



IN THE HIGH COURT OF MADHYA PRADESH
AT JABALPUR

BEFORE

HON'BLE SHRI JUSTICE VIVEK RUSIA

&

HON'BLE SHRI JUSTICE PRADEEP MITTAL

ON THE 24th OF MARCH, 2026

ARBITRATION REVISION No. 68 of 2025

LCC PROJECTS PVT LTD

Versus

MADHYA PRADESH JAL NIGAM MARYADIT AND OTHERS

.....
Appearance:

Ms. Bhakti Vyas, learned Advocate for the petitioner.

Shri Shubham Manchani, learned counsel for the respondents No.1 to 3.

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ARBITRATION REVISION No. 69 of 2025

LCC PROJECTS PVT LTD

Versus

MADHYA PRADESH JAL NIGAM MARYADIT AND OTHERS

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Appearance:

Ms. Bhakti Vyas, learned Advocate for the petitioner.

Shri Shubham Manchani, learned counsel for the respondents No.1 to 3.

.....
ORDER

Per. Justice Vivek Rusia

Since in both these revisions, a common issue is involved, therefore, they were heard analogously and are being decided by this common the order. However, for the sake of clarity, facts of A.R.No.68/2025 are enumerated hereunder.



2. The petitioner/revisionist has filed this revision against the order dated 18.11.2025, whereby the learned M.P. Arbitration Tribunal (for short the "Tribunal") has dismissed the Reference under section 7-B(1) of Madhya Pradesh Madhyastham Adhikaran Adhiniyam, 1983 (hereinafter referred to as the "Adhiniyam") on the ground of limitation.

Facts of the case are as follows :-

3. The petitioner/revisionist, which is a Private Limited Company registered under the Companies Act, participated in the tender floated by the respondent/Government of Madhya Pradesh for engineering, procurement, construction, testing, commissioning, trial run and operation & maintenance of various components of Madia Multi Village Scheme in the district of Sagar in single package on Turn Key Job basis including Trial Run and operation & maintenance of entire scheme for 10 years. The petitioner submitted a bid of Rs. 248 crores, which was the highest, and was accepted by the respondent vide Letter of Acceptance dated 23.12.2020. Thereafter, a contract agreement was executed between the parties on 11.1.2021 and vide letter dated 18.1.2021, work was allotted for 10 years under the agreed terms and conditions.

4. The agreement between the parties contained a clause regarding the adjustment of steel and HDPE/Resin components and a formula to calculate the increase or decrease in the cost of items. A Technical Committee was constituted to decide the price indices, and on the basis of its



recommendations, the Project Director directed with respect to the retail price of Bitumen for the calculation of price adjustment of HDPE/Resin Components and price indices of mild steel flat products for price adjustment of steel component by the contractor till finalisation of the project.

5. The petitioner requested the respondent to allow the usage of retail price indices of bitumen for the calculation of the adjustment of HDPE pipe and price indices of mild steel flat products for the price adjustment of the steel component. The respondent vide letter dated 30.8.2022 agreed to the same by mentioning that indices once finalised will have to be used till completion of the project, and no subsequent change will be allowed. Later on, the respondent vide letter dated 01.3.2023, unilaterally withdrew the same and accordingly, fixed the price and decided to make a deduction of the difference amount in four instalments. Thereby, respondents withheld petitioner's Rs.36,86,681/- from its RA Bill No.28. This act of the respondent gave rise to a dispute on behalf of the petitioner under clause 8.7 of the Agreement before the authority, which was rejected vide order dated 07.6.2023. The petitioner preferred an appeal before the Final Authority on 04.7.2023, and the same was also dismissed vide order dated 18.8.2023. Being aggrieved, the petitioner preferred a Reference u/s 7 of the Adhinyam before the Tribunal, which has been dismissed on the ground of limitation. Hence, this revision.

6. Learned counsel for the petitioner submits that the learned Tribunal has wrongly dismissed the claim by applying the provisions of



Section 7-B(1)(a) & (b) of the Adhiniyam, whereas the claim was submitted within 03 years from the date, the dispute arose during the pendency of the work contract, as contemplated under section 7 (2-A) thereof.

