

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

CJ Court

Case: Arb P No. 107/2026

M/s R K Enterprises th Rakesh Kumar Petitioner(s)/Appellant (s)
Khajuria

Through :- Mr. Monish Chopra, Advocate.

v/s

J&K Small Scale Industries Respondent(s)
Development Corporation Ltd. and anr.

Through :- Ms. Monika Kohli, Sr. Advocate (Sr. AAG)
with Ms. Priyanka Bhat, Assisting counsel.

CORAM: HON'BLE THE CHIEF JUSTICE

(through virtual mode)

ORDER

25.09.2026

(ORAL)

01. The present petition has been filed by the petitioner under Section 11(6) read with Sections 11(5), 12(5) and 21 of the Arbitration and Conciliation Act, 1996, (for short '**the Act**') requesting the appointment of an arbitrator to adjudicate and resolve the subsisting disputes between the parties.

02. The concise facts, as projected by the petitioner are:

The petitioner-Firm, being a sole proprietorship concern, was awarded the work of **Construction of Pacca RCC Nallah of the Waste Water of Industries located at IID Centre Govindsar Kathua for its disposal to Maggar Khad**, vide Allotment order No. SICOP/PM/IID/K/2025/45/1081-85 dated 05.03.2026 for an amount of ₹ 1, 59, 31, 134.46/- which was issued by the respondents vide e-NIT No. SICOP/PM/IID/K/2025/43-A dated 16.12.2025. The Completion period for the entire work was fixed at 120 days from the date of issue of formal allotment. It is alleged that the respondents retained the Performance Security in shape of CDR/TDR/FDR as also the Additional Performance Security in the shape the Bank Guarantee which was to be released after the successful completion of the work.

The petitioner deployed the necessary machinery, tools, and labor to commence operations; however, they encountered severe site obstructions from

local residents. This disruption is substantiated by communications from the respondents, who formally requested police protection and magisterial assistance from the District Administration. Despite the prevailing conditions, the respondents persistently commanded the petitioner to restart the work, under threat of contract termination, security forfeiture, risk-and-cost recovery, and blacklisting. The petitioner asserted that he never renounced the agreement and remains fully prepared to fulfill his contractual obligations, provided there is lawful settlement of the site-related complications

Notwithstanding the aforesaid correspondences, the respondents remained recalcitrant in addressing the petitioner's grievances, the petitioner finally, invoked arbitration on 09.07.2026 and thereafter issued a notice dated 03.08.2026 to the respondents seeking appointment of an independent arbitrator for redressal of the dispute that had arisen between the parties. Despite receipt of the notice, the respondents failed to appoint the arbitrator. Although the contractual framework contemplates the Managing Director of SICOP as the sole arbitrator, but his direct involvement in the administration of the Contract and the underlying factual controversy creates an inherent conflict of interest. In accordance with statutory provisions reinforcing arbitral independence and impartiality, the petitioner seeks the intervention of this Court to appoint a independent arbitrator.

Although, the respondents issued a written reply bearing No. SICOP/PM/IID/K/2025/45/120-122 dated 24.08.2026 in response to the notice dated 03.08.2026, wherein the substantive claims raised by the petitioner were disputed. It is further averred that notwithstanding the consistent efforts to settle the dispute arisen between the parties remained unsettled. Hence, on account of nonfeasance from the respondent, the present petition.

03. Heard. Notice.

04. Served with advance copy of the petition, Ms. Priyanka Bhat, learned Assisting counsel, present in Court, accepts notice.

05. The existence of the arbitration clause, as aforesaid, and its invocation by the petitioner vide notice dated 03.08.2026, 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 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, Hon'ble Mr. Justice J P Singh, (**Former High Court Judge, High Court of Jammu & Kashmir and Ladakh**), 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.

(DR. PUSHPENDRA SINGH BHATI)
CHIEF JUSTICE

JAMMU
25.09.2026
SUNITA.