

ORDER

OCD-7

IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE

AP-COM/957/2025
YOUNG BENGAL COOPERATIVE LABOUR CONTRACT SOCIETY LIMITED
VS
UNION OF INDIA,
REPRESENTED THROUGH
SENIOR DIVISIONAL MECHANICAL ENGINEER,
EASTERN RAILWAY SEALDAH

BEFORE:

The Hon'ble JUSTICE SHAMPA SARKAR

Date: 18th December, 2025.

Appearance:-

Mr. Diptomoy Talukder, Advocate
Mr. T. Talukder, Advocate
Mr. D. Ghosh, Advocate
... for the petitioner.

Mr. Siddhartha Bhattacharya, Advocate
Mr. P. Bhattacharya, Advocate
... for the respondent.

The Court:-The petitioner is a registered cooperative society, constituted under the provisions of the West Bengal Cooperative Societies Act, 1972. The petitioner is engaged in the business of supplying manpower to various governmental and non-governmental organisations.

The respondent issued a notice inviting tender on May 3, 2017, for operation of an augmented mechanised laundry plant at Sealdah Coaching Depot, for a period of two years. The petitioner duly participated in the bidding process and emerged as the lowest bidder (L1). On August 8, 2017, the respondent issued a letter of acceptance, inclusive of terms and conditions. The letter of acceptance was followed by an agreement dated November 15,

2017. Clause 45 (b) of the agreement provides for resolution of disputes through arbitration. The same is quoted below:-

“b. Arbitration – In the event of any dispute or difference between the parties hereto as to the construction or operation of the contract on the respective rights and liabilities of the parties on any matter in question, disputes or difference on any account or if the Rly. Admn. fails to make a decision within 120 days then in such case but except in any of the “excepted matters” the contractor after 120 days but within 180 of this representing his final claims or disputes shall demand in writing that the dispute or difference be referred to the sole arbitration of a Gazetted Rly Officer appointed to be an Arbitrator by the General Manager, Eastern Railway and the decision of the said Arbitrator shall be final and binding and conclusive and the provision of GCC July 2015 as amended from time to time pertaining to the Arbitration and Conciliation Act, 1996 and the rules there under or any statutory modification thereof shall be deemed to apply and incorporated in the contract.

If the notice of appointment of an Arbitrator is not served within 3 years of the date of termination / expiry of the contract to right to refer any dispute under this clause shall cease to exist and shall be of no effect.”

Allegedly, disputes arose between the parties when additional work was assigned to the petitioner and the claims of the petitioner on account of such additional work were not paid. The petitioner contends that on multiple occasions, letters were issued, requesting the respondent to disburse the additional payment owing to the extra work performed by the petitioner. The said work was allegedly, beyond the scope of the contract. The petitioner

invoked arbitration by a notice dated November 24, 2020. The said notice was addressed to the General Manager, Eastern Railway, referring the disputes to arbitration as per the terms of the agreement. By a notice dated October 5, 2021, the petitioner was informed that an arbitral tribunal had been constituted by the respondent consisting of officers of the Railways. According to the petitioner, the appointment of railway officers as arbitrators was invalid in law. The arbitral tribunal was de jure unable to perform its duty and as such, an application was filed under Section 14 of the Arbitration and Conciliation Act, 1996 before the Learned Commercial Court at Rajarhat. The said application was allowed. The petitioner has now approached this Court for appointment of an arbitrator in terms of the arbitration clause. A notice invoking arbitration had already been issued by the petitioner.

Under such circumstances, the application is allowed. This Court appoints Mr. Anuj Singh, learned Advocate, Bar Library Club, as the learned arbitrator to arbitrate upon the disputes between the parties. This appointment is subject to compliance of Section 12 of the Arbitration and Conciliation Act, 1996. The learned arbitrator shall fix his/her remuneration as per the Schedule of the Act.

(SHAMPA SARKAR, J.)