parties cannot derogate, or, failing such agreement, was not in accordance with this Part; or

(b) the Court finds that--

(i) the subject-matter of the dispute is not capable of settlement by arbitration under the law for the time being in force, or

(ii) the arbitral award is in conflict with the public policy of India.

[Explanation 1.-For the avoidance of any doubt, it is clarified that an award is in conflict with the public policy of India, only if,-

(i) the making of the award was induced or affected by fraud or corruption or was in violation of section 75 or section 81; or

(ii) it is in contravention with the fundamental policy of Indian law; or

(iii) it is in conflict with the most basic notions of morality or justice.]

[Explanation 2.-For the avoidance of doubt, the test as to whether there is a contravention with the fundamental policy of Indian law shall not entail a review on the merits of the dispute.]

[(2A) An arbitral award arising out of arbitrations other than international commercial arbitrations, may also be set aside by the Court, if the Court finds that the award is vitiated by patent illegality appearing on the face of the award:

Provided that an award shall not be set aside merely on the ground of an erroneous application of the law or by reappreciation of evidence.]

(3) An application for setting aside may not be made after three months have elapsed from the date on which the party making that application had received the arbitral award or, if a request had been made under section 33, from the date on which that request had been disposed of by the arbitral tribunal:

Provided that if the Court is satisfied that the applicant was prevented by sufficient cause from making the application within the said period of three months it may entertain the application within a further period of thirty days, but not thereafter.

(4) On receipt of an application under sub-section (1), the Court may, where it is appropriate and it is so requested by a party, adjourn the proceedings for a period of time determined by it in order to give the arbitral tribunal an opportunity to resume the arbitral proceedings or to take such other action as in the opinion of arbitral tribunal will eliminate the grounds for setting aside the arbitral award.

[(5) An application under this section shall be filed by a party only after issuing a prior notice to the other party and such application shall be accompanied by an affidavit by the applicant endorsing compliance with the said requirement.]

[(6) An application under this section shall be disposed of expeditiously, and in any event, within a period of one year from the date on which the notice referred to in sub-section (5) is served upon the other party.]”

6. Thus, there is a very limited scope for learned Commercial Court to entertain objections, apart from the grounds, which have been enlisted under Section 34 of the Act of 1996.

7. Learned Commercial Court too, has reached to the similar findings and has found that the award passed by the learned Arbitrator does not warrant interference. The scope of appeal under Section 37 of the Act of 1996 is also very limited. We cannot presume or give an opinion even though, there may be a different possible view.

8. The judgment cited at Bar by the learned counsel for the appellant itself considers this aspect. It would be apposite to quote para 49 of the judgment passed in the case of **Delhi Airport Metro Express Private Limited Vs. Delhi Metro Rail Corporation Limited**, reported in **(2022) 1 SCC 131** as under:

"49. Even assuming the view taken by the High Court is not incorrect, we are afraid that a possible view expressed by the Tribunal on construction of the terms of the Concession Agreement cannot be substituted by the High Court. This view is in line with the understanding of Section 28(3) of the 1996 Act as a ground for setting aside the arbitral award, as held in Associate Builders and thereafter upheld in Ssangyong. No case has been made out by the High Court to establish violation of Section 28(3). Having carefully examined the Concession Agreement, the findings recorded by the Tribunal and the findings recorded by the Division Bench, we are not in a position to hold that the opinion of the Tribunal on inclusion of Rs.611.95 crores under "equity" is a perverse view. It cannot be said that the Tribunal did not consider the evidence on record, especially the resolution dated 16.03.2011 passed by DAMEPL's Board of Directors. We also do not find fault with the approach of the Tribunal that the understanding of the term equity as per the Companies Act, 2013 is not relevant for the purposes of determining "Adjusted Equity" in light of the express definition of the term in the Concession Agreement. As has been held in Ssangyog, mere contravention of substantive law as elucidated in Associate Builders is no longer a ground available to set aside an arbitral award. The support placed by the Division Bench on the interpretation of Section 28(1)(a) of the 1996 Act as adopted in Associate Builders is, therefore, no

longer good law. In view of the foregoing, we set aside the findings of the High Court and uphold the award by the Tribunal in respect of the computation of termination payment under Clause 29.5.2."

9. It is settled principle of law that the objective of the Act of 1996 is to minimize the supervisory control over the arbitral process and judicial interference with the arbitral award is strictly limited and there is no scope available to examine the award like an appeal.

10. We, however, find that in almost all the arbitration awards passed by the learned Arbitrator, objections are being raised and then appeals are being filed in this Court without there being any ground, which may come within the four-corners of Section 34 of the Act of 1996.

11. Accordingly, the appeal is dismissed with a cost of Rs.25,000/- to be deposited with the Rajasthan State Legal Services Authority. Pending application, if any, shall stand disposed of.

(SANGEETA SHARMA),J

(SANJEEV PRAKASH SHARMA),ACTING CJ