
Chhattisgarh High Court Reiterates That Additional Evidence In Section 34 Arbitration Challenges Can Only Be Introduced In Exceptional Circumstances

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Introduction

The Chhattisgarh High Court in *Hira Carbonics Private Limited v. Kunwar Virendra Singh Patel* [2025:CGHS:2571], examined an important procedural question in arbitration law: whether additional documents can be introduced at the stage of a challenge under Section 34 of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**").

The case arose from an arbitration award dispute where the Respondents sought to introduce additional evidence under Section 65 of the Indian Evidence Act, 1872 ("**Evidence Act**"). The High Court's ruled that such evidence can only be admitted in exceptional circumstances. In this article, we navigate through the facts of the case and the findings rendered by the Chhattisgarh High Court.

Brief Facts

The dispute arose from an arbitration proceeding in which an award was passed against the Respondents on 16 April 2020. Seeking to set aside this award, the Respondents filed an application under Section 34 of the Arbitration Act before the Commercial Court, Raipur. While these proceedings were pending, the Respondents moved an additional application under Section 65 of the Evidence Act, seeking to introduce a letter dated 15 April 2015, allegedly issued by Hira Carbonics (the Petitioner) in their favour. This letter was supposedly crucial for establishing their case against the arbitration award.

The Petitioner opposed this move, contending that under the Arbitration Act, a party challenging an arbitral award must do so based strictly on the record before the arbitral tribunal. It was argued that no additional evidence could be introduced unless exceptional circumstances were demonstrated, which, according to the Petitioner, had not been established by the Respondents. The Commercial Court, however, allowed the application, holding that the introduction of the document did not amount to an acceptance of its validity but merely permitted the Respondents to place it on record. The Petitioner challenged this order before the Chhattisgarh High Court.

Arguments from Both Sides

The Petitioner contended that the Commercial Court erred in allowing the additional evidence. It was argued that Section 34 of the Arbitration Act prescribes a limited scope of judicial review, wherein Courts cannot entertain fresh evidence unless there is a demonstrable need based on exceptional circumstances. The Petitioner relied on *Alpine Housing Development Corporation Pvt. Ltd. v. Ashok S. Dhariwal* [2023 SCC OnLine SC 55], where the Supreme Court held that arbitral challenges

should be summary in nature and that Courts should not permit new evidence unless strictly necessary.

The Petitioner further argued that the Respondents had failed to establish any compelling reason justifying the introduction of the additional document. There was no application or affidavit explaining why this evidence was not produced before the arbitrator. It was emphasised that the Supreme Court has consistently discouraged expanding the scope of Section 34 proceedings, as it would defeat the objective of speedy resolution in arbitration.

The Respondents countered by arguing that the document was crucial to their case and that they were entitled to prove its contents under the provisions of the Evidence Act. It was contended that the Commercial Court had rightly applied the principles laid down in *Alpine Housing Development Corporation (supra)* by allowing the Respondents to place the document on record without prejudging its authenticity. The Respondents insisted that the procedural flexibility under the Evidence Act should be available in arbitration challenges to ensure fair adjudication.

Findings of the Chhattisgarh High Court

The High Court examined whether the Commercial Court had correctly applied the law while allowing the Respondents to introduce additional evidence. Referring to *Alpine Housing Development Corporation (supra)*, the High Court reiterated that arbitral challenges under Section 34 are meant to be summary proceedings. The scope for introducing fresh evidence is highly restricted and can only be permitted in exceptional cases.

The High Court held that the Respondents had not demonstrated any exceptional circumstances warranting the introduction of new evidence. There was no explanation as to why the letter dated 15 April 2015 was not submitted before the arbitrator during the initial proceedings. The High Court pointed out that in terms of the law laid in *Alpine Housing Development Corporation (supra)*, additional evidence can only be allowed if it pertains to matters that were not before the arbitrator but are crucial to determining the issues under Section 34(2)(a). However, the Respondents had failed to make such a case.

The High Court also observed that the Commercial Court had wrongly assumed that allowing additional evidence did not prejudice the opposing party. It held that permitting new evidence at the Section 34 stage could fundamentally alter the nature of the challenge and delay arbitration proceedings. The High Court noted that admitting such documents without requiring an affidavit explaining exceptional circumstances amounted to a procedural irregularity.

Consequently, the High Court set aside the Commercial Court's order dated 7 November 2024. However, it clarified that the Respondents were at liberty to file a fresh application, provided they complied with the legal requirements laid down in *Alpine Housing Development Corporation (supra)*, including submitting an affidavit establishing the necessity of the document in question.

Comment

The ruling of the Chhattisgarh High Court reinforces the principle that arbitration challenges must be confined to the record before the arbitral tribunal, ensuring that proceedings remain summary in nature. The judgment serves as a cautionary reminder that Courts must be wary of permitting additional evidence at the Section 34 stage, as it could undermine the efficiency and finality of arbitration.

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