



2026:CGHC:15113



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HIGH COURT OF CHHATTISGARH AT BILASPUR

ARBR No. 22 of 2026

Shri Balaji Institute of Medical Science Pvt Ltd, A Company incorporated under The Companies Act, 1956, having its Registered Office At Ekta Chowk, Dubey Colony, Mowa, Raipur (C.G.), Through its Director Dr. Devendra Kumar Naik, S/o Shri Ramesh Kumar Naik, Aged About 49 Years.

... Applicant

versus

The Collector and President of Jeevan Deep Samity, Korba District Korba, Chhattisgarh

... Respondent

For Applicant	:	Mr. Aditya Agrawal, Advocate. (through video-conferencing).
For Respondent	:	Mr. S.S. Baghel, Government Advocate.

Hon'ble Mr. Ramesh Sinha, Chief Justice

Order on Board

01.04.2026

1. This is an application under Section 11(6) of the Arbitration and Conciliation Act, 1996 for appointment of arbitrator.

2. The facts, in brief, as projected by the applicant are that the applicant is a company incorporated under the Companies Act, 1956, and was engaged in the business of operating the Shri Balaji Trauma and Super Specialty Hospital at the Indira Gandhi District Hospital premises in Korba, Chhattisgarh, under a valid lease agreement with the respondent. The applicant company is a reputed entity in the healthcare sector within the



State of Chhattisgarh, and besides the hospital in Korba, it also owns and operates its flagship multi-specialty hospital, Shri Balaji Super Specialty Hospital, at Mowa, Raipur. establishing its credentials and long-standing commitment to providing public health services. The dispute involved in the present petition emanates from the Lease Agreement dated 20.04.2015.

3. According to learned counsel appearing for the applicant, the dispute fundamentally pertain to: (i) the respondent's failure to pay a sum of 21,35,63,648/- towards costs incurred and services rendered by the applicant when its hospital was acquired by the respondent to serve as a COVID-19 center during the pandemic in 2020 and 2021; (ii) the respondent's blatant breach of the agreement by illegally and prematurely terminating the 15-year lease without adhering to the mandatory 180-day notice period; (iii) the applicant's consequential claim for damages for the loss of business, investment, and future profits arising from the said illegal termination; and (iv) the respondent's arbitrary rejection of the Applicant's legitimate claims and the subsequent raising of a frivolous and unsubstantiated counter-claim, all of which necessitates adjudication through arbitration as per the binding agreement between the parties.
4. The respondent is the Jeevan Deep Samity, a committee represented by its President, the Collector of Korba. The respondent entered into the aforesaid Lease Agreement with the applicant for the establishment, operation, and maintenance of a Level-III Trauma Care Hospital at the Indira Gandhi District Hospital premises, Korba. A comprehensive Lease Agreement 20.04.2015, (for short, the Agreement) was executed between the parties for a period of 15 years, effective from 21.04.2015 to 20.04.2030, with a provision for a further extension of 15 years. The said agreement contains a specific clause for the resolution of disputes through arbitration. For ready reference, the



relevant extract of the Arbitration Agreement is reproduced below:

"Dispute Resolution/Arbitration. Any and all claims, disputes, questions or controversy involving the parties arising out of or in connection with this agreement, its execution, interpretation, validity, performance, breach or termination hereof which cannot be finally resolved by the parties amicable negotiations within 30 days of the receiving of notice of dispute shall be resolved by final and binding arbitration. The Arbitration shall be held in Korba in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996. Both parties shall appoint one Arbitrator each and the two Arbitrators shall appoint a third Arbitrator. The costs of Arbitration shall be borne equally by the parties. The Arbitration shall be English or Hindi both languages permitted".

5. Pursuant to the agreement, the applicant invested substantial capital and effort to establish a super specialty hospital at the Indira Gandhi District Hospital premises, Korba. The applicant undertook significant financial outlays towards the renovation and upgradation of the hospital infrastructure, procurement of advanced medical equipment, installation of critical care units, and creation of specialized departments such as cardiology, neurology, orthopedics, and intensive care. In addition, the applicant recruited and trained a highly qualified team of doctors, nurses, and support staff, and implemented robust administrative and IT systems to ensure efficient hospital management. These investments were made with the objective of providing world-class healthcare services to the public of Korba and surrounding regions. The nearby persons of Korba and nearby places who were in dire need of medical treatment at affordable and cheap cost were extremely benefited after introduction of Shri Balaji Trauma and Super Specialty Hospital. During the onset of the COVID-19 pandemic, the respondent, vide Order No. 90/COVID-19/War Room/2020 dated 08.04.2020, acquired the applicant's fully operational hospital to function as a COVID-19 Isolation Hospital. In compliance, the applicant handed over the



