

THE HON'BLE SRI JUSTICE SANJAY KUMAR  
AND  
THE HON'BLE SMT. JUSTICE ANIS

CIVIL REVISION PETITION Nos.3722 and 3804 of 2015

COMMON ORDER: (Per Hon'ble Sri Justice Sanjay Kumar)

These civil revision petitions under Article 227 of the Constitution are sought to be maintained by the petitioners, who are common to both cases, in relation to two separate arbitration proceedings initiated by M/s. Shriram City Union Finance Limited, the first respondent herein.

In both arbitration cases, the petitioners raised objections under Sections 6, 12(3) and 16 of the Arbitration and Conciliation Act, 1996, before the sole arbitrator, the second respondent herein. By separate orders dated 21.07.2015 passed therein, the sole arbitrator overruled the objections. Aggrieved thereby, the petitioners are before this Court.

By order dated 21.03.2016 passed in both the civil revision petitions, this Court granted stay of further proceedings. However, when the matters were again listed on 07.06.2016, it was pointed out to the learned counsel for the petitioners that the very maintainability of the revision petitions is open to question as the power of judicial superintendence being exercised by this Court under Article 227 of the Constitution would not extend to a private arbitral tribunal.

Sri C. Prakash Reddy, learned counsel for the petitioners, would fairly state before us today that he was unable to find any case law to support his claim that these revision petitions would be maintainable under Article 227 of the Constitution against a private arbitral tribunal. He would however rely upon the decision of a Division Bench of the Madhya Pradesh High Court in Dilip Construction Company v. Hindustan

Steel Ltd.<sup>1</sup> and, more specifically, the observation made therein to the effect that the existence of a difference or dispute is an essential condition for the arbitrator to assume jurisdiction under an arbitration clause in an agreement and failure to pay would not amount to a dispute unless the party who chooses not to pay raises a point of controversy regarding, for instance, the basis of payment or the time or manner of payment.

It is an admitted fact that the petitioners availed loan facilities from the first respondent herein and the arbitration proceedings are in relation to their failure to discharge the loans. At this stage of the matter, it is wholly premature for this Court to go into the merits of the claim raised before the arbitrator in this regard. In any event, we are of the considered opinion that Article 227 of the Constitution would have no role to play in a matter of this nature against a private arbitral tribunal.

The civil revision petitions are accordingly dismissed on this short ground.

Interim order dated 21.03.2016 shall stand vacated in both cases. Pending miscellaneous petitions, if any, shall also stand dismissed. No order as to costs.

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SANJAY KUMAR, J

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ANIS, J

1<sup>st</sup> November, 2016  
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<sup>1</sup> AIR 1973 MADHYA PRADESH 261