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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

CNR No. DLHC010381372026

+ **ARB.P. 1452/2026**

GSBA BUILDERS PVT LTD

.....Petitioner

Through: Mr. J. Sai Deepak, Sr. Adv. alongwith
Mr. Ravi Kapoor, Mr. Rishav and Ms.
Aditi Singhal, Advocates.

versus

DELHI DEVELOPMENT AUTHORITY

.....Respondent

Through: Mr. Ramesh Singh, Sr. Adv. alongwith
Ms. Prabhsahay Kuar, SC for DDA
alongwith Mr. Aditya Verma, Mr.
Siddhant M, Advocates And Mr. Durga
Prasad (AE, DDA)

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

% **18.08.2026**

1. The present petition has been filed by the petitioner seeking appointment of a sole Arbitrator for adjudication of the disputes and claims arising in connection with an agreement dated 10.06.2020 read with Letter of Acceptance dated 04.05.2020.
2. The aforesaid agreement was in the context of construction work of a Multi-Level Car Parking (MLCP) at Modi Tower, Nehru Place, New Delhi, including all development works and services on EPC (Engineering, Procurement, and Construction) basis, including two years of Operation and Maintenance, by the respondent.
3. It is the case of the petitioner that during the execution of the construction phase, the project was impacted by various hindrances and factors that were beyond the control of the petitioner, resulting in provisional extension of the completion deadline.
4. It is submitted by the petitioner that despite these impediments, the



petitioner successfully completed the construction work to the complete satisfaction of the respondent which was officially acknowledged *vide* issuance of completion certificate on 12.02.2026.

5. The petitioner is aggrieved by the fact that despite full completion of the project and issuance of completion certificate, the respondent arbitrarily sought to impose liquidated damages and also sought to encash certain bank guarantees submitted by the petitioner.

6. A petition under Section 9 of the Arbitration & Conciliation Act, 1996 has also been filed by the petitioner with regard to the invocation of the said bank guarantees.

7. The arbitration clause (clause 25 of the General Condition of Contract) in the contract between the parties is in the following terms: Clause 25

A) Except where otherwise provided in the contract, all questions and disputes relating to the meaning of the specifications, design, drawings and instructions here-in before mentioned and as to the quality of workmanship and materials used on the work or as to any other question, claim, right, matter or thing whatsoever in any way arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions, orders or these conditions or otherwise concerning the works or the execution or failure to execute the same whether arising during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be dealt with as mentioned hereinafter:



claim, right, matter or thing whatsoever in any way arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions, orders or these conditions or otherwise concerning the works or the execution or failure to execute the same whether arising during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be dealt with as mentioned hereinafter:

- (i) If the contractor considers any work demanded of him to be outside the requirements of the contract, or disputes any drawings, record or decision given in writing by the Engineer-in-Charge or if the Engineer in Charge considers any act or decision of the contractor on any matter in connection with or arising out of the contract or carrying out of the work, to be unacceptable and is disputed, such party shall promptly within 15 days of the arising of the disputes request the EM or where there is no who shall refer the disputes to Dispute Redressal Committee (DRC) within 15 days along with a list of disputes with amounts claimed if any in respect of each such dispute. The Dispute Redressal Committee (DRC) shall give the opposing party two weeks for a written response, and, give its decision within a period of 60 days extendable by 30 days by consent of both the parties from the receipt of reference from EM. The constitution of Dispute Redressal Committee (DRC) shall be as indicated in Schedule 'F'. Provided that no party shall be represented before the Dispute Redressal Committee by an advocate/legal counsel etc.

If the Dispute Redressal Committee (DRC) fails to give its decision within the aforesaid period or any party is dissatisfied with the decision of Dispute Redressal Committee (DRC) or expiry of time limit given above, then either party may within a period of 30 days from the receipt of the decision of Dispute Redressal Committee (DRC), give notice to the EM/DDA, in charge of the work or for appointment of arbitrator on prescribed proforma as per Appendix XV under intimation to the other party.

It is a term of contract that each party invoking arbitration must exhaust the aforesaid mechanism of settlement of claims/disputes prior to invoking arbitration.

The EM/DDA shall in such case appoint the sole arbitrator or one of the three arbitrators as the case may be within 30 days of receipt of such a request and refer such disputes to arbitration. Wherever the Arbitral Tribunal consists of three Arbitrators, the contractor shall appoint



one arbitrator within 30 days of making request for arbitration or of receipt of request by Engineer- in-charge to EM/DDA for appointment of arbitrator, as the case may be, and two appointed arbitrators shall appoint the third arbitrator who shall act as the Presiding Arbitrator. In the event of A party fails to appoint the second Arbitrator, or The two appointed Arbitrators fail to appoint the Presiding Arbitrator, then EM shall appoint the second or Presiding Arbitrator as the case may be.

