



CGHC010327252026

2026:CGHC:37374

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

ARBR No. 52 of 2026

M/s R.R Industries Betul, M.P. (Joint Venture), Through Its Authorized Signatory / Representative, Firoz Patel, Son Of Haji Ahmed Patel, Aged About 55 Years, R/o- Near Gujrati Jain Mandir, Ganj Betul, District Betul, Madhya Pradesh.

... Applicant

versus

1. South Eastern Coalfields Limited (S.E.C.L) Through Its Chairman-Cum-Managing Director, SECL Headquarters, Seepat Road, Bilaspur, Chhattisgarh. Pincode- 495555
2. General Manager (C.S.R) S.E.C.L Headquarters, Seepat Road, Bilaspur, Chhattisgarh Pincode-495555
3. General Manager (Finance) S.E.C.L Headquarters, Seepat Road, Bilaspur, Chhattisgarh Pincode- 495555
4. General Manager (Operations/medical) S.E.C.L S.E.C.L Headquarters, Seepat Road, Bilaspur, Chhattisgarh Pincode- 495555
5. General Sub- Area Manager (Headquarters) S.E.C.L Headquarters, Seepat Road, Bilaspur, Chhattisgarh Pincode- 495555

... Respondents

For Applicant	: Ms. Pragati Pandey, Advocate.
For Respondents	: Dr. Sudeep Agrawal, Advocate.

Hon'ble Mr. Ramesh Sinha, Chief Justice

Order on Board

20.08.2026

1. This is an application under Section 11(6) of the Arbitration and Conciliation Act, 1996 for appointment of an Arbitrator.
2. The facts, in brief, as projected by the applicant are that the applicant M/s

R.R. Industries (MSME Joint Venture Firm), was awarded a contract by the Respondent-South Eastern Coalfields Limited (SECL) pursuant to a duly conducted GeM tender process for providing healthcare services through 13 Mobile Medical Units (MMUs) in villages situated around the operational areas of SECL under its Corporate Social Responsibility (CSR) initiative. Pursuant to the award of the contract, an agreement was executed between the parties on 16.08.2024 at SECL Headquarters, Bilaspur. However, despite repeated written requests, the respondents failed to furnish a duly signed copy of the executed agreement to the applicant, thereby causing serious prejudice to its contractual rights. After execution of the agreement the respondents issued Work Order No. 129 dated 03.09.2024) containing several conditions which materially deviated from the terms and conditions of the original GeM tender. The applicant objected to such unilateral deviations from the very inception and repeatedly requested the respondents to align the Work Order with the original tender conditions. Acting in complete compliance with the contractual obligations, the applicant procured, modified and deployed all thirteen Mobile Medical Units within the stipulated time. The MMUs were equipped with the requisite medical equipment and manpower in accordance with the tender requirements. Operations successfully commenced in eight designated SECL Areas. The remaining areas could not be operationalised solely on account of administrative impediments and non-cooperation on the part of the respondents, despite repeated requests by the applicant seeking operational permissions and necessary clarifications. The respondents issued the Standard Operating Procedure (SOP) only on 30.05.2025, nearly seven months after commencement of the project. Such inordinate delay, attributable entirely to the respondents, created substantial uncertainty regarding execution of the project and the billing mechanism. Even after issuance of the SOP and due compliance therewith by the

applicant, the respondents failed to permit smooth execution of the project in all designated areas. Throughout the execution period, the applicant remained fully prepared and willing to perform its contractual obligations. However, the respondents repeatedly obstructed the functioning of the MMUs by raising arbitrary, inconsistent and frivolous objections. Even after compliance with every requirement, operational permissions were either withheld or delayed without any justifiable reason. Notwithstanding satisfactory execution of the work and deployment of the MMUs, the Respondents failed to release even a single month's payment from November 2024 to April 2026. Such prolonged non-payment caused severe financial hardship to the applicant, who had invested substantial resources in procuring vehicles, employing doctors, paramedical staff and other personnel exclusively for the project. The continuing default compelled several employees to resign and exposed the applicant to labour disputes, financial liabilities and severe deterioration of its creditworthiness. Instead of honouring their contractual obligations, the respondents raised false and baseless allegations regarding submission of fraudulent bills. Such allegations were wholly misconceived, inasmuch as the SOP prescribing the billing format itself was issued much after commencement of the project. Bills submitted prior to issuance of the SOP were prepared in the existing format, whereas all subsequent bills strictly complied with the SOP requirements.⁹ Aggrieved by the arbitrary conduct of the respondents, the applicant initially approached the Hon'ble High Court by filing W.P.(C) No. 4911 of 2025. The said petition was disposed of with liberty reserved in favour of the applicant to avail "appropriate remedies available in law. Thereafter, the applicant furnished detailed replies to every communication issued by the respondents. Disregarding the replies submitted by the applicant, the respondents issued an arbitrary Show Cause Notice dated 10.11.2025 and thereafter, without

