

HIGH COURT OF CHHATTISGARH AT BILASPUR**ARBR No. 3 of 2020**

M/s Prakash Industries Limited, Champa- 495 671, District Janjgir-Champa, Chhattisgarh Through The Authorised Signatory, Corporate Office- At Srivan, Bijwasan Road, Bijwasan, New Delhi- 110061
Registered Office- Registered Office At K15 4 Stone, Delhi Road, Hissar Haryana

---- Applicant**Versus**

1. The Steel Authority Of India Ltd. Through Its Managing Director, Ispat Bhawan, Lodi Road, Delhi- 110003, And Bhilai Steel Plant, Ispat Bhawan, Bhilai- 490 001, Chhattisgarh
2. Chief Executive Officer, Steel Authority Of India Ltd. Bhilai Steel Plant, Ispat Bhawan, Bhilai- 90001, District- Durg Chhattisgarh
3. Shri S. N. Singh, Sole Arbitrator, Ex GM (HRD) Bokaro Steel Plant (BSL) 30/4A/Maitri Nagar, Bhilai, District- Durg, Chhattisgarh

---- Respondents

For Applicant	:	Mr. Abhishek Sinha with Ms. Ruchi Nagar, Advocate
For Respondents	:	Mr. P. R. Patankar, Advocate

Hon'ble Shri Justice P. Sam Koshy**Order on Board****09/03/2020**

1. Present is an application under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred as "the Act of 1996") requesting for appointment of an Arbitrator. According to the applicant, the application has been filed as the respondents have failed to appoint an Arbitrator for redressal of the dispute between the parties.
2. The facts which led to the filing of the present application are that the applicant is a Company incorporated under the provisions of the

Companies Act, 1956. The respondent no.1 is a Public Sector Undertaking of the Central Government and is in the business of manufacturing of steel. The applicant had entered into a contract with the respondent no.1 for supply of Silico Manganese vide purchase order dated 18.06.2016. The said contract entered into between the parties had an arbitration clause which was to be invoked after failure of the conciliation proceedings. In the course of execution of the contract some dispute arose between the parties and on 26th July, 2019, the applicant moved an application under Section 21 of the Act of 1996.

3. The respondents initially had appointed an employee of the management namely R. K. Narula as an Arbitrator on 19.09.2019. The applicant herein immediately objected to his appointment and asked the respondents to appoint an Arbitrator in accordance with the Arbitration Clause as is envisaged in the purchase order. To this also the respondents did not pay attention and appointed respondent no.3 as the sole Arbitrator on 20.11.2019 who again is an ex-officer of the respondent no.1. To this also the applicant herein immediately objected on the ground of the same being again in contravention to the Arbitration Clause as was agreed between the parties. Since the respondents were not agreeable for invoking the provisions of the contract between the parties and the agreed proceedings not being followed, the applicant herein has moved the present application under Section 11(6) of the Act of 1996 along with a prayer for terminating the mandate of the Arbitrator i.e. respondent no.3.

4. Counsel for the respondents on seeking instruction has agreed upon for getting the dispute resolved by way of a sole arbitrator appointed by the Court.
5. From the aforesaid facts, it is reflected that the respondent no.1 in fact have deviated from the procedure prescribed in Clause 18 of the Purchase order which envisages the procedure to be adopted for resolution of dispute by way of arbitration. From the narration of facts there does not seem to be any dispute insofar as the agreed proceedings as per Clause 18 of the purchase order not being followed. On account of failure on the part of the respondents in abiding to the conditions required under Clause 18 and taking note of the fact that there is a genuine dispute between the parties, it would be more appropriate if the dispute is referred to a sole Arbitrator referred to Clause 11(6) of the Act of 1996 more particularly when the counsel appearing on either side do not have any strong objection on the appointment of a sole Arbitrator by this Court for resolving the dispute.
6. Both the parties i.e. the applicant and the respondents reached to a consensus on the name of Hon'ble Justice Dilip Raosaheb Deshmukh, the former Judge of this High Court being appointed as an Arbitrator.
7. As a consequence, the mandate of the Arbitrator/respondent no.3 stands terminated for the reasons given in the preceding paragraphs and the dispute between the parties shall now be redressed by the sole Arbitrator appointed by this Court who shall commence the proceedings from the stage the arbitration proceedings stands as on date before the respondent no.3.

8. In view of the joint proposal made by the parties, in exercise of the powers conferred under Section 11(6) of the Act of 1996 under the authority given by Hon'ble the Chief Justice, I hereby appoint Hon'ble Mr. Justice Dilip Raosaheb Deshmukh, the former judge of this High Court to act as an Arbitrator and arbitrate the dispute between the parties in accordance with the provisions of Arbitration and Conciliation Act, 1996. The proceedings of arbitration shall commence from the stage as it stands in the arbitration proceeding pending before the respondent no.3.
9. The Registry is directed to communicate this order to Hon'ble Mr. Justice Dilip Raosaheb Deshmukh to enter upon reference after complying with the provisions contained under Section 12(2) of the Arbitration and Conciliation Act, 1996 and to adjudicate upon the dispute as expeditiously as possible in accordance with the Act of 1996.
10. The remuneration of the Arbitrator shall be settled with the mutual consent by the parties.
11. The arbitration application accordingly stands allowed to the extent indicated herein above.
12. No order as to costs.

Sd/-
(P. Sam Koshy)
Judge