

IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE

AP-COM/118/2026
M/S. BISWANATH BHATTACHARJEE
VS
GARRISON ENGINEER (CENTRAL) AND ANR.

BEFORE:

The Hon'ble JUSTICE SHAMPA SARKAR

Date: 24th February 2026

Appearance:-

Mr. Tanmoy Sett, Advocate
Mr. Pran Gopal Das, Advocate
... for the petitioner.

Mr. Sunil Singhanian, Advocate
Ms. Priti Jain, Advocate
... for the respondents.

1. The petitioner is a registered partnership firm. The respondent no.1 issued a notice inviting tender on January 17, 2024. The tender was for special repair work relating to sewage line at Strandline under GE (Central), Kolkata. The petitioner submitted its bid. The petitioner was the successful bidder. The respondent no.1 issued a letter of acceptance on September 11, 2024. A formal contract was executed between the parties on the same day as the letter of acceptance i.e. September 11, 2024. A work order was issued and the date of commencement of the work was scheduled as October 5, 2024. It is contended that the General Conditions of Contract (IAFW-2249) and its subsequent amendments were made applicable to the subject contract.
2. According to the petitioner, complete work site was not handed over at any point of time and as such, the petitioner could not commence the work

within the stipulated time. It is the specific contention of the petitioner that although samples of the materials to be used for the work were sent to the respondents, the same were never approved on time. Thus, the delay occurred. The petitioner brought the delay in the approval of the samples to the notice of the respondents, but the respondents did not take any action and suddenly, by a letter dated December 4, 2024, the petitioner was informed by the respondents that the petitioner was not discharging its obligations under the contract and 15 days notice was given to the petitioner to commence the work. The petitioner was asked to show cause by a letter dated December 9, 2024, why the petitioner shall not be banned from any future tendering process. The respondents alleged that the petitioner had failed to commence the work and fulfill its obligations under the contract. By a letter dated December 16, 2024, the petitioner replied to the said letter and recorded that unless the complete physical work site was handed over to the petitioner, the petitioner would not be in a position to commence the work. The work site was handed over on December 16, 2024 and the petitioner commenced work under the contract on December 17, 2024. By a letter dated January 17, 2025, a final notice was given to the petitioner. Meetings were held between the parties. The disputes were not resolved and by a letter dated February 12, 2025, the agreement was cancelled and the contract was terminated with effect from February 14, 2025. Although the petitioner requested the respondent no.1 to revoke the letter of cancellation, the said respondent did not do so. It is the specific contention of the petitioner that 30% of the work had been completed to the satisfaction of the respondents and the respondents had illegally ousted the petitioner from the work site and

tried to blacklist the petitioner. Another notice inviting tender was issued on April 22, 2025, with respect to remaining works. The petitioner filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the appropriate civil court and an order was passed restraining the respondents from branding / endorsing the petitioner with “slow progress” or that the “petitioner was not entitled to more workload” etc. The respondents were further restrained from preventing the petitioner from taking up future contracts to be floated by the respondent no.1.

3. Disputes and differences arose not only with regard to termination, but also with regard to non-payment of bills and the losses suffered by the petitioner on account of such termination. The petitioner claims cost of idle labour, non-refund of the performance guarantee, non-refund of security deposit etc. and the petitioner has quantified the claim to be more than Rs.20 lakh. Clause 70 of the GCC contains an arbitration clause, for settlement of disputes by a sole arbitrator. The said clause also provides that in cases of cancellation of the contract, reference shall not be made until alternative arrangement has been made by the government to get the work completed through another agency or contractor. In this case, it is submitted that another agency had already been engaged for completion of the work. It is further submitted that although the clause provides for settlement of disputes by a serving officer of the respondents, the said provision is no more permissible in law and the referral court must appoint an arbitrator. The notice invoking arbitration was issued on September 10, 2025. The respondents asked the petitioner to sign an agreement thereby waiving the applicability of section 12(5) of the Arbitration and Conciliation Act, 1996. The petitioner did not agree.

4. Mr. Singhania, learned advocate for the respondents, submits that the dispute is not arbitrable. The petitioner was not entitled to any claim as the petitioner did not commence the work on time. It is further submitted that the GCC permitted termination of the contract upon notice, which was done and the answer to the show cause notice was not found satisfactory. The authority denied the claims of the petitioner.
5. Having heard the learned advocates for the respective parties, it is, prima facie, evident that there are disputes between the parties. The arbitration clause contained in the GCC applies to the subject contract. The petitioner has duly invoked arbitration. Unilateral appointment of an Arbitrator from an employee of the respondents is not legally permissible.
6. Under such circumstances, this application is allowed by appointing Mr. Debasish Roy, Senior Advocate [9831173923], 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.
7. All questions as to the arbitrability of the issues, admissibility of the claims, limitation etc, shall be decided by the learned arbitrator, if so raised.
8. AP-COM 118 of 2026 is disposed of accordingly.

(SHAMPA SARKAR, J.)