objectively considering the applicant's explanation or adhering to the principles of natural justice, passed the impugned Cancellation Order dated 28.02.2026, thereby terminating the contract and forfeiting the Earnest Money Deposit of Rs.17,80,179/-.

3. The applicant, being aggrieved by the cancellation, challenged the same before the Hon'ble High Court by filing W.P.(C) No. 2428 of 2026. During the proceedings, the respondents themselves admitted the existence of an arbitration clause governing the Agreement and contended that the disputes arising therefrom were arbitrable. Taking note of the said submission, the Hon'ble High Court, vide order dated 13.05.2026, without expressing any opinion on the merits of the controversy, disposed of the writ petition by granting liberty to the applicant to avail the alternative dispute resolution mechanism Agreement, including arbitration. In strict compliance with the contractual dispute resolution mechanism contained in Clause 16.1(ii) of the GeM General Terms and Conditions, the applicant first sought an amicable settlement by issuing letters dated 01.03.2026, 16.03.2026 and 23.03.2026 to the respondents. Despite receipt of the said communications, the Respondents failed to respond or resolve the disputes. Thereafter, the applicant invoked the second stage of the contractual dispute resolution mechanism by issuing a notice dated 26.05.2026 seeking constitution of the Dispute Resolution Committee for conciliation. The said notice was duly acknowledged by the Respondents on 29.05.2026. However, no Committee was constituted, nor was any response furnished by the respondents. Having exhausted every contractual pre-arbitral mechanism and the respondents having failed to resolve the disputes or act in accordance with the agreed procedure, the applicant invoked the arbitration agreement by issuing a notice under Section 21 on 01.07.2026 of the Arbitration and Conciliation Act, 1996, calling upon the respondents to concur in the appointment of an

independent and impartial Arbitral Tribunal., in view of the above Arbitration clause, the applicant herein had served a notice u/s 21 of the Act, 1996 for invoking the arbitration clause and in effect appointment of sole arbitrator and had sought confirmation and consent for the appointment within a reasonable period of 30 days. The notice was served through registered mode to the respondent. However, the respondent authority had not taken any steps as mandated by the statute and further failed to give consensus for appointment of sole-arbitrator leading to a dead-lock situation. In this factual backdrop, the parties having failed to come to a consensus on the constitution of the Arbitral Tribunal, the applicant is constrained to approach this Hon'ble Court under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of the Arbitrator to adjudicate upon the dispute between the parties. the applicant has approached this Hon'ble Court under the Agreements, in as much as the respondent is situated within the jurisdiction of this Hon'ble Court, as also the cause of action has arisen within the jurisdiction of this Hon'ble Court. It is pertinent to state that Agreement prescribes the place of arbitration as Bilaspur (C.G.). The applicant invoked arbitration vide its Notice dated 01.07.2026. That the present Petition is therefore within the period of limitation.

4. Learned counsel for the applicant submits that the agreement executed between the parties incorporates Clause 16.2 of the GeM General Terms and Conditions, which contains a valid and binding arbitration agreement within the meaning of Section 7 of the Arbitration and Conciliation Act, 1996, governing all disputes arising out of or in connection with the contract. Serious and live disputes have arisen between the parties concerning, *inter-alia*, the arbitrary cancellation of the Work Order, illegal forfeiture of the Earnest Money Deposit, non-payment of contractual dues, unilateral deviation from the tender conditions, wrongful withholding of payments, and

