



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH AT NAGPUR

WRIT PETITION NO. 4574/2025

**Ashish S/o Laltaprasad Tiwari Vs. Rajlaxmi Nagari Sahakari
Patsanstha (Multistate)**

Office Notes, Office Memoranda of Coram, Appearances, Court's orders or directions and Registrar's orders	Court's or Judge's orders
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Mr. PK. Raulkar, Advocate for Petitioner

CORAM: NIVEDITA P. MEHTA, J.

DATED : 3rd OCTOBER, 2025

1. Heard learned counsel for the petitioner.

2. The petitioner has approached this Court under Article 226 of the Constitution of India, assailing the arbitral award dated 22.09.2015 passed in Arbitration Case No. ARB/RMCCSY/YTLmb/1138/2022. By the said award, the learned Arbitrator directed the petitioner to pay an amount of ₹19,00,519/- to the respondent as on 29.11.2022, along with interest at the rate of 19% per annum, from the said date until realisation.

3. The petitioner had availed a business loan of ₹10,00,000/- from the respondent-Society on 15.09.2017. However, the petitioner failed to repay the said loan, pursuant to which the respondent invoked the provisions of Section 84

of the Multi-State Cooperative Societies Act, 2002 (hereinafter referred to as "*the Act of 2002*"). The relevant portion of Section 84, which provides for reference of disputes to arbitration, is reproduced herein below which reads thus :

“84. Reference of disputes

(1) Notwithstanding anything contained in any other law for the time being in force, if any dispute [other than a dispute regarding disciplinary action taken by a multi-state cooperative society against its paid employee or an industrial dispute as defined in clause (k) of section 2 of the Industrial Disputes Act, 1947 (14 of 1947)] touching the constitution, management or business of a multi-state cooperative society arises.

(a) among members, past members and persons claiming through members, past members and deceased members, or

(b) between a member, past members and persons claiming through a member, past member or deceased member and the multi-state cooperative society, its board or any officer, agent or employee of the multi-state cooperative society or liquidator, past or present, or

(c) between the multi-state cooperative society or its board and any past board, any officer, agent or employee, or any past officer, past agent or past employee, heirs or legal representatives of any deceased officer, deceased agent or deceased employee of the multi-state cooperative society, or

(d) between the multi-state cooperative society and any other multi-state cooperative society, between a multi-state cooperative society and liquidator of another multi-state cooperative society or between the liquidator of one multi-state cooperative society and the liquidator of another multi-state cooperative society, such dispute shall be referred to arbitration.

(2) For the purposes of sub-section (1), the following shall be deemed to be disputes touching the constitution, management or business of a multi-state cooperative society, namely:-

(a) a claim by the multi-state cooperative society for any debt or demand due to it from a member or the nominee, heirs or legal representatives of a deceased member, whether such debt or demand be admitted or not;

(b) a claim by a surety against the principal debtor where the multi-state cooperative society has recovered from the surety any amount in respect of any debt or demand due to it from the principal debtor as a result of the default of the principal debtor, whether such debt or demand is admitted or not;

(c) any dispute arising in connection with the election of any officer of a multi-state cooperative society.

(3) If any question arises whether a dispute referred to arbitration under this section is or is not a dispute touching the constitution, management or business of a multi-state cooperative society, the

decision thereon of the arbitrator shall be final and shall not be called in question in any court.

(4) Where a dispute has been referred to arbitration under sub-section (1), the same shall be settled or decided by the arbitrator to be appointed by the Central Registrar.

(5) Save as otherwise provided under this Act, the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall apply to all arbitration under this Act as if the proceedings for arbitration were referred for settlement or decision under the provisions of the Arbitration and Conciliation Act, 1996.”

4. In terms of Section 84 of the Act of 2002, Mr. M.S. Gangalwar was appointed as the sole Arbitrator for adjudication of the dispute. It is not in dispute that notice of the arbitral proceedings was duly served upon the petitioner. However, the petitioner failed to appear before the learned Arbitrator, resulting in the matter being proceeded ex parte.

5. Upon a query posed by the Court regarding the maintainability of the present writ petition, learned counsel for the petitioner contended that the dispute in question does not fall within the ambit of Section 84 of the Act of 2002, and hence, the arbitral award is without jurisdiction. On that premise, the writ petition was argued to be maintainable.

6. On careful consideration of the submissions advanced and a plain reading of Section 84 of the Act of 2002, it is evident that the said provision forms part of a self-contained statutory mechanism for resolution of disputes relating to the constitution, management, or business of a Multi-State Cooperative Society. Sub-section (5) of Section 84 expressly stipulates that, save as otherwise provided under the Act, the provisions of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "*the Act of 1996*") shall apply to all arbitrations under the Act of 2002.

7. In the present case, the petitioner has not availed of the statutory remedies available under the Act of 1996, such as a petition under Section 34 for setting aside the award. It is well settled that where an efficacious statutory remedy is available, the writ jurisdiction of this Court ought not to be invoked unless there is a patent lack of jurisdiction or violation of principles of natural justice.

8. In view of the self-contained nature of the Act of 2002 and the applicability of the provisions of the Act of 1996, coupled with the fact that the arbitral award has been passed in exercise of jurisdiction conferred under the statute, this Court

is of the considered view that the present writ petition is not maintainable and is devoid of merit.

9. Accordingly, the writ petition stands dismissed, with liberty to the petitioner to avail appropriate remedy as may be available in law. There shall be no order as to costs.

(NIVEDITA P. MEHTA, J.)

MP Deshpande