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IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH

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Date of decision:28.08.2024

M/S MEGH RAJ BANSAL (GOVT. CONTRACTOR)
...PETITIONER

VS.

STATE OF PUNJAB AND OTHERS ...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present: Mr. Nikhil Handu, Advocate
for the petitioner.

Mr. Anil Bansal, DAG, Punjab.

SUVIR SEHGAL J. (ORAL)

1. This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, (for short 'the Act'), for appointment of an Arbitrator to adjudicate the disputes between the parties.

2. Counsel for the petitioner submits that the petitioner was allotted work of construction of District Administrative Complex at Kapurthala, vide acceptance letter dated 16.03.2011, Annexure P-2. He submits that although the construction work was to be completed within a period of two years, but extensions were granted by the respondents for



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its completion and the work was eventually completed on 25.09.2020. He submits that the petitioner raised a final bill dated 06.04.2021, Annexure P-15, and submitted it to the Executive Engineer, who by his response dated 21.06.2021, Annexure P-16, rejected the claims. Counsel submits that thereafter the petitioner approached the Superintending Engineer by communication dated 24.07.2021, Annexure P-17, invoking the arbitration clause and by another communication, Annexure P-18, sent on the same day, a request was submitted to the Chief Engineer to change the Arbitrator. He asserts that both the communications remained unattended.

3. Upon notice by this Court, petition has been contested by the respondents by filing a response, wherein it has been submitted that the petitioner did not adhere to the time schedule mentioned in Arbitration Clause No.25. An objection has also been raised that the petitioner is required to make a pre-deposit before the reference of the dispute to arbitration. Respondents have also taken a stand that the petitioner has delayed the completion of the work and the bills were never raised during the execution of the work. Petitioner has filed a replication controverting the stand taken by the respondents.

4. I have heard counsel for the parties and considered their respective submissions.

5. The objection regarding delay raised by the respondents deserves to be rejected. It has been held by the Supreme Court in **Grasim**

Industries Ltd. Versus State of Kerala, (2018) 14 SCC 265 that the time



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period laid down in the arbitration clause restricting the right of the claimant is hit by Section 28 of the Contract Act, 1872. Insofar as the pre-deposit is concerned, the same shall be looked into by the learned Arbitrator. Prayer made in the petition, therefore, deserves to be accepted.

6. Petition is allowed. Mr. Chief Justice (Retd.) M.M. Kumar, a former judge of this Court, House No. 79, Sector 16-A, Chandigarh, Mobile No.9888824752, is requested to act as a sole Arbitrator to adjudicate the dispute between the parties.

7. Liberty is granted to the parties to raise all claims, counter claims, defences, pleas etc. before the Arbitrator.

8. Needless to mention that all the questions arising between the parties shall remain open for determination in the arbitral proceedings and any observation made hereinabove will not be binding on the learned Arbitrator.

9. A request letter alongwith a copy of this order be sent to Mr. Chief Justice (Retd.) M.M. Kumar.

28.08.2024
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(SUVIR SEHGAL)
JUDGE

Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No