

**HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT JAMMU**

CJ Court

Case No: Arb P No. 104/2025

M/S V K Sales and Construction Co.

...Petitioner(s)/Appellant(s)

Through: Mr. Farhan Mirza, Advocate

v/s

Union of India and Ors.

.... Respondent(s)

Through: Mr. Vishal Sharma, DSGI with
Mr. Eishaan Dadhichi, CGSC.

CORAM: HON'BLE THE CHIEF JUSTICE

ORDER
28.11.2025

(ORAL)

01. The present petition has been filed by the petitioner under Section 11 of the Arbitration and Conciliation Act, 1996, (for short '**the Act**') seeking appointment of an independent Arbitrator.

The petitioner firm being a Private Company, carrying out the contract works pertaining to the Military Engineering Service, Telecommunication and CPWD, was allotted work "**CA No. CEUZ-23/2007-08: CONSTRUCTION OF BAFFLE RANGE AT UDHAMPUR**" vide NIT bearing CA No. CEUZ/UDH/23/2007-2008 dated 22.08.2007 for a sum of ₹ 3,74,66,157.94/- which was a lump -sum typed based on IAFW-2159 and 2249. The duration for completion of the work was 18 months. Subsequently, the work orders dated 07.10.2008 and 16.08.2010 came to be issued in favour of the petitioner. It is submitted that after the execution of the agreement, there was a

considerable delay in handing over the site to the petitioner till May 2009. Thereafter, when the work allotment order was executed, due to some discrepancy in the design the construction of the Baffle Range got collapsed, which was communicated to the respondents vide letter dated 15.07.2009 mentioning the deficiencies in the proposed design and hindrances/damages being faced by the petitioner in executing the construction causing losses to the petitioner. It is averred that the petitioner kept on communicating the respondents with respect to the assessment of the damages suffered by it due to the lapses on the part of the respondents but the same remained unanswered. In response thereto, the respondents in 2012 issued a communication to the petitioner stating that the left out material or work would be measured by the Department in presence of the petitioner or his representative and the closure of the work was ordered by the respondents invoking condition No. 57-IAFW-2249.

The delay caused in completing the allotted work is attributed to many reasons and payments were also not made by the respondents for the work already done for which petitioner had to bear all the expenses which was duly communicated vide its communication dated 29.09.2022.

The said claims upon being received were rejected by the respondents vide communication dated 29.10.2022 and thereafter vide communication dated 30.06.2023, the petitioner was asked for submission of final bills with respect to the subject work which was foreclosed in the year 2012 due to reorganization and subsequent transfer of the work to GE (NORTH) Udhampur,. The said communication was replied by the petitioner on 21.07.2023 projecting the grievances of the petitioner but the respondents did

not entertain the same. The petitioner vide letters dated 30.06.2023, 21.07.2023 and 24.07.2024 requested the respondents for redressing the issues and for making the payment but same were not considered by the respondents.

02. Despite several requests made to the respondents regarding the resolution of the dispute that arose between the parties, the respondents did not accede to any of the requests. And the petitioner finally vide communication dated 05.08.2025 issued a notice to the respondents seeking appointment of an arbitrator.

03. Heard. Notice.

04. Served with advance copy of the petition, Mr. Eishaan Dadhichi, learned Central Government Standing Counsel, present in Court, accepts notice.

05. The existence of the arbitration clause, as aforesaid, and its invocation by the petitioner vide notice dated 05.08.2025, is not disputed.

07. Thus, having argued the matter at some length and in the given circumstances, learned counsel for the respondents, as always, fairly submits that let an arbitrator be appointed. But, since the claim that is sought to be made by the petitioner is vehemently disputed/ denied, it is submitted that respondent be granted liberty to raise all possible pleas/ objections before the arbitral tribunal/ arbitrator in this regard.

08. Accordingly, in the wake of the position sketched out above and in terms of the statements made by the learned counsel for the parties, the petition is allowed. And, with consent of learned counsel for the parties, Sh. **Arvind Kumar Arora, DG (Pers) MES R/o B/333 Chittaranjan Park, South Delhi, Delhi, 110019**, is appointed as the sole arbitrator. Who shall

proceed with the matter in accordance with the provisions of the Act. And to make an award within the time provided in the Act itself after charging the prescribed fee along with incidental expenses to be shared by the parties. The respondents are at liberty to raise all the objections as regards the subject matter before the learned Arbitrator.

09. Registry to send a copy of this order to the learned arbitrator.

(ARUN PALLI)
CHIEF JUSTICE

Jammu:
28.11.2025
Sunita/Secy.

