ORDER OCD – 20

IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE

AP-COM/150/2026
MAHALAXMI WELLMAN FUEL PRIVATE LIMITED
VS
STEEL AUTHORITY OF INDIA LIMITED

BEFORE:
The Hon'ble JUSTICE SHAMPA SARKAR
Date: 26th February 2026

Appearance:-

Mr. Aniruddha Bhattacharya, Advocate
Mr. Arnab Roy, Advocate
... for the petitioner.

Mr. DebashisSaha Advocate
Mr. Sanjay Ghosh, Advocate
Mr. Somdutta Bhattacharyya, Advocate
Mr. Prithwish Roy Chowdhury, Advocate
Mr. Mohit Dang, Advocate
... for the respondent.

1. The petitioner is a company incorporated under the provisions of the Companies Act. The petitioner is engaged in the business of coal mining, coke manufacturing, import and export of coal and coke. The respondent is a Government of India undertaking.

2. The petitioner participated in a tender process dated September 25, 2022, floated by the respondent, for purchase of coke breeze. The petitioner was declared as L-1 bidder. The petitioner was awarded the work of supply of 21,000 MT of coke for a total value of Rs.44,44,97,550/-, vide purchase order dated December 31, 2022. The purchase order provided that the terms and conditions governing the said transaction between the parties would be governed by the General Conditions of Contract and SAIL-P1.

The disputes between the parties arose over non-payment for the materials supplied by the petitioner. The respondent pointed out certain deficiencies in the quality of the materials. The petitioner's specific case is that, those materials were not returned, but were consumed by the respondent. It is further contended that the respondent proceeded to call for the remaining materials in terms of the purchase order, without making payment. Several letters have been relied upon by the petitioner to demonstrate that despite petitioner's efforts to settle the matter amicably, such amicable settlement failed. The petitioner relies on clause 21 of SAIL-P1 revised in May 2010, in support of the contention that the said conditions provide for resolution of disputes in arbitration. The clause provides that the disputes shall be settled by a sole arbitrator, to be appointed by the managing director of the steel plant or head of the unit (SAIL). Before appointment of the sole arbitrator, the managing director or the head of the unit is required to nominate three names out of which the supplier/ contractor is to give consent for appointment of one of them, failing which, the managing director or the head of the unit shall have the power to appoint one of the notified persons as the sole arbitrator.

3. Learned advocate for the respondent submits that the said terms and conditions namely SAIL-P1 has been superseded and/or replaced by another set of terms and conditions namely GeM 4.0 and the same is applicable in the case of the petitioner. The said terms and conditions were published on September 11, 2022 i.e. before the purchase order was

issued to the petitioner. According to the petitioner, GeM is not the same as SAIL P-1.

4. The respondent is a Central Government Undertaking. The terms and conditions are within the exclusive knowledge of the respondent. The terms and conditions were revised unilaterally on September 11, 2022. The alleged GCC of 2022 has not been described as SAIL P-1.

5. The purchase order simply mentions that the General Conditions of Contract and SAIL P-1 would be applicable,and the same could be downloaded from a particular website. As no specific date of the said document was mentioned in the purchase order, the petitioner relied upon the SAIL P-1 of 2010. The document dated September 11, 2022 alsocontains an arbitration clause, for settlement of disputes between the parties. Thus, both the terms and conditions contain an arbitration clause.

6. The court has already noticed that several letters were exchanged between the parties. The parties failed to settle the matter amicably. The document of 2022, provides that, for settlement of disputes arising out of claims of more than Rs.1 crore,the tribunal will consist of three arbitrators. Each party is entitled to appoint an arbitrator and the two appointed arbitrators shall nominate the third and presiding arbitrator.

7. Learned advocate for the petitioner submits that it would be convenient and beneficial for the petitioner if the dispute is referred to a sole arbitrator as per SAIL P-1 2010.

8. Learned advocate on instruction from the respondent, submits that the respondent also agrees to appointment of a sole arbitrator. Upon recording the consent of the parties with regard to the composition of the tribunal, the application is allowed by referring the dispute to a sole arbitrator.

9. As the principal place of business of the buyer/respondent is Burnpur, this court has jurisdiction to entertain the application.

10. Under such circumstances, the application is allowed by appointing Hon'ble Justice T.S. Sivagnanam, former Chief Justice of this Court, as the sole arbitrator, to arbitrate upon the disputes between the parties. The learned Arbitrator shall comply with the provisions of Section 12 of the Arbitration and Conciliation Act, 1996. The learned Arbitrator shall be at liberty to fix his remuneration as per the schedule of the Arbitration and Conciliation Act, 1996.

11. All questions, including the applicability of the terms and conditions of the respective General Conditions of Contract relied upon the parties, are left open to be decided by the learned Arbitrator.

12. AP-COM/150/2026 is accordingly disposed of.

(SHAMPA SARKAR, J.)

S. Kumar / pkd