CGHC010376382026 2026:CGHC:43879

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

ARBR No. 69 of 2026

M/s Shanti Construction Sambalpur Private Limited Registered Office At Bada Bazar, Bangalipada, P.O.-Khetrajpur, Sambalpur, District-Sambalpur Odisha Pin- 768003, Through Its Authorised Representative Risabh Jalan, S/o Sri Rabindra Jalan, Aged Around 30 Years, R/o Jalan Road, P.O. Khetrajpur, Sambalpur, District Sambalpur Odisha

... Applicant(s)

Versus

1 - Union Of India, Ministry Of Railways Through Secretary, Indian Railways Board, Room No. 227-229, Rail Bhawan, Raisina Road, New Delhi, Delhi, India Pin-110001 Email - secyrb@rb.railnet.gov.in

2 - South East Central Railway Through Its General Manager, South East Central Railway/GM/Zonal Office, Railway Colony, Bilaspur, Chhattisgarh Pin- 495004 Email gm@secr.railnet.gov.in

3 - Deputy Chief Engineer (Con-II) South East Central Railway, Kharun Rail Vihar, Raipur, Chhattisgarh Pin- 492001

... Respondent(s)

For Applicant(s)	**:**	Mr. Hari Agrawal, Advocate.
For Respondent(s)	**:**	Mr. Ramakant Mishra, Deputy Solicitor General (through Video Conferencing)

Hon'ble Mr. Krushna Ram Mohapatra, Chief Justice

Order on Board

09/10/2026

1. This is an application under Section 11(6) of the Arbitration and Conciliation Act, 1996 (for short, the Act of 1996) for appointment of sole Arbitrator.

2. Mr. Hari Agrawal, learned counsel appearing for the applicant submits that there is a dispute between the parties arising from agreement dated 22.12.2025 (Annexure A/5).

3. It is submitted by learned counsel appearing for the parties that in view of clause 64 of the Indian Railways Standard General Conditions of Contract, this application has been filed for appointment of sole Arbitrator.

4. Clause 64 of the Indian Railways Standard General Conditions of Contract, reads as under:

> *"**64.(1): Demand for Arbitration**:*
>
> ***64.(1)(i):** In the event of any dispute or difference between the parties hereto as to the construction or operation of this contract, or the respective rights and liabilities of the parties on any matter in question, dispute or difference on any account or as to the withholding by the Railway of any certificate to which the Contractor may claim to be entitled to, or if the Railway fails to make a decision within 120 days, then and in any such case, but except in any of the "excepted matters" referred to in Clause 63.1 of these Conditions, the Contractor, after 120 days but within 180 days of his presenting his final claim on disputed matters shall*

demand in writing that the dispute or difference be referred to arbitration.

64.(1)(ii)(a): *The demand for arbitration shall specify the matters which are in question, or subject of the dispute or difference as also the amount of claim item-wise. Only such dispute or difference, in respect of which the demand has been made, together with counter claims or set off, given by the Railway, shall be referred to arbitration and other matters shall not be included in the reference.*

64.(1)(ii)(b): *The parties may waive off the applicability of Sub-Section 12(5) of Arbitration and Conciliation (Amendment) Act 2015, if they agree for such waiver in writing, after dispute having arisen between them, in the format given under Annexure XV of these conditions.*

64.(1)(iii)(a): *The Arbitration proceedings shall be assumed to have commenced from the day, a written and valid demand for arbitration is received by the Railway.*

64.(1)(iii)(b): *The claimant shall submit his claims stating the facts supporting the claims alongwith all the relevant documents and the relief or remedy sought against each claim within a period of 30 days from the date of appointment of the Arbitral Tribunal.*

64.(1)(iii)(c): *The Railway shall submit its defence statement and counter claim(s), if any, within a period of 60 days of receipt of copy of claims from Tribunal, unless otherwise extension has been granted by Tribunal.*

64.(1)(iii)(d): *Place of Arbitration: The place of arbitration would be within the geographical limits of the Division of the Railway where the cause of action arose or the Headquarters of the concerned Railway or any other place with the written consent of both the parties.*

64.(1)(iv): *No new claim shall be added during proceedings by either party. However, a party may amend or supplement the original claim or defense thereof during the course of arbitration*

proceedings subject to acceptance by Tribunal having due regard to the delay in making it.