7. Learned counsel appearing for the respondents argues that in the present case, the contract entered into between the parties provides a dispute resolution mechanism under which the contractor was required to raise a dispute first before the competent authority, and thereafter, he can approach the Tribunal. In this case, the petitioner first raised a dispute and thereafter preferred an appeal. After rejection of the appeal, the dispute was liable to be raised within one year from the date of the decision by the final authority. Admittedly, the petitioner filed a reference beyond a period of one year; therefore, the Tribunal has not committed any error of law while dismissing the reference. The case of the petitioner falls under section 7-B (1) and not under section 7(2-A) of the Adhiniyam, which applies to a situation where there is no provision of dispute resolution in the Contract, like clause 29 of the P.W.D. Manual.

Appreciation & Conclusions

9. For the ready reference, Section 7-B (1) and Section 7(2-A) of the Adhiniyam are reproduced hereunder:-

"[7-B. Limitation.— 3[(1) The Tribunal shall not admit a reference petition unless—

(a) the dispute is first referred for the decision of the final authority under the terms of the works contract; and



(b) the petition to the Tribunal is made within one year from the date of communication of the decision of the final authority :

Provided that if the final authority fails to decide the disputes within a period of six months from the date of reference to it, the petition to the Tribunal shall be made within one year of the expiry of the said period of six months.

XXXX XXXX

(2-A) Notwithstanding anything contained in subsection (1), the Tribunal shall not admit a reference petition unless it is made within three years from the date on which the works contract is terminated, foreclosed, abandoned or comes to an end in any other manner or when a dispute arises during the pendency of the works contract:

Provided that if a reference petition is filed by the State Government, such period shall be thirty years."

10. It is correct that under subsection (1) of section 7-B, for filing a reference before the Tribunal the period of limitation is one year from the date of communication of the decision by the final authority. Admittedly, the petitioner has filed a reference beyond the period of one year on 02.9.2024, as it should have been filed on or before 18.8.2024. But, section 7(2-A) is a *non obstante* clause, meaning thereby, despite the one year period of limitation prescribed under section 7-B(1) in a case where the contract is ongoing or pending, and any dispute arises, the contractor can approach the Tribunal by way of reference within a period of 03 years.

11. In the case of *Chandavarkar Sita Ratna Rao v. Ashalata S. Guram*, (1986) 4 SCC 447, the Supreme Court of India has held as under :-

"67. A clause beginning with the expression



“notwithstanding anything contained in this Act or in some particular provision in the Act or in some particular Act or in any law for the time being in force, or in any contract” is more often than not appended to a section in the beginning with a view to give the enacting part of the section in case of conflict an overriding effect over the provision of the Act or the contract mentioned in the non obstante clause. It is equivalent to saying that in spite of the provision of the Act or any other Act mentioned in the non obstante clause or any contract or document mentioned the enactment following it will have its full operation or that the provisions embraced in the non obstante clause would not be an impediment for an operation of the enactment. See in this connection the observations of this Court in South India Corpn. (P) Ltd. v. Secretary, Board of Revenue, Trivandrum [AIR 1964 SC 207, 215 : (1964) 4 SCR 280].

68. It is well settled that the expression “notwithstanding” is in contradistinction to the phrase “subject to”, the latter conveying the idea of a provision yielding place to another provision or other provisions to which it is made subject. This will be clarified in the instant case by comparison of sub-section (1) of Section 15 with sub-section (1) of Section 15-A. We are therefore unable to accept, with respect, the view expressed by the Full Bench of the Bombay High Court as relied on by the learned Single Judge in the judgment under appeal.”

12. Recently, the Supreme Court of India has also given the interpretation of the "non-obstante clause" in the statute in the case of *Mohd. Abdul Samad v. State of Telangana*, reported in (2025) 2 SCC 49, as under:-



"82. A non obstante clause is usually appended to a section in the beginning with a view to give the enacting part of the section, in case of a conflict, an overriding effect over the provision or the Act mentioned in the non obstante clause. In other words, in spite of the provision or the Act mentioned in the non obstante clause, the enactment following it will have its full operation or that the provisions embraced in the non obstante clause will not be an impediment for the operation of the enactment. Thus, a non obstante clause is a legislative device used by a Parliament or legislature sometimes to give an overriding effect to what has been specified in the enacting part of a section in case of a conflict with what is contained in the non obstante clause as stated above.

83. Further, a non obstante clause has to be distinguished from the expression "subject to" where the latter would convey the idea of a provision yielding place to another provision or other provisions to which it is made subject to. Also, the expression "notwithstanding anything in any other law" in a section of an Act has to be contrasted with the use of the expression "notwithstanding anything contained in this Act", which has to be construed to take away the effect of any provision of that particular Act in which the section occurs but it cannot take away the effect of any other law. [Source : Principles of Statutory Interpretation by Justice G.P. Singh, 15th Edn., Chapter 5.4, p. 284.]

