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**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

**ARB-340-2024 (O&M)
Date of Decision: 29.09.2025**

M/s PRIL-VKGA-JV Quiet

..... Petitioner

Versus

The Chairman-cum-Managing Director (CMD), Rail Vikas Nigam Ltd. and
others

..... Respondents

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present: Mr. P.S. Rana, Advocate
for the petitioner.

Mr. Pankaj Gupta, Senior Panel Counsel,
for the respondents-UOI.

JASGURPREET SINGH PURI, J. (ORAL)

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') praying for appointment of an independent Sole Arbitrator to adjudicate the disputes which have arisen between the parties.

2. Mr. P.S. Rana, learned counsel for the petitioner has submitted that an Agreement was executed between the petitioner and the respondents for the purpose of "Construction of Road-Bed, Major & Minor bridges including fabrication, erection and launching of open web steel girders from KM 0.00 to KM 03.50 and allied works (including General Electrical works) in connection with Bhanupali-Bilaspur-Beri New Line of Northern Railway in Punjab State, India". He further submitted that in the aforesaid Agreement, there was a valid arbitration clause i.e. Clause 20.3 wherein the

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procedure for appointment of Arbitrator has been mentioned which so states that in case the total value of all claims in question does not exceed ₹2 crores, then the Sole Arbitrator is to be appointed and in case it is more than ₹2 crores, then a panel of three Arbitrators is to be appointed. While further referring to the Clause 20.3.2, he submitted that when Sole Arbitrator is to be appointed, then it has to be appointed by the CMD/RVNL of the respondent and when a panel of three Arbitrators is to be appointed, then again the employer i.e. the respondent will forward a panel of three names to the contractor and the second Arbitrator is also to be appointed by the CMD/RVNL. He submitted that in both the aforesaid cases, the officers of the respondent are to be appointed as Arbitrators which is illegal in view of Section 12(5) of the Act and also in view of the law laid down by Hon'ble Supreme Court in "*Perkins Eastman Architects DPC Vs. HSCC (India) Ltd.*", 2020(20) SCC 760. He submitted that even otherwise also the petitioner had issued a notice dated 12.03.2024 vide Annexure P-10 for invocation and for appointment of an Arbitrator in terms of the Clause of the Agreement pertaining to the arbitration but no response was received from the respondents and in this way the mechanism so stated in the aforesaid Arbitration Clause has failed because of the inaction on the part of the respondents. Therefore, the present petition has been filed under Section 11(6) of the Act for appointment of Sole Arbitrator.

3. On the other hand, Mr. Pankaj Gupta, learned Senior Panel Counsel for the respondents-UOI has submitted that there is no dispute with regard to the existence of the arbitration clause as aforesaid and also there is no dispute that the petitioner has served a notice upon the respondents with regard to the appointment of the Arbitrator. However, only objection in the



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present case is that the petitioner has already issued 'No Claim Certificate' to the respondents whereby all the claims already stand settled and therefore, now the petitioner cannot seek invocation of Arbitration Clause for appointment of the Arbitrator.

4. Learned counsel for the petitioner however submitted that the aforesaid 'No Claim Certificate' was issued by the petitioner under duress and coercion in order to claim the remaining payments and therefore, that itself constitute a dispute under the Arbitration Clause and for the purpose of a reference under Section 11(6) of the Act, this Court would only see as to whether there is a valid and existing arbitration clause or not and hence, the objection raised by learned counsel for the respondents is not sustainable.

5. I have heard the learned counsels for the parties.

6. So far as the existence of a valid clause pertaining to the arbitration proceedings is concerned, the same has not been disputed by learned counsel for the respondents. Apart from the above, the serving of the notice to the respondents is also not in dispute. The only objection raised by learned counsel for the respondents is that the petitioner has furnished 'No Claim Certificate' which was controverted by the learned counsel for the petitioner that the same was under duress and coercion so as to get the outstanding amount.

7. This Court is of the considered view that the aforesaid would therefore constitute a dispute which can be seen only by the Arbitrator. It is a settled law that at the time of reference stage under Section 11 of the Act, the Court is only to see *prima facie* the existence of a valid arbitration clause as so held by Hon'ble Supreme Court in "**SBI General Insurance Company Limited Vs. Krish Spinning**", 2024 SCC Online SC 1754 and also another



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judgment of Hon'ble Supreme Court in "*Interplay between Arbitration Agreements under Arbitration and Conciliation Act, 1996 and Stamp Act, 1899, In Re*" (2024) 6 SCC 1. Therefore, the objection which has been raised by learned counsel for the respondents is not sustainable.

8. In view of the above, the present petition is allowed. Mr. Justice R.P. Nagrath, a former Judge of this Court, resident of House No.162, Sector-123, New Sunny Enclave, Kharar, Mohali, Mobile No.8558809901 Email id. rpnagrath@gmail.com is nominated as the Sole Arbitrator to adjudicate the dispute between the parties, subject to compliance of statutory provisions including Section 12 of the Act.

9. Parties are directed to appear before the learned Arbitrator on date, time and place to be fixed and communicated by the learned Arbitrator at his convenience.

10. Fee shall be paid to the learned Arbitrator in accordance with the Fourth Schedule of the Arbitration Act, as amended.

11. Learned Arbitrator is also requested to complete the proceedings as per the time limit prescribed under Section 29-A of the Arbitration Act.

12. A request letter alongwith a copy of the order be sent to Mr. Justice R.P. Nagrath, a former Judge of this Court.

29.09.2025

Bhumika

(JASGURPREET SINGH PURI)
JUDGE

1. Whether speaking/reasoned:	Yes/No
2. Whether reportable:	Yes/No