AN UNWARRANTED SECOND RETRIAL: EXAMINING JUDICIAL MINIMALISM IN JAN DE NUL DREDGING INDIA PVT. LTD.

Raja Nirmalya Prasad Senapati, KIIT School of Law

ABSTRACT

In the case of ***Jan De Nul Dredging India Pvt. Ltd. v. Tuticorin Port Trust*** (2026 INSC 34), the Supreme Court of India was faced with a very important issue in respect of the scope of judicial involvement when dealing with challenges to an arbitration award. Through setting aside the order passed by the Division Bench of the High Court, the Apex Court upheld the legal provision which makes it clear that under Section 37 of the Arbitration and Conciliation Act, 1996, losing parties cannot have another chance to re-litigate the matter as a whole. It is made quite clear through the case that appellate courts do not have the jurisdiction to launch an independent reconsideration or break up the interpretation of the contract arrived at by the arbitrators just because another interpretation may be more commercially sensible. In view of the established principle laid down in ***MMTC Limited v. Vedanta Limited and Konkan Railway Corporation Ltd. v. Chenab Bridge Project Undertaking***, the case comment analyses the very clear demarcation line between Section 34 and Section 37 challenges.

Keywords: Section 37, Section 34, Minimal Judicial Interference, Plausible View, Commercial Finality, De Novo Review.

I. INTRODUCTION

Contrary to traditional methods, arbitration is an alternate means of dispute resolution that aims at offering justice to the concerned parties in a quick, inexpensive, and private manner. However, there exists a contradiction between arbitration and the two concepts of party autonomy and judicial rights because, in case the losing party appeals the arbitration judgment in the courts, the process takes much longer. It is the Arbitration and Conciliation Act of 1996, Section 5 of which,[1] that deals with this problem. Rather than placing limitations, it limits judicial interference. This provision supports the principle of the Act since it maintains the "extent of judicial intervention," upon which the entire Act rests.

Despite all these provisions, the losing party still manages to evade such measures to delay its implementation. This issue was dealt with by the Supreme Court of India in the important case of Jan De Nul Dredging India Pvt. Ltd. v. Tuticorin Port Trust (2026 INSC 34),[2] whereby the court clarified that there is no power vested in the court to refuse and amend an arbitration award arbitrarily. It became quite clear from the Apex Court's verdict that post-award litigation cannot be treated as a normal next step towards a long tradition of appellate procedure.

II. STATEMENT OF FACTS

The present ruling was delivered in a Special Leave Petition (SLP) involving the appellant, *Jan De Nul Dredging India Pvt. Ltd.*, a company incorporated under the Companies Act, 1956 and the respondent, *Tuticorin Port Trust*, which is constituted under the Major Port Trusts Act. The core dispute arises out of the application and scope of Section 37 of the Arbitration and Conciliation Act, 1996.[3] Briefly, the respondent had initiated a project designated as "Deepening of the Channel and Basin to Cater to 12.80 meter Draught Vessels at Tuticorin Port" to facilitate the seamless operation of port and maritime vessels. The claimant emerged as the successful bidder, leading to the execution of a formal license agreement between the parties on December 27, 2010. This contract, which incorporated all tender stipulations, was

---

[1] The Arbitration and Conciliation Act, 1996, § 5, No. 26, Acts of Parliament, 1996 (India) (explicitly limiting judicial intervention in arbitral processes except where expressly provided under Part I of the Act).

[2] Jan De Nul Dredging India Pvt. Ltd. v. Tuticorin Port Trust, 2026 INSC 34 (holding that appellate courts exercising jurisdiction under Section 37 cannot conduct a de novo review or substitute the tribunal's contract interpretation merely because an alternative view is plausible).

[3] The Arbitration and Conciliation Act, 1996, § 37, No. 26, Acts of Parliament, 1996 (India) (delineating the narrow, non-appealable structural thresholds permitted for preferring an appeal against specific orders of an arbitral tribunal or a Section 34 court).

valued at ₹465,47,00,000 (Rupees Four Hundred Sixty-Five Crores and Forty-Seven Lakhs) with a tenure of 14 months.

According to the contract, the claimant had to use suitable dredging machinery that met the respondent's approval. Nonetheless, the claimant broadened the scope of operations by introducing extra equipment, such as a BHD backhoe dredger and two significant cutter suction dredgers, which led to the project being finished eight months earlier than planned. After a survey commissioned to evaluate the work deemed it excellent, a formal completion and taking-over certificate was granted to the claimant on April 2, 2012.

A dispute took place in relation to some amounts which were demanded by the appellant from the respondent. In order to resolve the matter in question, an arbitral tribunal consisting of three members was constituted, in which the appellant filed eleven different claims. Ultimately, the arbitral tribunal awarded ₹14,66,00,000 as compensation for the delay in handling of BHD machines on account of the inefficiencies of the port authority. The respondent challenged the said arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996.[4]

Frustrated with the dismissal, the respondent moved a Section 37 appeal before the Division Bench of the Madras High Court based on the Arbitration and Conciliation Act, 1996. The Division Bench reversed the order made under Section 34 and expressly quashed the award passed by the tribunal in claim number seven. This made claim seven the crux of the dispute; hence, the appellant decided to move the Supreme Court of India through a Special Leave Petition against the constraints on judicial intervention under Sections 34 and 37 of the Act.

