



2026:CGHC:4419

NAFR**HIGH COURT OF CHHATTISGARH AT BILASPUR****ARBR No. 52 of 2025**

KMAG International A Partnership Firm, Having Its Registered Office At Shop No. 01 Moolchand Complex Old Bus Stand Bilaspur District Bilaspur Chhattisgarh, Through Its Authorized Signatory Manoj Tiwari S/o Late Shri S.B. Tiwari Aged About 58 Years R/o House Number B228 Agyey Nagar Near Onkareshwar Mandir, Bilaspur, Chhattisgarh

... Applicant**versus**

1. Nova Iron And Steel Ltd. Through The Chairman Having Its Registered Office At Village Dagori, Tehsil Belha, District – Bilaspur, Chhattisgarh
2. Nova Iron and Steel Limited Through Director (Technical), Having Its Registered Office and Works, At Nova Nagar, Village Dagori, Tehsil Belha, District Bilaspur, Chhattisgarh

... Respondents

For Applicant	: Mr. Arjit Tiwari, Advocate.
For Respondents	: Mr. Rishabh Garg, Advocate. (through video-conferencing).

Hon'ble Mr. Ramesh Sinha, Chief Justice**Order on Board****27.01.2026**

1. This is an application under Section 11 (6) of the Arbitration and Conciliation Act, 1996 for appointment of an Arbitrator.
2. Heard on IA No. 01 of 2025, which is an application for condonation of delay in payment of process fee. For the reasons stated in the application, the same is allowed.
3. The facts, in brief, as projected by the applicant are that the present



applicant is registered partnership firm within the meaning of Partnership Act 1932. The applicant and respondents entered into a Railway Siding Lease Agreement on 10.05.2023 for railway siding (Railway Siding) PSNS14322913 for a period of 3 years upon consideration of rent in monthly basis. As per clause 1.1.6 of the agreement dated 10.05.2023, effective date from which the agreement commences is 01.07.2023. The said railway siding was handed over to the applicant by the respondents on 01.07.2023. According to the applicant, since the date of possession, the applicant had been duly performing its obligations under the Agreement dated 10.05.2023. It would be relevant to mention here that in the said agreement dated 10.05.2023 there was a lock-in period of 2 years, as specified under Clause 3.3 of the agreement. Despite the performance of the applicant, the respondents had issued a letter dated 05.08.2023 for termination of the contract and thereafter, without even considering reply of the applicant, issued a letter of termination dated 19.08.2023 (received In the office of applicant on 23.08.2023) with a pre-determined mind that agreement dated 10.05.2023 executed between applicant and respondents would be terminated on 31.08.2023. It would be pertinent to mention here that this letter clearly spells out the fact that agreement dated 10.05.2023 stands terminated on 31.08.2023. Seeing no hope from the respondents as they were being pre-determined, applicant again made a request for settling the dispute as per Clause 15 by way of Arbitration under Arbitration and Conciliation Act 1996. However, when no communication was made by the respondents, the applicant filed an application under Section 9 of the Act of 1996 before the learned Commercial Court, Raipur was registered as Arbitration MJC No.44 of 2023 {*KMAG International vs Nova Iron and Steel Ltd. and Ors.*} and the learned Commercial Court vide order dated 07.09.2023 was pleased to stay the effect and operation of the termination.



Against the order dated 07.09.2023, the respondents preferred an appeal before this Court bearing registration No. Arbitration Appeal 43/2023 {*Nova Iron and Steel Ltd. and Ors. v. KMAG International*} wherein, this Hon'ble Court was pleased to dismiss the appeal on 13.12.2023. It would be worthy to mention here that during the entire litigation period the applicant was not permitted to work smoothly in the said railway siding area and thereby causing hindrances in the operation of the said siding. It would be relevant to point out here that applicant had incurred heavy loss in the said siding operation during the said period.

