



IN THE HIGH COURT OF KARNATAKA

KALABURAGI BENCH

DATED THIS THE 22ND DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE TYAGARAJA N. INAVALLY

CIVIL MISC PETITION NO. 200003 OF 2026 (-)

BETWEEN:

MARULASIDDESHWARA GRAMIN BHARAT GAS,
BHARAT GAS DISTRIBUTORS,
GOREBAL, TQ SINDHANUR,
DIST: RAICHUR-584128
REPRESENTED BY ITS PROPRIETOR
RAJASHEKHAR GANADAL
S/O BASAVANA GOUDA
AGE: 47 YEARS, OCC: BUSINESS
R/O NERA HANUMAN TEMPLE
GOREEBAL, TQ: SINDHANUR
DIST: RAICHUR-584128

...PETITIONER

(BY SRI. VADIRAJ KADLOOR., ADVOCATE)

AND:

THE TERRITORY MANAGER
BHARAT PETROLEUM CORPORATION LTD.,
TERRITORY OFFICE AND PLANT
P B NO.39, ROAD NO.3, 323-324
BELUR INDUSTRIAL AREA
DHARWAD-580011

...RESPONDENT

(BY SRI. GANESH S. KALBURGI., ADVOCATE)





THIS CIVIL MISC.PETITION IS FILED U/S.11(5) OF ARBITRATION AND CONCILIATION ACT, 1996, PRAYING TO I) ALLOW THE PETITION AND BE PLEASED TO APPOINT SOLE INDEPENDENT ARBITRATOR TO ADJUDICATE THE CONTRACTUAL CUM COMMERCIAL DISPUTE THAT HAS ARISEN BETWEEN THE PARTIES HEREIN AS PER AGREEMENT DATED 29.11.2023 VIDE ANNEXURE-A AND ETC.

THIS PETITION, COMING ON FOR ADMISSION, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE TYAGARAJA N. INAVALLY

ORAL ORDER

This petition is filed by the petitioner under Section 11(5) of Arbitration and Conciliation Act, 1996 (for short 'the A&C Act') praying for an order to appoint independent Arbitrator to adjudicate the contractual cum commercial dispute that has arisen between the parties as per the agreement dated 29.11.2023.

2. The case of the petitioner is that the petitioner is the distributor of LPG Gas Cylinders of respondent Corporation since 2017 under PM Ujwal



Yojana Scheme, as per the agreement. The agreement further renewed on 29.11.2023 for a period of five years till 30.03.2027. The petitioner while giving such connections strictly followed the guidelines dated 31.03.2016 of the said scheme.

3. Despite the petitioner's instructions and completing verification by the respondent, the respondent did not supply Gas Cylinders. Hence, some of the customers lodged online complaints with Customers Care Service Centre complaining delay in delivery of refill. The petitioner in order to keep goodwill of his customers to run the business, tried to unearth the reason why he was not getting proper supply from the respondent Corporation, and he learnt that some of the connections approved by the respondent to whom he distributed LPG Gas Cylinders in pursuance of respondent approval were either already had connections or were of some other different persons.



Hence, the petitioner visited the respondent to supply gas cylinders. But the respondent replied that since the petitioner supplied LPG Cylinders to non-beneficiaries and to the persons who were already having LPG connections under the same scheme, some of the connections are blocked and they would supply cylinder only if the petitioner admitted the alleged wrong and surrendered such wrong connections back to the Corporation. The petitioner refused to do so by denying the allegations made against him. Further, from the officials of the respondent and from the respondent's correspondent letters the petitioner learnt that there were serious laps and inherent defects in the software on the part of respondent managing online portal or website of BPCL, handling the application under the scheme, which resulted in sanctioning of wrong approval from the Corporation. The respondent and its other officials in order to shirk responsibility of sanctioning of wrong approval and to prevent the issue



from reaching public domain, started to put pressure on the petitioner to surrender all the wrong connections, which they would indicate in coming years. As the petitioner did not heed to the pressure of the respondent, the respondent abruptly stopped supply of cylinders. The entire distribution of petitioner for the concerned period of about one month was under the control and direction of the Manager by name Satish, who studied up to SSLC and he has little knowledge of computer. The petitioner was away from Bengaluru and he was in his native place looking after his father. During that period the petitioner's Manager placed order online and the officials of respondent by misguiding the Manager, exploited his innocence and limited qualification and managed to make him surrender 311 LPG connections by making him to believe that the said connections were approved by the respondent by inadvertence and only wrong connections were surrendered, the Corporation would be in a position to



supply Cylinders to the petitioner. Only after returning to the office, the petitioner came to know the same and he found that approximately Rs.3,000/- to Rs.6,000/- were deducted several times from the SAP Account maintained by respondent. When the petitioner enquired his Manager why he surrendered 311 Cylinders, the Manager narrated the above facts of misrepresentations, crooked tactics and foul play of the respondent during the absence of petitioner. The respondent Corporation without any written or online complaint suddenly sent a email notice dated 17.06.2019 through its Assistant Manager. Being aggrieved by misrepresentation tactics and foul play of the respondent the petitioner challenged the said notice dated 17.06.2019 before this Court in WP No.203086/2019 and obtained stay on 08.07.2019. Subsequently, the respondents continued to supply of LPG Cylinders and hence, the petitioner did not proceed with the writ petition.



