



2025:CGHC:55921

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HIGH COURT OF CHHATTISGARH AT BILASPUR

ARBR No. 37 of 2025

CMI Limited PD-II, Jhilmil Metro Station, Jhilmil Industrial Area, Delhi-110095, Delhi

... Applicant

versus

The Principal Chief Material Manager, South East Central Railway, New G.M. Building, Ground Floor, Bilaspur, District- Bilaspur (C.G.)

... Respondent

For Applicant : Mr. Gautam Khetrapal, Advocate.

For Respondent : Mr. Ramakant Mishra, Deputy Solicitor General.

Hon'ble Mr. Ramesh Sinha, Chief Justice

Order on Board

17.11.2025

1. This is an application under Section 11(6) read with Sections 10(2) and 11(2) of the Arbitration and Conciliation Act, 1996 for appointment of a Sole Arbitrator.
2. The facts, in brief, as projected by the applicant are that the applicant, CMI Limited, is a company incorporated under the Companies Act, engaged in manufacturing special cables for signaling, telecommunication, instrumentation and power applications. The applicant is an approved supplier to Indian Railways, Engineers India Ltd., ISRO, and various Government undertakings and refineries. The respondent is the Principal Chief Material Manager, South East Central

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Railway, Bilaspur, District Bilaspur Chhattisgarh), responsible for procurement and contracting for the Railway. The respondent floated an e-procurement tender for supply of PVC Signaling Cable (Size 12 Core x 1.5 sq.mm) for an initial period of one year, extendable up to two years. The applicant submitted its bid on 05.07.2023 with a basic rate of Rs. 1,82,700/- per unit, which was accepted on the opening of the bids on 06.07.2023. Thereafter, the respondent issued a counter offer on 14.08.2023 with a reduced rate, which the applicant expressly declined by letter dated 17.08.2023 and again on 06.09.2023. Despite refusal, the respondent issued a Rate Contract on 23.08.2023 at the reduced rate without the applicant's consent, and insisted on supply of material at the reduced rate, which was refused by the applicant. On 06.09.2023, the applicant again wrote to the respondent and informed that it does not accept the counter price quoted by the respondent and is unable to supply the material against the rate contract. On 03.10.2023, the respondent directed the applicant to supply the material against the rate contract dated 23.08.2023.

- 3.** Mr. Gautam Khetrapal, learned counsel for the applicant submits that on 05.10.2023, the applicant again informed the respondent that since the applicant had already refused to supply the material looking to the lower rate offered by counter offer dated 14.08.2023, no question of supply of material remains. Vide a letter dated 25/26.10.2023, the respondent again directed the applicant to supply the material against rate contract dated 23.08.2023. On 04.11.2023 the applicant again sent a reply to the respondent, informing that the applicant is not willing and ready to supply the material on the lower prices offered by the

respondent by way of the counter offer dated 14.08.2023. On 09.11.2023, the respondent again directed the applicant to supply the material against the rate contract dated 23.08.2023. On 24.11.2023, the respondent terminated the contract and whimsically issued a recovery letter demanding Rs. 2,33,94,996/-towards General Damages under Clause 0702 of IRS Conditions of Contract 1970 from the applicant. The applicant disputed its liability and sent a representation on 05.12.2023, clarifying non-acceptance of the counter offer and refusal to supply under the disputed Rate Contract but it fell deaf on the ears of the respondent. Aggrieved by this, the applicant filed a writ petition bearing WP(C) No. 168 of 2024 before this Hon'ble Court, which was dismissed as withdrawn on 12.04.2024, in view of the fact that the tender document had an arbitration clause. Vide order dated 12.04.2024, this Hon'ble Court was pleased to grant liberty to the applicant to withdraw the writ petition and make a request to the respondent for appointment of an arbitrator as per the Clause 2903 of the tender document. Accordingly, by way of a letter dated 13.12.2024, the applicant requested the respondent to appoint an Arbitrator for resolution of the matter but no arbitrator was appointed by the respondent as per the clause of the tender document. Instead of initiating the proceeding regarding arbitration respondent has issued several recovery notices and also they are publishing it in their official E procurement system(website) with notice due to which the applicant's company is facing difficulty to participate in other tender matter of respondent which is also violation of fundamental rights of applicant. The parties have failed to resolve their disputes amicably despite

numerous communications and correspondences. The tender documents contain an arbitration clause governed by the Arbitration and Conciliation Act, 1996, providing for resolution of disputes by arbitration. The applicant invoked the arbitration Clause and requested respondent appointment an Arbitrator, however, respondent has failed to nominate an Arbitrator within the stipulated time. The applicant hereby requested this Hon'ble Court to appoint an Arbitrator in terms of the arbitration clause under the contract between the parties. The cause of action for filing the present application arose on 12.12.2024 and on each day thereafter due to respondent's inaction in appointment of an Arbitrator and the dispute remains unresolved. The cause of action and all actions related to the contract are within the jurisdiction of this Hon'ble Court at Bilaspur. The applicant affirms that no previous application under Section 11 of the Arbitration and Conciliation Act, 1996 has been filed before any other Court in respect of the same dispute.

4. Mr. Ramakant Mishra, learned Deputy Solicitor General, appearing for the respondent relying on the return filed on behalf of respondent, opposes this arbitration request application, however, he submits that the respondent will have no objection if any Arbitrator is appointed by this Hon'ble Court for resolving the dispute that has arisen between the parties.
5. I have heard learned counsel appearing for the parties, perused the pleadings and documents appended thereto.
6. A query was put to learned counsel appearing for the parties as to whether they are agreeable for a common name who can be appointed

as Sole Arbitrator, learned counsel for the parties submitted that they would have no objection if any retired Judge of this High Court is appointed as the Sole Arbitrator. They further submit that Hon'ble Mr. V.K.Shrivastava, who is a retired Judge of this High Court may be appointed as the Sole Arbitrator.

7. In view of the above consensus between the learned counsel for the parties, **Hon'ble Mr. Justice V.K.Shrivastava** retired Judge of this High Court is appointed to act as the Sole Arbitrator to resolve the dispute involved in this arbitration request between the parties.
8. The Registry is directed to communicate this order to Hon'ble Mr. Justice V.K.Shrivastava in the proper address.
9. The remuneration of the Arbitrator shall be settled with the mutual consent of the parties.
10. The arbitration request petition, accordingly, stands **allowed**.

Sd/-
(Ramesh Sinha)
Chief Justice