

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

ARBITRATION PETITION NO.1189 OF 2014

M/s Steel Tubes of India Limited

And Others

... Petitioners

Versus

Saraswat Co-operative Bank Ltd.

And Another

... Respondents

.....

Mr. Chirag Mody a/w Mr. Jayesh Mestry and Mr. Akshat Shah I/b RMG
Law Associates for the Petitioners.

Mr Bhupesh V. Samant for Respondent No.1.

.....

CORAM : S.C. GUPTE, J.

DATE : 18 FEBRUARY 2019

P. C. :

. Heard learned Counsel for the parties.

2 The only contention of the Petitioners in the present petition is that the disputes covered herein concern an act or omission on the part of the Petitioners as debtors of the first Respondent bank and the limitation period for initiating arbitration for such disputes ought to be reckoned as six years from the date of such act or omission. The reference was initiated clearly for recovery of a sum including interest thereon due to the first Respondent bank, who is a multi-state co-operative society governed by Multi-State Co-operative Societies Act, 2002 ("Act"). The dispute is against the Petitioners as members of the society and accordingly, limitation must be computed from the date of which the Petitioners cease to be members of the society, under clause (a) of sub-section (1) of Section 85 of the Act.

Clause (b) of sub-section (1) applies to any act or omission on the part of parties referred to in section 84 of the Act. If there is any dispute filed in respect of recovery of a sum, that dispute, which is clearly a dispute under clause (a), cannot be brought within clause (b) on the ground that dispute relates to an act or omission of the party concerning payment of the sum due to the multi-state co-operative society by a member thereof. That would make clause (a) wholly redundant, since, by that logic, every reference for recovery of a sum due, which is a subject matter of clause (a), can always be termed as based on an act or omission referred to clause (b). The arbitrator, accordingly, has taken a correct and eminently reasonable view. There is absolutely no merit in the petition. The Arbitration Petition is dismissed.

(S.C. GUPTE, J.)