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

+ **ARB.P. 635/2019**

CHIRANJI LAL & CO Petitioners

Through: Mr. C.S. Parasher, Adv.

versus

UNION OF INDIA Respondent

Through: Mr. J.K. Singh, standing counsel with
Mr. Amit Kumar, Adv.

CORAM:

HON'BLE MS. JUSTICE REKHA PALLI

ORDER

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18.02.2020

1. The present petition under Section 11 of the Arbitration and Conciliation Act, 1996 seeks appointment of an Arbitrator to adjudicate the disputes and differences, which have arisen between the parties in relation to work contract dated 07.03.2011.
2. Learned counsel for the petitioners submits that upon the disputes having arisen between the parties, the petitioner invoked the arbitration clause contained in para 38 of the agreement, by way of legal notice dated 08.08.2018 but has received no reply from the respondent. He, therefore, prays that an independent Arbitrator be appointed by this Court.
3. Upon notice being issued, the respondent has filed a reply opposing the petition mainly on the ground that claim of the petitioner is barred by limitation. It is further urged that the contract stood

lapsed for intermittent periods between 07.03.2011 to 25.07.2013 and therefore, the claims of the petitioners are not arbitral.

4. Before dealing with the submissions of the parties, it would be appropriate to refer para 38 of the agreement dated 07.03.2011, which reads as under:-

“38. In the event of any question, dispute or difference arising out of this agreement or any special conditions of contract or in connection with this agreement, the same shall be referred to the sole arbitrator of a Gazetted Railway Officer appointed by the General Manager, Northern Railway, New Delhi. The gazetted Officer appointed as arbitrator, however, will not be one of these who had an opportunity to deal with the matter to which the contract relates or of the matter under disputes or differences the award of the arbitrator shall be final and binding on the parties to this contract subject to aforesaid, the Arbitration and Conciliation Act, 1996 and the rule there under any statutory modification thereof for the time being in force shall be deemed to apply to the arbitration proceedings under this clause.”

5. Having considered the rival contentions of the parties, it is evident that respondent does not deny that disputes have arisen between the parties and the agreement between the parties contained an arbitration clause by way of para 38 of the agreement dated 07.03.2011. The only objections raised by the respondent qua the claims being barred by limitation as also the objection that the contract stood lapsed for intermittent periods between 07.03.2011 to 25.03.2013 are contentious issues which are required to be determined in arbitration proceedings.

6. The petition is accordingly allowed and Mr.Arjun Natarajan,

Advocate (Mob:9899640295) is appointed as the Sole Arbitrator to adjudicate the disputes and differences which have arisen between the parties in relation to work contract dated 07.03.2011. It is made clear that this Court has not examined the rival stands of the parties on merits of the claims raised by the petitioner and it will, therefore, be open for the parties to raise all pleas as permissible in law, before the learned Arbitrator.

7. The arbitration shall be conducted under the aegis of Delhi International Arbitration Centre (DIAC). The fees of the learned arbitrator shall be in accordance with the Schedule of fees prescribed under the Delhi High Court Arbitration Centre (Administrative Costs and Arbitrators' Fees) Rules.

8. Before commencing arbitration proceedings, the Arbitrator will ensure compliance of Section 12 of the Arbitration and Conciliation Act, 1996.

9. A copy of this order be sent to Delhi International Arbitration Centre (DIAC) as also to the learned Arbitrator.

REKHA PALLI, J.

FEBRUARY 18, 2020

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