CGHC010373742026 2026:CGHC:46031

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

ARBR No. 67 of 2026

Krishak Seva Sahkari Samiti Maryadit, Beltukri Registration No. 42, A Society Registered Under The Chhattisgarh Co-Operative Societies Act, 1960 And Having Its Registered Address At Beltukri, Tehsil Rajim, District - Gariyaband, Chhattisgarh

Through Its Manager Shri Manoj Kumar Diwakar S/o Shri Kirtan Lal Diwakar Aged About 43 Years, R/o Ward, No. 11, Barpara, Kataud, Janjgir Champa Chhattisgarh, 495557.

... Applicant(s)

versus

1 - The District Marketing Officer Chhattisgarh State Cooperative Marketing Federation Ltd. (CGMARKFED) Gariyaband Behind SBI Near Tehsil District Gariyaband Chhattisgarh. Email dmo.gariyaband16@gmail.com

2 - The District Nodal Officer Jila Sahakari Kendriya Bank Maryadit Raipur G.E. Road Rajbandha, Maidan, Raipur Pin -492001, Chhattisgarh. Email -nodalgban@gmail.com

... Respondent(s)

For Applicant	:	Mr. Sudip Mallick, Advocate.
For Respondent No. 1	:	Mr. Harshal Chouhan, Advocate.
For Respondent No. 3		Ms. Seema Verma, Advocate, holding the brief of Mr. Jitendra Shrivastava, Advocate.

Hon'ble Mr. Krushna Ram Mohapatra, Chief Justice

Order on Board

30/10/2026

1. This is an application under Section 11(6) of the Arbitration and Conciliation Act, 1996 (*for short, the Act of 1996*) requesting for appointment of sole Arbitrator in terms of clause 13 of the agreement dated 27.11.2025.

2. Mr. Sudip Mallick, learned counsel appearing for the applicant draws attention to clause 13 of the agreement dated 27.11.2025, which reads as under:

> *"13. आर्बिट्रेशन : –*
>
> *इस अनुबंध की किसी भी कण्डिका से संबंधित विवाद उत्पन्न होने की स्थिति में विवाद के निर्णय हेतु जिले में जिला कलेक्टर का निर्णय अन्तिम होगा जो उभयपक्षों को मान्य होगा। कलेक्टर द्वारा दिये गये निर्णय की अपील उभयपक्षों द्वारा संबंधित जिले के संभागीय आयुक्त को की जा सकेगी।"*

3. Mr. Mallick, therefore, submits that since there is an arbitration clause in the agreement, an Arbitrator should be appointed in terms of clause 13 to arbitrate the dispute that has arisen between the parties.

4. In course of hearing, Mr. Mallick places on record a judgment of the Hon'ble Supreme Court in ***M/s. Bharat Udyog Ltd. v. Ambernath Municipal Council through Commissioner & Another,*** in Special Leave Petition (C) No. 1127/2017, disposed of vide judgment dated 24.03.2026. In the said judgment, the Hon'ble

Supreme Court took note of the arbitration clause referred to therein and held that the same cannot be considered to be an arbitration clause for appointment of Arbitrator.

5. For better appreciation, the relevant arbitration clause referred to in the judgment of ***M/s. Bharat Udyog Ltd.*** (supra) is quoted hereunder:

> "*Clause 22: Disputes: In case of any dispute, the same shall be referred to the Collector and his decision shall be final and binding on the Agent and the Council. Appeal against the decision of the Collector in case of any dispute shall lie first before the Divisional Commissioner and finally before the Government in Urban Development Department….*"

6. Discussing the law on the point, Hon'ble Supreme Court at paragraph 26(a) of the said judgment, held as under:

> *"26. In view of the above analysis, we are of the considered opinion that the High Court has arrived at the right conclusion on the basis of law and fact. While reiterating the decision of the High Court, we are of the opinion that there is no merit in the special leave petition for the following reasons:*
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> *a) Absence of a Valid Arbitration Agreement: There is no written agreement between the parties to submit differences to arbitration as required by Section 2(a) of the Arbitration Act, 1940. Specifically, Clause 20 relates to the position that the parties are to maintain pending the disposal of a dispute resolution. In other words, clause 20 prescribes a measure that the parties would maintain pending resolution. However, that by itself cannot be an arbitration clause. On the other hand, Clause 22 is certainly not an arbitration agreement."*

7. On perusal of the arbitration clause and on a close reading of the judgment in ***M/s. Bharat Udyog Ltd.*** (supra), I am of the

considered opinion that clause 13 of the agreement dated 27.11.2025 cannot be said to be an arbitration clause.

8. At this stage, learned counsel for the applicant submits that he has no grievance to adhere to the remedial measures under clause 13 available in the agreement dated 27.11.2025.

9. Mr. Harshal Chouhan, learned counsel for the respondent No. 1 submits that without filing the statement of claim before the Collector, who is competent to redress the grievance of the parties, this arbitration request petition has been filed.

10. Ms. Seema Verma, learned counsel appearing for the respondent No. 2 is present and supports the submission made by learned counsel for the respondent No. 1.

11. In view of the ratio in the case of ***M/s. Bharat Udyog Ltd.*** (supra), the application under Section 11(6) of the Act of 1996 is not maintainable.

12. In view of the above, this Court disposes of this arbitration request petition with an observation that the applicant, if so advised, may avail the remedy available under clause 13 of the agreement dated 27.11.2025 referred to above for redressal of its grievances.

Sd/-

(Krushna Ram Mohapatra)
CHIEF JUSTICE

Amit

AMIT KUMAR DUBEY
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Date: 2026.10.30 19:20:56 +0530