entire facility, including all infrastructure, medical equipment, and staff, to the Administration. The applicant, in the interest of public service, continued to bear enormous operational costs, including the salaries of Doctors, Nurses, and staff, electricity charges, and other maintenance expenses, thereby incurring huge financial losses. From 18.04.2020 to 31.07.2020, the hospital used to house and treat 75 high-risk individuals. Following the State Government's own circular (Order dated 05.09.2020) fixing rates for COVID treatment in private hospitals, the applicant submitted a bill for Rs.92,93,800/- to the Chief Medical and Health Officer, Korba, on 08.10.2020. When no payment was forthcoming, the applicant sent numerous reminders and letters to the respondent and other higher authorities on 29.01.2021, 17.04.2021, 04.05.2021, and 15.11.2021, pleading for the release of its legitimate dues. However, the respondent failed to respond or release any payment. In its letter dated 15.11.2021, the applicant consolidated its claim for the 2020 acquisition at Rs.1,35,63,648/- including concessional payment of Rs.90,63,648/- and Rs.45,00,000/- for the cost of installation of equipment's. In a shocking turn of events, while the applicant was awaiting payment, the Dean of the Government Medical College, Korba, vide letter dated 01.07.2021, illegally directed the applicant to vacate the premises. Subsequently, the Collector, vide Order No. 401/Covid-19/War Room/2021 dated 09.07.2021, de-acquired the hospital and immediately handed over the building to the District Hospital. This action amounted to an illegal and premature termination of the 15-year lease, in blatant violation of the contractual clause mandating 180-day prior notice.

6. Mr. Agrawal submits that the applicant, left with no other remedy, approached this Hon'ble Court by filing Writ Petition (C) No. 4928 of 2022. This Hon'ble Court, vide its reasoned order dated 18.11.2022, took cognizance of the applicant's grievance and directed the respondent No. 2 &



3 (the Collector) to consider the applicant's claim and take an appropriate decision within 45 days. However, in complete disregard for the facts and the spirit of the Hon'ble Court's order, the Collector, vide a non-speaking and arbitrary order dated 16.03.2023, rejected the applicant's entire claim on flimsy and untenable grounds, such as alleging the acquisition was only for 15 days and that no proof of expenses was submitted, despite voluminous correspondence and documentation from the applicant. The arbitrary rejection of the claim crystallized the disputes between the parties. Consequently, the applicant was constrained to invoke the arbitration clause of the Lease Agreement. The applicant through its counsel, issued a detailed legal notice dated 05.04.2023 (Arbitration Notice), formally invoking arbitration. In accordance with the agreed procedure, the applicant nominated its arbitrator, Shri Virendra Kumar Pandey, and called upon the respondent to nominate its arbitrator within 30 days of receipt of the notice. The respondent received the said notice but failed to appoint its arbitrator within the stipulated period of 30 days, thereby forfeiting its right to do so. The respondent has, till date, failed to nominate its arbitrator. Instead of complying with the contractual obligation to appoint an arbitrator, the respondent, after a prolonged and unexplained delay of more than two and a half years, issued a letter dated 04.11.2025, raising a frivolous, baseless, and unsubstantiated counter-claim against the applicant for alleged missing/damaged equipment. This letter, while being a clear admission of the existence of live disputes between the parties, is a mala fide attempt to derail the arbitration process and evade liability. The respondent still did not nominate its arbitrator in the said communication.

7. On the other hand, Mr. S.S.Baghel, learned Government Advocate has drawn attention of this Court to page No. 60 of this arbitration request petition which is an order dated 20.02.2024 passed by this Court wherein this Court



had granted permission to the applicant herein to withdraw the arbitration request petition being ARBR No. 29/2023, with liberty to approach the State Arbitration Tribunal. Once the applicant has withdrawn his petition filed for the same cause of action, he cannot be permitted to reagitate the same issue again and again. Hence, he prays that this petition may be rejected.

8. I have heard learned counsel appearing for the parties, perused the pleadings and documents appended thereto.
9. It is not in dispute that the applicant had earlier approached this Court by filing Arbitration Request Petition No. 29/2023 seeking appointment of an arbitrator for the same dispute. It is further not in dispute that the said petition was dismissed as withdrawn vide order dated 20.02.2024 with liberty to approach the State Arbitration Tribunal. The contention of the applicant that the dispute does not fall within the category of works contract and therefore the State Arbitration Tribunal lacks jurisdiction, cannot be accepted at this stage. When the earlier petition was withdrawn, the applicant was fully aware of the nature of the dispute and the legal position. Having consciously withdrawn the petition with liberty to approach an alternative forum, the applicant cannot now turn around and re-agitate the same issue before this Court.
10. The conduct of the applicant clearly falls within the settled principle that a party cannot approbate and reprobate at the same time. A litigant cannot be permitted to take inconsistent stands to suit its convenience. Entertaining the present petition would amount to permitting abuse of the process of law and would defeat the principle of finality attached to judicial orders.
11. In view of the foregoing discussion, this Court is of the considered opinion that the applicant, having withdrawn the earlier petition with liberty to



approach the State Arbitration Tribunal, is precluded from filing the present application for the same relief before this Court. Accordingly, this petition stands **dismissed**.

Sd/-

(Ramesh Sinha)
Chief Justice

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