

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). OF 2026
[@ SLP (C) NO. 15430 OF 2024]

M/S. RAM AVATAR AGRAWAL ROAD CONSTRUCTION
PRIVATE LIMITED NOW KNOWN AS SPA PAVING
PROJECT PVT. LTD

Appellant(s)

VERSUS

STATE OF CHHATTISGARH

Respondent(s)

O R D E R

1. Leave granted.
2. This appeal by way of special leave is against the judgment and order dated 05.02.2024 passed by the High Court of Chhattisgarh at Bilaspur in ARBA No. 22 of 2011.
3. The short facts leading to filing of the present appeal are that an application filed on behalf of the appellant under Section 11 of the Arbitration and Conciliation Act, 1996 (hereinafter 'the Act') was considered by the High Court and by its order dated 16.09.2005 an arbitrator came to be appointed for adjudication of disputes between the parties. The appointment of the arbitrator was challenged by the State before the Supreme Court on the ground that the arbitral proceedings are to be governed by the Chhattisgarh Madhyastham Adhikarna Adhiniyam, 1983 (hereinafter 'the Adhiniyam 1983'). This Court considered the matter and by its order dated 22.01.2008 dismissed the appeal of the State. The relevant portion of the order passed by this Court is as under:

"Having heard learned counsel for the respective parties, we see no reason to differ with the order passed by the High Court since in our view the respondent had fulfilled all the conditions even under Clause 29 of the Agreement before moving the application under Section 11 of the Arbitration and Conciliation Act, 1996. It is pertinent to note that when the applications were made, the Arbitration Tribunal was not available so that the respondent could move the said Tribunal.

What is equally significant is the fact that out of the six applications the State of Chhattisgarh chose to prefer this Special Leave Petition in respect of only one of six applications and appear to have accepted the order of the High Court as far as the other five matters are concerned. In our view, the present appeal is also not maintainable on that score as well."

4. With the dismissal of the appeal, the arbitral proceedings commenced and culminated in an award passed on 21.03.2008. The State challenged the arbitral award by raising objections under Section 34 of the Act which was considered by the District Judge and dismissed on merits vide order dated 25.11.2010. The relevant paragraphs of the order are extracted hereinbelow:

"22. As per Section 34 (2), for setting aside an award it is necessary that the party was under some incapacity. In the instant case, the Hon'ble High Court of Chhattisgarh while passing order dated 16/9/05 in M.C.C number 143/05, Ramavatar Agrawal Road Construction Private Limited Company Versus State of C.G & Others, has appointed Hon'ble Justice Sh. S.K Tiwari (Retired) As Sole Arbitrator under Section 11 of Arbitration & Conciliation Act, 1996, in respect of which, it was mentioned in column 2 of aforesaid judgment that aforesaid fact was admitted by both parties. Therefore, sole arbitrator passing impugned award is has not found any of the parties under any incapacity and award was passed after hearing both parties, such is found. No fact was shown as to

arbitration clause being in contrary to law in relation to the terms and conditions of the contract executed between both the parties. The sole arbitrator as regard to appointment of arbitrator or proceeding for arbitration being carried out by him has lawfully given notices and both parties having participated in aforesaid proceeding have also put forth their respective cases. In this situation, no such circumstances is found in this case that conditions of contract executed between the parties was not complied with or impugned award was passed in contrary to the conditions of contract.

23. No such fact was put forth by the applicant, state of Chhattisgarh that impugned award passed by the sole arbitrator is in contrary to the public policy of India, in this situation, this application presented under Section 34 of arbitration & conciliation act, 1996 on behalf of applicant, state of Chhattisgarh is not found liable to be allowed in any manner whatsoever and main point of consideration is concluded in "negative".

24. Accordingly, application U/s. 34 of Arbitration & Conciliation Act, 1996 presented on behalf of applicant/state of Chhattisgarh not being liable to be allowed is hereby dismissed. It is ordered that applicant/state of Chhattisgarh shall bear on costs as well as the cost of non-applicant/claimant Company. In view of circumstances of this case, Advocate fee of Rs. 1000/-is approved.

Decree-sheet be prepared accordingly."

5. Thereafter, the State preferred an appeal under Section 37 of the Act which came to be allowed by the order impugned before us. The impugned order instead of considering the legality of the award on merits, proceeded to hold that arbitral proceedings were not even maintainable in view of the Adhinyam, 1983.

6. We are of the opinion that it was not permissible for the High Court to revisit the decisions taken earlier by the High Court on 16.09.2005 and this Court on 22.01.2008. The conclusion of the High Court that the earlier judgments are not *res judicata* is not correct in our opinion. When the Courts have ruled on the fact that application under Section 11 of the Act was maintainable and when such a decision has attained finality, revisiting the issue of maintainability and setting aside the award on the ground of jurisdictional error is incorrect.

7. In view of the above, we allow the appeal arising out of SLP (C) No. 15430/2024, set aside the judgment and order of the High Court and restore ARBA No. 22 of 2011 to its original number. The High Court shall now proceed to hear the appeal on merits and decide it in accordance with law.

8. In view of the fact that the arbitration is of the year 2005, we request the High Court to take up and dispose of the appeal under Section 37 of the Act expeditiously, preferably within four months from today.

.....J.
[PAMIDIGHANTAM SRI NARASIMHA]

.....J.
[ALOK ARADHE]

NEW DELHI;
MAY 08, 2026

ITEM NO.24

COURT NO.6

SECTION IV-C

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s). 15430/2024

[Arising out of impugned final judgment and order dated 05-02-2024 in ARBA No. 22/2011 passed by the High Court of Chhatisgarh at Bilaspur]

M/S. RAM AVATAR AGARWAL ROAD CONSTRUCTION
PRIVATE LIMITED NOW KNOWN AS SPA PAVING
PROJECTS PVT. LTD

Petitioner(s)

VERSUS

STATE OF CHHATTISGARH

Respondent(s)

IA No. 139134/2024 - EXEMPTION FROM FILING O.T.
IA No. 139133/2024 - PERMISSION TO FILE ADDITIONAL
DOCUMENTS/FACTS/ANNEXURES

Date : 08-05-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE PAMIDIGHANTAM SRI NARASIMHA
HON'BLE MR. JUSTICE ALOK ARADHE

For Petitioner(s) :Mr. Padmesh Mishra, Adv.
Mr. Shivam Shukla, Adv.
Ms. Vastavikta Bhardwaj, Adv.
Mr. Sameer Singh, Adv.
Mr. Vijant, Adv.
Ms. Neelam Singh, AOR

For Respondent(s) :Mr. Bishwajit Dubey, A.A.G.
Mr. Vinayak Sharma, Standing Counsel, Adv.
Mr. Ravinder Kumar Yadav, AOR
Ms. Aprajita Verma, Adv.
Mr. Vivek Sharma, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.
2. The Civil Appeal is allowed in terms of the Signed Order.

3. Pending application(s), if any, shall stand disposed of.

(KAPIL TANDON)

COURT MASTER (SH)

(NIDHI WASON)

ASSTT. REGISTRAR(NSH)

(Signed Order is placed on the file)