consequential losses suffered by M/s R.R. Industries, all of which are contractual disputes capable of being adjudicated through arbitration. M/s R.R. Industries has duly complied with the contractual dispute resolution mechanism prescribed under Clause 16.1 of the GeM General Terms and Conditions by first seeking an amicable settlement through representations dated 01.03.2026, 16.03.2026 and 23.03.2026, but the respondents failed to respond or resolve the disputes. From the aforesaid facts, it is respectfully submitted that there exists an admitted dispute between the parties arising out of the contract. The respondents have also acknowledged the existence and validity of the arbitration clause contained in the Notice Inviting Tender (NIT), as recorded before the Hon'ble High Court in W.P.(C) No. 2428 of 2026. Despite the existence of the arbitration agreement and the disputes having arisen between the parties, the respondents have failed to resolve the disputes through the contractual/internal dispute resolution mechanism. Consequently, the disputes have become ripe for reference to arbitration, and therefore, the present disputes are liable to be referred to arbitration for adjudication by an Arbitral Tribunal in accordance with the Arbitration and Conciliation Act, 1996. Because thereafter M/s R.R. Industries also complied with the second stage of the agreed dispute resolution mechanism by issuing a notice dated 26.05.2026 seeking constitution of the Dispute Resolution Committee for conciliation, which was duly acknowledged by the Respondents on 29.05.2026. Despite receipt thereof, the respondents neither constituted the Committee nor Initiated conciliation proceedings, thereby frustrating the contractual mechanism. Because after exhausting the pre-arbitral procedure, M/s R.R. Industries invoked arbitration by issuing a notice under Section 21 on 01.07.2026 of the Arbitration and Conciliation Act, 1996, calling upon the respondents to concur in the appointment of an independent and impartial Arbitrator. The said notice was duly served upon

the Respondents, yet no reply has been furnished nor has any Arbitrator been appointed. The respondents have failed to act in accordance with the agreed procedure for appointment of an Arbitrator, thereby attracting the jurisdiction of this Hon'ble Court under Section 11(6) of the Arbitration and Conciliation Act, 1996. Because the failure of the respondents to appoint an Arbitrator within the statutory period prescribed under the Arbitration and Conciliation Act, 1996 constitutes a default which entitles M/s R.R. Industries to seek appointment of an independent and impartial Arbitrator by this Hon'ble Court. The disputes raised by M/s R.R. Industries are genuine, subsisting and arbitrable disputes arising directly out of the contractual relationship between the parties and are therefore required to be adjudicated by an Arbitral Tribunal. The Hon'ble Supreme Court has consistently held that at the stage of exercising powers under Section 11 of the Arbitration and Conciliation Act, 1996, the scope of judicial examination is confined to the existence of a valid arbitration agreement and the existence of arbitrable disputes. Both these conditions stand fully satisfied in the present case. The respondents cannot be permitted to defeat the contractual dispute resolution mechanism by remaining silent despite receipt of the notice invoking arbitration, as such conduct is contrary to the scheme and object of the Arbitration and Conciliation Act, 1996, which seeks expeditious resolution of commercial disputes. The present petition is maintainable both in law and on facts, and no other equally efficacious remedy is available to M/s R.R. Industries for constitution of the Arbitral Tribunal except by invoking the jurisdiction of this Hon'ble Court under Section 11(6) of the Arbitration and Conciliation Act, 1996. The respondents have forfeited their contractual right, if any, to participate in the appointment of an Arbitrator by failing to act upon the notice invoking arbitration within the prescribed period, and therefore an independent and impartial Arbitrator deserves to be appointed by this

Hon'ble Court in the interest of justice.

5. Learned counsel for the respondent opposes the present arbitration request application, however he submits that the respondents shall have no objection if this Court appoints any Arbitrator for resolving the dispute between the parties.
6. I have heard learned counsel appearing for the parties, perused the pleadings and documents appended thereto.
7. 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 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. Justice V. K. Shrivastava, who is a retired Judge of this High Court may be appointed as the Sole Arbitrator.
8. In view of the above consensus between the learned counsel for the parties, **Hon'ble Mr. Justice V. K. Shrivastava**, a 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.
9. The Registry is directed to communicate this order to Hon'ble Mr. Justice V.K. Shrivastava in the proper address.
10. The remuneration of the Arbitrator shall be settled with the mutual consent of the parties.
11. The arbitration request petition, accordingly, stands **allowed**.

Sd/-
(Ramesh Sinha)
Chief Justice

Preeti