64.(1)(v): *If the Contractor(s) does/do not prefer his/their specific and final claims in writing, within a period of 90 days of receiving the intimation from the Railways that the final bill is ready for payment, he/they will be deemed to have waived his/their claim(s) and the Railway shall be discharged and released of all liabilities under the contract in respect of these claims.*

64.(2): *Obligation During Pendency of Arbitration: Work under the contract shall, unless otherwise directed by the Engineer, continue during the arbitration proceedings, and no payment due Cor payable by the Railway shall be withheld on account of such proceedings, provided, however, it shall be open for Arbitral Tribunal to consider and decide whether or not such work should continue during arbitration proceedings.*

64.(3): Appointment of Arbitrator*:*

64.(3)(a): Appointment of Arbitrator where applicability of section 12 (5) of Arbitration and Conciliation Act has been waived off:

64.(3)(a)(i): *In cases where the total value of all claims in question added together does not exceed 1,00,00,000/- (Rupees One Crore), the Arbitral Tribunal shall consist of a Sole Arbitrator who shall be a Gazetted Officer of Railway not below Junior Administrative Grade, nominated by the General Manager. The sole arbitrator shall be appointed within 60 days from the day when a written and valid demand for arbitration is received by General Manager.*

64.(3)(a)(ii): *In cases not covered by the Clause 64(3)(a)(i), the Arbitral Tribunal shall consist of a panel of three Gazetted Railway Officers not below Junior Administrative Grade or 2 Railway Gazetted Officers not below Junior Administrative Grade and a retired Railway Officer, retired not below the rank of Senior Administrative Grade Officer, as the arbitrators. For this purpose, the Railway will send a panel of at least four (4) names of Gazetted*

Railway Officers of one or more departments of the Railway which may also include the name(s) of retired Railway Officer(s) empanelled to work as Railway Arbitrator to the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager.

Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as Contractor's nominee within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the Contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, duly indicating the 'presiding arbitrator' from amongst the 3 arbitrators so appointed. General Manager shall complete this exercise of appointing the Arbitral Tribunal within 30 days from the receipt of the names of Contractor's nominees. While nominating the arbitrators, it will be necessary to ensure that one of them is from the Accounts Department. An officer of Selection Grade of the Accounts Department shall be considered of equal status to the officers in Senior Administrative Grade of other departments of the Railway for the purpose of appointment of arbitrator.

64.3.(a).iii: *The serving railway officer working in arbitral tribunal in the ongoing arbitration cases as per clause 64.(3)(a)(i) and clause 64.(3)(a)(ii) above, can continue as arbitrator in the tribunal even after his retirement.*

64.(3)(b): Appointment of Arbitrator where applicability of Section 12 (5) of Arbitration and Conciliation Act has not been waived off:

(i) In cases where the total value of all claims in question added together does not exceed ₹50,00,000/- (Rupees Fifty Lakh), the Arbitral Tribunal shall consist of a Retired Railway Officer, retired not below the rank of Senior Administrative Grade Officer, as the arbitrator. For this purpose, the Railway will send a panel of at least four (4) names of retired Railway Officer(s) empanelled to work as Railway Arbitrator duly indicating their retirement dates to

the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager.

Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as arbitrator within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the arbitrator within 30 days from the receipt of the names of Contractor's nominees.

(ii) In cases where the total value of all claims in question added together exceed ₹ 50,00,000/- (Rupees Fifty Lakh), the Arbitral Tribunal shall consist of a Panel of three (3) retired Railway Officer, retired not below the rank of Senior Administrative Grade Officer, as the arbitrators. For this purpose, the Railway will send a panel of at least four (4) names of retired Railway Officer(s) empanelled to work as Railway Arbitrator duly indicating their retirement date to the Contractor within 60 days from the day when a written and valid demand for arbitration is received by the General Manager.

Contractor will be asked to suggest to General Manager at least 2 names out of the panel for appointment as Contractor's nominee within 30 days from the date of dispatch of the request by Railway. The General Manager shall appoint at least one out of them as the Contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, duly indicating the 'Presiding Arbitrator' from amongst the 3 arbitrators so appointed. General Manager shall complete this exercise of appointing the Arbitral Tribunal within 30 days from the receipt of the names of Contractor's nominees. While nominating the arbitrators, it will be necessary to ensure that one of them has served in the Accounts Department.

***64.(3)(c)(i):** If one or more of the arbitrators appointed as above refuses to act as arbitrator. withdraws from his office as arbitrator, or vacates his/their office/offices or is/are unable or unwilling to perform his functions as arbitrator for any reason whatsoever or dies or in the opinion of the General Manager fails to act without undue delay, the General Manager shall appoint new*

arbitrator/arbitrators to act in his/their place in the same manner in which the earlier arbitrator/arbitrators had been appointed. Such re-constituted Tribunal may, at its discretion, proceed with the reference from the stage at which it was left by the previous arbitrator(s).

64.(3) (c) (ii): *(a) The Arbitral Tribunal shall have power to call for such evidence by way of affidavits or otherwise as the Arbitral Tribunal shall think proper, and it shall be the duty of the parties hereto to do or cause to be done all such things as may be necessary to enable the Arbitral Tribunal to make the award without any delay. The proceedings shall normally be conducted on the basis of documents and written statements.*

(b) Before proceeding into the merits of any dispute, the Arbitral Tribunal shall first decide and pass its orders over any plea submitted/objections raised by any party, if any, regarding appointment of Arbitral Tribunal, validity of arbitration agreement, jurisdiction and scope of the Tribunal to deal with the dispute (s) submitted to arbitration, applicability of time 'limitation' to any dispute, any violation of agreed procedure regarding conduct of the arbitral proceedings or plea for interim measures of protection and record its orders in day to day proceedings. A copy of the proceedings duly signed by all the members of tribunal should be provided to both the parties.