III. LEGAL ISSUES

Whether a court exercising appellate jurisdiction under Section 37 of the Arbitration and Conciliation Act, 1996, possesses the authority to conduct a *de novo* review of the case, reassess the evidence, and substitute the Arbitral Tribunal's findings with its own interpretation merely because an alternative view is plausible?

Whether the Division Bench of the High Court overstepped its statutory boundaries and committed a jurisdictional error by modifying or setting aside a specific component of the

---

[4] The Arbitration and Conciliation Act, 1996, § 34, No. 26, Acts of Parliament, 1996 (India) (providing the limited statutory recourse available to an aggrieved party for setting aside an arbitral award exclusively on established grounds such as patent illegality or public policy violations).

arbitral award (Claim No. 7), rather than confining its scrutiny to the narrow parameters permissible under the Act?

IV. HOLDING AND RATIO DECIDENDI

The Apex Court overturned the Section 37 court's dismissal ruling and restored the arbitral award. According to the stated arbitral award, compensation may be granted in accordance with the law and statute, regardless of whether it is specifically mentioned in the contract or not.

The Supreme Court made clear that the jurisdiction of the appeals court in relation to Section 37 is narrower compared to the one of the Section 34 court since the latter has the sole duty of determining whether the decision of the Section 34 judge was legally justified. In this case, the objection against the arbitral award was based on the merits since it clearly focused on the claims made and not on ancillary issues such as hindrance of other proceedings. It is important to note that courts do not have the authority to set aside arbitral awards. This emphasizes the principle of judicial interference minimisation.

V. CRITICAL ANALYSIS

In doing what lies beyond its jurisdiction by interpreting a contract based on its subjective preference rather than a reasonable interpretation, the Division Bench of the High Court made an error of jurisdiction. A contractual provision should be analysed in totality in situations involving complex business transactions and specialised construction ventures such as dredging. The Bench did not realise that there was nothing within the agreement itself that excluded those claims when certain equipment was utilised to achieve a goal before schedule. By imposing a restrictive limitation on an agreement that gave the contractor discretion to deploy necessary auxiliary machinery to the port's satisfaction, the Apex Court's intervention effectively altered the parties' original commercial terms, which was a crucial corrective to this judicial overreach. In *MMTC Limited v. Vedanta Limited*,[5] the Supreme Court used the ratio to reinforce this tight jurisdictional border, emphasising that a court's authority under Section 37 is strictly limited by the statutory limits of Section 34. Applying the MMTC precedent, the

[5] MMTC Limited v. Vedanta Limited, (2019) 4 SCC 163 (settling the position that a court reviewing an order under Section 37 is strictly bound by the identical restrictive parameters imposed upon a court under Section 34).

Court confirmed that the Division Bench was not required to perform a de novo merit assessment or reevaluate the evidentiary record because the tribunal's conclusions regarding BHD idling compensation remained structurally cohesive and credible.

In *Konkan Railway Corporation Ltd. v. Chenab Bridge Project* Undertaking, the Apex Court further strengthened this legislative protection by citing the ratio, which emphasises the integrity of an arbitrator's interpretation.[6] The Konkan Railway case states that a court cannot overturn a tribunal's interpretation of a contract only because a different viewpoint seems more reasonable as long as the original interpretation is nonetheless credible and structurally sound. The Supreme Court clearly confirmed that Section 37 does not give appellate bodies the authority to replace the tribunal's rational conclusions with subjective evaluations by upholding these judicial standards. This ruling effectively protects the concept of commercial finality, guaranteeing that arbitral verdicts are not subject to standard appellate scrutiny or merits-based re-litigation.

VI. CONCLUSION

The Jan De Nul decision from the Supreme Court represents a significant judicial change in the way arbitral appeals are handled. The Apex Court made it very evident that Section 37 should not be used as a substitute forum for re-arguing the merits or for a thorough analysis of contract wording by intervening to overturn the Division Bench's ruling.

When parties choose for arbitration, they consent to the tribunal's interpretation of the agreement, barring the court from enforcing its own view. A superior awareness of the operational issues in large-scale infrastructure projects is demonstrated by the reinstatement of the ₹14.66 Crore prize for idle machinery.

This ruling shields contractors who promptly complete project deadlines from incurring financial liabilities due to delays by institutions. By significantly restricting court involvement, the decision provides the commercial predictability essential for fostering investment in Indian infrastructure initiatives.

---

[6] Konkan Railway Corporation Ltd. v. Chenab Bridge Project Undertaking, (2023) 9 SCC 85 (affirming the principle of commercial finality and declaring that an arbitrator's interpretation of a contract must be preserved if it qualifies as a plausible view).