- II. Disputes or difference shall be referred for adjudication through arbitration by a Tribunal having sole arbitrator where Tendered amount is Rs. 100 Crore or less. Where Tendered Value is more than Rs. 100 Crore, Tribunal shall consist of three Arbitrators as above. The requirements of the Arbitration and Conciliation Act, 1996 (26 of 1996) and any further statutory modifications or re-enactment thereof and the rules made there under and for the time being in force shall be applicable.

It is a term of this contract that the party invoking arbitration shall give a list of disputes with amounts claimed, if any, in respect of each such dispute along with the notice for appointment of arbitrator and giving reference to the decision of the DRC.

It is also a term of this contract that any member of the Arbitration Tribunal shall be a Graduate Engineer with experience in handling public works engineering contracts at a level not lower than Chief Engineer (Joint Secretary level of DDA of India). This shall be treated as a mandatory qualification to be appointed as arbitrator. Parties, before or at the time of appointment of Arbitral Tribunal may agree in writing for fast track arbitration as per the Arbitration and Conciliation Act, 1996 (26 of 1996) as amended in 2015. Subject to provision in the Arbitration and Conciliation Act, 1996 (26 of 1996) as amended in 2015 whereby the counter claims if any can be directly filed before the arbitrator without any requirement of reference by the appointing authority, the arbitrator shall adjudicate on only

such disputes as are referred to him by the appointing authority and give separate award against each dispute and claim referred to him and in all cases where the total amount of the claims by any party exceeds Rs. 1,00,000/-, the arbitrator shall give reasons for the award.

It is also a term of the contract that if any fees are payable to the arbitrator, these shall be paid as per the Act

The place of arbitration shall be as mentioned in Schedule F. In case there is no mention of place of arbitration, the arbitral tribunal shall determine the place of arbitration.

The venue of the arbitration shall be such place as may be fixed by



the Arbitral Tribunal in consultation with both the parties. Failing any such agreement, then the Arbitral Tribunal shall decide the venue.

It is also a term of the contract that the arbitrator shall be deemed to have entered on the reference on the date he issues the notice to both the parties, calling them to submit their statement of claims and counter statement of claims. The venue of the arbitration in Delhi shall be such place as may be fixed by the arbitrator in his sole discretion. The cost of the reference and of the award shall be in the discretion of the arbitrator who may direct to any by whom and in what manner, such costs or any part thereof shall be paid and fix or settle the amount

of costs to be so paid. 1

8. Issue notice.
9. Learned counsel, as aforesaid, accepts notice on behalf of the respondent.
10. Learned senior counsel for the respondent while vehemently disputing the contentions sought to be raised by the petitioner on the merits of the dispute, accedes to the existence of the arbitration agreement and to this Court appointing an independent Sole Arbitrator to adjudicate the dispute between the parties.
11. He further submits that the respondent is desirous of raising certain counter-claims against the petitioner on account of alleged breaches on the part of the petitioner.
12. Since the existence of the arbitration clause is evident from a bare perusal of the contract, there is no impediment to constituting an arbitral tribunal for adjudicating the dispute between the parties, as mandated in terms of the judgments of Supreme Court in **SBI General Insurance Co. Ltd. v. Krish Spinning**, (2024) 12 SCC 1 and **Interplay Between Arbitration Agreements under Arbitration Act, 1996 & Stamp Act, 1899, In re**, (2024) 6 SCC 1. The said legal position has also been subsequently reiterated and followed by the Supreme Court in **Aslam Ismail Khan Deshmukh v. ASAP Fluids Private Limited & Anr.**, (2025) 1 SCC 502 and **Maharashtra State**



Electricity Distribution Co. Ltd. & Ors. v. R Z Malpani, 2026 SCC OnLine SC 553.

13. Considering the circumstances, with the consent of the parties, Ms. Justice (Retd.) Rekha Palli, former Judge, Delhi High Court is appointed as the Sole Arbitrator to adjudicate the dispute between the parties.

14. The learned Sole Arbitrator may proceed with the arbitration proceedings subject to furnishing requisite disclosures to the parties as required under Section 12 of the A&C Act.

15. The learned Sole Arbitrator shall be entitled to fee in accordance with IVth Schedule to the A&C Act; or as may otherwise be agreed to between the parties and the learned Sole Arbitrator.

16. All rights and contentions of the parties in relation to the claims/ counter-claims are kept open, to be decided by the learned Arbitrator on their merits, in accordance with law.

17. Needless to say, the learned Sole Arbitrator would consider the same in accordance with law and take an appropriate decision.

18. The respondent shall be entitled to raise preliminary objections as regards jurisdiction/ arbitrability, which shall be decided by the learned arbitrator, in accordance with law.

19. Needless to say, nothing in this order shall be construed as an expression of this Court on the merits of the case.

20. The petitioner requests that the learned Sole Arbitrator be requested to schedule a date of hearing expeditiously. The petitioner would be at liberty to make a request in this regard to the learned Sole Arbitrator.

21. The petition stands disposed of in the above terms.

SACHIN DATTA, J

AUGUST 18, 2026/at/nb