4. It is also contended that the petitioner was called by the respondent to resolve the matter amicably and an un-official meeting was scheduled in the chamber of the respondent on 16.06.2024. In view of the said meeting, there was compromise and hence, the petitioner withdrew the Writ petition as not pressed. But the respondent by taking undue advantage of withdrawal of Writ petition, issued another notice on 16.12.2024 calling upon the petitioner to submit true copies of the applications and relevant documents of 4544 consumers. The petitioner issued reply to the said notice on 11.01.2025. The respondent continued to harass the petitioner in contravention of the terms of compromise arrived at and in violation of the promises. In response to the reply notice, the respondent issued another show cause notice dated 23.05.2025 leveling charges that the petitioner supplied Cylinders to beneficiaries, who already possessed LPG connection under the scheme, failure to obey the directions and the



petitioner was responsible for issuing 2167 ineligible connections as per the inspection alleged to be held on 20.02.2025 to 23.02.2025 and called for explanation within 15 days. On 03.06.2025 the petitioner issued replied to the show cause notice of the respondent. Thereafter, the respondent issued suspension order dated 21.07.2025 suspending the distributorship of the petitioner and called upon the petitioner to surrender the connections. Hence, the petitioner issued legal notice to the respondent and it was served upon the respondent on 13.01.2026. Despite service of legal notice and the fact that there exists valid agreement with arbitration clause, the respondent by relying on the same agreement and arbitration clause, neither chose to issue reply to the legal notice within 30 days nor came forward with the name of sole Arbitrator. Hence, the petitioner is constrained to file the petition praying for an order to appoint sole Arbitrator to adjudicate the contractual cum commercial dispute between the



petitioner and the respondent arisen in view of the agreement dated 29.11.2023.

5. In pursuance to the notice on this petition, the respondent has appeared through the counsel.

6. Heard the learned counsel for the petitioner and the learned counsel for the respondent. Perused the relevant materials on record.

7. There is no dispute that there is agreement entered into between both the parties and there exists arbitration clause in the said agreement. The petitioner has produced copy of the agreement dated 29.11.2023 entered into between the petitioner and the respondent Corporation. There is Arbitration clause as per clause 38, which reads as follows:

“38. Any dispute or difference whatsoever arising out of or in connection with this Agreement including any question regarding its existence, validity, construction,



interpretation, application, meaning, scope, operation or effect of this contract or termination thereof shall be referred to and finally resolved through arbitration as per the procedure mentioned herein below:

- (a) The dispute or difference shall, in any event, be referred in only a sole arbitrator.
- (b) The appointment and arbitration proceedings shall be conducted in accordance with SCOPE forum of Arbitration rules for the time being in force or as amended from time to time.
- (c) The seat of Arbitration shall be Bengaluru.
- (d) The proceedings shall be conducted in English Language.”

8. However, submission of the learned counsel for the respondent is that as per clause (b) and (c) of clause 38, the appointment and arbitration proceedings shall be conducted in accordance with SCOPE Forum of



Arbitration Rules for the time being in force or as amended from time to time, and the seat of Arbitration shall be Bengaluru.

9. The learned counsel for the respondent has drawn the attention of this Court to Rule 16 of the SCOPE Forum of Conciliation and Arbitration, which reads thus:

**“16. PROCEDURE FOR ARBITRATION
PROCEEDINGS**

The party initiating Arbitration shall send to the other party a written invitation to arbitration under these rules, briefly identifying the subject matter of the dispute. Thereafter the party would approach the SFCA for Arbitration along with payment of registration Fees as per clause 23.”

10. Hence, the submission of the learned counsel for the respondent is that as per the above referred rule, if any dispute arises between the petitioner and the



respondent, the party initiating arbitration shall send to the other party a written invitation to arbitration under the concerned rules.

11. Further, as per Rule 20(vi) of SCOPE, initiation of Arbitration proceedings is if the Court passes any interim measure under Section 9, the arbitral proceedings should commence within 90 days of the Court order. In the case on hand, as per the legal notice dated 09.01.2026 issued by the petitioner to the respondent, the respondent was called upon to appoint the Arbitrator or any Retired High Court Judge or District Judge as sole arbitrator. This would clearly go to show that the petitioner, even though there is contractual obligation as per the arbitration agreement, without exhausting the remedy under Rule 16 of the SCOPE, has filed the present petition. Hence, the present petition seeking for the relief of appointment of Arbitrator does not merit for consideration, in view of



the contractual obligation between the petitioner and respondent, which has arisen in terms of the agreement entered into between both the parties. Therefore, as submitted by the learned counsel to the respondent, the present petition does not arise.

12. However, if the respondent has failed to comply with the requirement of petitioner as per the Rules of Conciliation and Arbitration of the SCOPE Forum, the petitioner is at liberty to seek necessary remedy before the proper forum or Court as per the procedure under law. Therefore, as submitted by the learned counsel for the respondent this petition does not merit consideration. The discussion made herein above would clearly go to show that the petitioner without exhausting the remedy as per the arbitration clause of the agreement entered into between the parties, has approached this Court. Hence, without touching any of the contentions of petitioner regarding



the allegations made against the respondent in the petition, it is clearly that this petition is liable to be dismissed.

13. In the result, I proceed to pass the following:

ORDER

This petition filed by the petitioner under Section 11(5) of the Arbitration and Conciliation Act, 1996 is hereby dismissed.

Sd/-
(TYAGARAJA N. INAVALLY)
JUDGE

SMP
List No.: 1 SI No.: 25
CT-BH