4. Aggrieved by the actions of the respondents, the applicant invoked the arbitration clause and issued a notice on 06.02.2024 under Section 21 read with Section 11 of the Act of 1996 referring to the arbitration clause stipulated in Clause 15 of the Agreement dated 10.05.2023. However, upon failure by the respondents to respond to the said notice, the applicant filed an application under Section 11(6) of the Act bearing registration No. ARBR No. 30/2024 {*KMAG International vs Nova Iron and Steel Ltd.*} thereby, seeking appointment of a qualified Arbitrator for resolution of disputes between the parties, wherein, this Court, vide order dated, 17.09.2024 was pleased to refer the matter to arbitration and appoint Hon'ble Justice (Rtd.) V. K. Shrivastava. Subsequently, arbitral proceedings commenced on 09.11.2024 before the learned Sole Arbitrator and the matter is sub-judice. However, during the pendency of arbitral proceedings concerning the validity of the termination letter dated 19.08.2023, the respondents issued another termination order on 22.02.2025 without serving a show-cause notice to the applicant. This new termination was based on three alleged grounds: (i) non-payment of outstanding lease rentals, (ii) failure to fulfill maintenance obligations, and (ii) fraud and deliberate misrepresentation. Pursuant to the termination order dated 22.02.2025, the applicant and respondents herein



approached the learned Commercial Court at Raipur by filing application under Section 9 of the Act of 1996 registered as Arbitration MJC No. 15/2025 and Arbitration MJC No. 16/2025. The learned Commercial Court, vide a common order dated 20.05.2025, was pleased to dispose off the Section 9 applications filed by both the parties. Subsequently, respondents herein had issued notice under Section 21 of the Act of 1996, on 16.08.2025 whereby they proposed to settle the dispute in accordance to clause 15 of the Agreement dated 10.05.2023 i.e., the Dispute Resolution Clause. Clause 15 of the Agreement is reproduced here under for ready reference:

15. GOVERNING LAW, JURISDICTION ARBITRATION AND

15.1 This Agreement shall be governed by the laws of India. The courts at Bilaspur shall have exclusive jurisdiction in relation to any dispute arising out of this Agreement.

15.2 The parties agree to use their best efforts, through good faith negotiations, to resolve any dispute that may arise under this Agreement. If the dispute is not resolved by this method within 30 days, it will be settled by arbitration in accordance with the 1996 act re-enactments thereof The seat of Arbitration shall be Raipur, India and the language of arbitration shall be English.”

5. Mr. Arjit Tiwari, learned counsel for the applicant further submit that the notice dated 16.08.2025 was duly replied by the applicant herein whereby denying every allegations and further agreeing upon the fact that they agree and give their consent for appointment of arbitrator proposed by the respondents in their notice dated 16.08.2025. Accordingly, the applicant is filing this present application under Section 11(6) of the Act of 1996 (read with Arbitration Amendment Act, 2015) and requests this Hon'ble Court to appoint any suitable and qualified



person as the Arbitrator on behalf of both the applicant and respondents under the provisions of Section 11(6) of the Act of 1996 and in accordance with clause 15 of the agreement dated 10.05.2023 to adjudicate upon the disputes and differences between the parties as stated above. The applicant states that the applicant has not filed any other application before this Hon'ble Court or any other Court in India or the Hon'ble Supreme Court of India any other application in respect of the subject matter of this application. The applicant furthermore submits that since the maternal part of the cause of action had arise in the territory of the State Chhattisgarh, therefore, this Hon'ble Court has the lawful jurisdiction to try and entertain this instant Application.

6. Mr. Tiwari also submits that the parties have agreed to reference of disputes to Hon'ble Shri Justice V.K. Shrivastava (Retd.) as the Sole Arbitrator. However, they seek the reference of the disputes by intervention of this Hon'ble Court. A valid arbitration agreement exists between the parties as per Clause 15 of the agreement. There is no dispute between the parties regarding existence of the arbitration clause or the fact that are disputes between the parties which require adjudication by an Arbitrator. This Hon'ble Court has territorial jurisdiction to entertain the present application under Section 11 of the Act of 1996 because the agreement is entered into between the parties in the State of Chhattisgarh. The present application has been moved within the stipulated period of limitation per Article 137, Limitation Act, 1963.
7. I have heard learned counsel appearing for the parties, perused the pleadings and documents appended thereto.
8. 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.

9. Accordingly, with the joint consensus of the parties, this Court appoints Hon'ble **Mr. Justice V.K. Shrivastava**, a retired Judge of this High Court, to act as the Sole Arbitrator for resolving the dispute between the parties.
10. The Registry is directed to communicate this order to Hon'ble Mr. Justice V.K. Shrivastava in the proper address.
11. The remuneration of the Arbitrator shall be settled with the mutual consent of the parties.
12. These arbitration request petitions, accordingly, stand **allowed**.

Sd/-
(Ramesh Sinha)
Chief Justice

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