64.3(c)(iii): *(i) Qualification of Arbitrator (s):*

(a) Serving Gazetted Railway Officers of not below JA Grade level.

(b) Retired Railway Officers not below SA Grade level, one year after his date of retirement.

(c) Age of arbitrator at the time of appointment shall be below 70 years.

(ii) An arbitrator may be appointed notwithstanding the total number of arbitration cases in which he has been appointed in the past.

(iii) While appointing arbitrator(s) under Sub-Clause 64.(3)(a)(i). 64.(3)(a)(ii), 64.(3)(b)(i) & 64.(3)(b)(ii) above, due care shall be taken that he/they is/are not the one/those who had an opportunity to deal with the matters to which the contract relates or who in the course of his/their duties as Railway servant(s) expressed views on all or any of the matters under dispute or differences. A certification to this effect as per annexure- XVI shall be taken from Arbitrators also. The proceedings of the Arbitral tribunal or the award made by such Tribunal will, however, not be invalid merely for the reason that one or more arbitrator had, in the course of his service, opportunity to deal with the matters to which the contract relates or who in the course of his/their duties expressed views on all or any of the matters under dispute.

***64.(3)(d)(i)**: The arbitral award shall state item wise, the sum and reasons upon which it is based. The analysis and reasons shall be detailed enough so that the award could be inferred therefrom.*

***64.(3)(d)(ii)**: A party may apply for corrections of any computational errors, any typographical or clerical errors or any other error of similar nature occurring in the award of a Tribunal and interpretation of a specific point of award to Tribunal within 60 days of receipt of the award.*

***64.(3)(d)(iii):** A party may apply to Tribunal within 60 days of receipt of award to make an additional award as to claims presented in the arbitral proceedings but omitted from the arbitral award.*

***64.(4):** In case of the Tribunal, comprising of three members, any ruling on award shall be made by a majority of members of Tribunal. In the absence of such a majority, the views of the Presiding Arbitrator shall prevail.*

***64.(5):** Where the arbitral award is for the payment of money, no interest shall be payable on whole or any part of the money for any period till the date on which the award is made.*

***64. (6):** The cost of arbitration shall be borne by the respective parties. The cost shall inter-alia include fee of the arbitrator(s), as*

per the rates fixed by Railway Board from time to time and the fee shall be borne equally by both the parties, provided parties sign an agreement in the format given at Annexure XV to these conditions after/ while referring these disputes to Arbitration. Further, the fee payable to the arbitrator(s) would be governed by the instructions issued on the subject by Railway Board from time to time irrespective of the fact whether the arbitrator(s) is/are appointed by the Railway Administration or by the court of law unless specifically directed by Hon'ble court otherwise on the matter.

64.(7) *Subject to the provisions of the aforesaid Arbitration and Conciliation Act 1996 and the rules thereunder and relevant para of the Standard General Conditions of Contract and any statutory modifications thereof shall apply to the appointment of arbitrators and arbitration proceedings under this Clause.*

64.(8) *In case arbitration award is challenged by a party in the Court of Law, 75% of award amount, pending adjudication by Court of Law, shall be made by party to other party. In case payment is to be made by Railway to Contractor, the terms & conditions as incorporated in the Ministry of Railways letter No. 2016/CE(I)/CT/ARB/3(NITI Aayog)/Pt. dated 08th Mar, 2017 as amended from time to time, shall be followed. In case Contractor has to pay to the Railway, then 75% of the award amount shall be deducted by the Railway from the Contractor's bills, Performance Guarantee/ Security Deposit or any other dues of Contractor with the Government of India.*"

5. Mr. Mishra, learned Deputy Solicitor General for the Union of India, representing the respondents-South East Central Railways submits that although objection has been filed, but he has no objection if Hon'ble Mr. Justice Goutam Bhaduri, a retired Judge of this High Court, stationed at Raipur, is appointed as sole Arbitrator to arbitrate the dispute.

6. Learned counsel for the applicant does not have any objection to appointment of Hon'ble Mr. Justice Goutam Bhaduri.

7. On agreement of learned counsel for the parties, Hon'ble Mr. Justice Goutam Bhaduri, retired Judge of this High Court is appointed as the sole Arbitrator to arbitrate the dispute.

8. Relevant records shall be sent to Hon'ble Mr. Justice Goutam Bhaduri for necessary action at his end.

9. The remuneration of the Arbitrator shall be settled with the mutual consent of the parties.

10. The Arbitration Request Application is **disposed of** accordingly.

Sd/-

(Krushna Ram Mohapatra)
CHIEF JUSTICE

Amit