84. Recently, a seven-Judge Bench of this Court in Interplay Between Arbitration Agreements under Arbitration & Conciliation Act, 1996 & Stamp Act, 1899, In re [Interplay Between Arbitration Agreements under Arbitration & Conciliation Act, 1996 & Stamp Act, 1899, In re, (2024) 6 SCC 1] , in para 83 of the said judgment considered the implication of a non obstante clause in a provision with reference to Chandavarkar Sita Ratna Rao v. Ashalata S. Guram [Chandavarkar Sita Ratna Rao v. Ashalata S. Guram, (1986) 4 SCC 447] , wherein it was observed as under :



(Interplay Between Arbitration Agreements under Arbitration & Conciliation Act, 1996 & Stamp Act, 1899, In re case [Interplay Between Arbitration Agreements under Arbitration & Conciliation Act, 1996 & Stamp Act, 1899, In re, (2024) 6 SCC 1] , SCC p. 61, para 83)

“83. ‘67. A clause beginning with the expression ‘notwithstanding anything contained in this Act or in some particular provision in the Act or in some particular Act or in any law for the time being in force, or in any contract’ is more often than not appended to a section in the beginning with a view to give the enacting part of the section in case of conflict an overriding effect over the provision of the Act or the contract mentioned in the non obstante clause. It is equivalent to saying that in spite of the provision of the Act or any other Act mentioned in the non obstante clause or any contract or document mentioned the enactment following it will have its full operation or that the provisions embraced in the non obstante clause would not be an impediment for an operation of the enactment.’ [As observed in Chandavarkar Sita Ratna Rao v. Ashalata S. Guram, (1986) 4 SCC 447, at pp. 477-78, para 67.] ”

It was further observed in reference to Icici Bank Ltd. v. Sidco Leathers Ltd. [Icici Bank Ltd. v. Sidco Leathers Ltd., (2006) 10 SCC 452 : (2006) 131 Comp Cas 451] , that even if a non obstante clause has wide amplitude, the extent of its impact has to be measured in view of the legislative intention and legislative policy.

85. Further, the utility of non obstante clause is where there is a conflict between what is stated in a provision and any other law for the time being in force, or anything else contained in the said enactment. As already noted, only in the case of a conflict, the object is to give the enacting or operative portion of the section an overriding effect, not otherwise. In other words, only in a case of a conflict, a provision in an enactment



containing a non obstante clause, would be given its full operation and what is stated in the non obstante clause will not be an impediment for the operation of the particular provision in the enactment. This would mean that what is stated in the non obstante clause would not take away the effect of any provision of the Act which follows the same."

13. In the present case, the learned Arbitration Tribunal has not considered the provision of section 7 (2-A) of the Adhinyam before dismissing the reference on the ground of limitation.

14. The Legislature has provided two limitations, firstly, a period of one year under section 7-B (1) of the Adhinyam, for the reason being that under section 7-A (1) every reference petition shall include the whole of the claim which the party is entitled to make in respect of the works contract till the filing of the reference petition. However, under sub-section (3) of Section 7-A, the Tribunal may entertain such a dispute which may arise after the filing of the reference, subject to conditions as may be prescribed. Therefore, after the conclusion of the contract period, if any dispute occurs, it can be added to the pending reference petition with the permission of the Tribunal under Section 7-A (3) of the Adhinyam. Hence, the period of one year is bound to be extended for a fresh cause of action which arises during the pendency of the reference petition before the Tribunal.

Secondly, if the dispute arises during the pendency of the contract, the reference could be filed within three years under the provision of section 7



(2-A) of the Adhinyam, and in which further claims can also be added after the conclusion of the contract under sub-section (3) of Section 7-A.

15. Accordingly, the impugned order dated 18.11.2025 passed by the Madhya Pradesh Arbitration Tribunal is not sustainable, hence same is quashed. The reference case filed by the Petitioner is held to be within the limitation, hence liable to be decided on its merit. The revisions are allowed and disposed of accordingly.

16. The record of the reference case be sent back to the Tribunal.

(VIVEK RUSIA)
JUDGE

(PRADEEP MITTAL)
JUDGE

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