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

ARB-434-2025

Date of decision: 12.11.2025

M/S JULLUNDUR CONSTRUCTION COMPANY

...Petitioner(s)

VERSUS

CENTRAL PUBLIC WORKS DEPARTMENT (CPWD) AND OTHERS

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

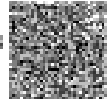
Present:- Mr. Abhay Sharma, Advocate for
Mr. Rahul Sharma-I, Advocate
for the petitioner.

Mr. Lalit Attri, Central Government Counsel
for the respondents.

JASGURPREET SINGH PURI, J. (Oral)

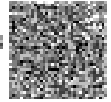
1. The present petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') seeking appointment of an independent Arbitrator to adjudicate the disputes and differences which have arisen between the parties.

2. Learned counsel appearing on behalf of the petitioner submitted that there was an agreement between the petitioner and the respondents for the work of upgradation of Residences Type-II to Type-V at Sant Longowal Institute of Engineering and Technology, Longowal (SLIET), District Sangrur and the aforesaid agreement is attached along with the present petition as Annexure P-1. He further submitted that the aforesaid agreement contains an



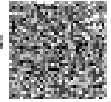
arbitration Clause i.e. Clause 25, which provides that in case any dispute arises between the parties, then the Contractor may apply to the Engineer-in-Charge, who shall forward the matter to the Superintending Engineer for a decision and if the Contractor remains dissatisfied, he may thereafter appeal to the Chief Engineer and subsequently, to the Dispute Redressal Committee (DRC) and in case he is not satisfied with the decision, then the clause provides that the matter be referred to a Sole Arbitrator to be appointed by the Chief Engineer of the respondents. He further submitted that the aforesaid clause, which empowers the Chief Engineer of the respondents to appoint a Sole Arbitrator, is impermissible under the provisions of Section 12 of the Act as well as the law laid down by Hon'ble Supreme Court in **Perkins Eastman Architects DPC and another versus HSCC (India) Limited, (2020) 20 SCC 760.**

3. He further submitted that the petitioner resorted to the pre-arbitration mechanism by writing different letters to the respondents, which have been attached along with the present petition. While referring to Annexure P-5, he submitted that on 08.06.2024, the petitioner addressed a letter to the Executive Engineer raising his grievances and requested that the amount be paid within a period of 15 days but no response was received from the respondents. He further submitted that it was also requested in the aforesaid letter that the matter be treated as dispute and the claims be referred to the Superintending Engineer, CPWD, Jalandhar, in terms of Clause 25(i) of the agreement, which was a part of the pre-arbitration mechanism. Since no response was received from the respondents, the petitioner vide Annexure P-6 wrote a letter on 24.06.2024 to the Superintending Engineer requesting that the



matter be treated as dispute and the claims shall be referred to the SDG, CPWD, in terms of clause 25 of the agreement for settlement of the disputes/claims of the said work but no response was received thereafter. He further submitted that thereafter, vide Annexure P-7 dated 02.09.2024, the petitioner wrote a letter to the Special Director General, CPWD, Kendriya Sadan requesting that in case the claims are not resolved within 15 days then the same may be forwarded to the DRC as per the provisions of the clause 25(i) of the agreement for settlement but still no response was received from the respondents. Thereafter, the petitioner once again wrote a letter to the aforesaid Special Director General vide Annexure P-8 but again no response was received. He submitted that thereafter, vide Annexure P-11 dated 19.02.2025, the petitioner wrote a letter to the Chief Engineer-cum-Executive Director stating that the Dispute Redressal Committee has failed to give its decision within a period of 60 days and therefore, the petitioner has got no other alternative except to approach the competent Court for appointment of a Sole Arbitrator and in the aforesaid letter, the petitioner also invoked the arbitration clause under Clause 25 but no action was taken by the respondents for the appointment of a Sole Arbitrator.

4. He further submitted that prior to filing of the present petition before this Court, the Dispute Redressal Committee (DRC) passed an order vide Annexure R-3 dated 12.06.2025, whereby the claim of the petitioner was rejected but the same was never conveyed to the petitioner and in this way, the pre-arbitration mechanism was adhered to by the petitioner and therefore, the petitioner is well within its rights to invoke the arbitration clause as provided aforesaid. He also submitted that any independent

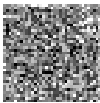


Arbitrator may be appointed by this Court for the adjudication of the disputes.

5. On the other hand, Mr. Lalit Attri, learned Central Government Counsel appearing on behalf of the respondents submitted that it is correct that the Dispute Redressal Committee has decided the claim against the petitioner. He further submitted that although the petitioner adhered to the pre-arbitration mechanism in accordance with the clause but no fresh notice was served upon the petitioner for invoking the arbitration clause after the Dispute Redressal Committee decided against him. He also submitted that so far as the existence of a valid agreement and a valid arbitration clause is concerned, there is no dispute with regard to the same.

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

7. The arbitration clause and the agreement containing the arbitration clause are not in dispute. The arbitration clause provides for the appointment of a Sole Arbitrator. However, the clause states that a Sole Arbitrator is to be appointed by the respondents, which is not permissible under the law and therefore, an independent Sole Arbitrator is required to be appointed. So far as the argument raised by the learned counsel for the respondents that the petitioner did not invoke the arbitration clause after the aforesaid decision of the Dispute Redressal Committee is concerned, the same is not sustainable, particularly in view of the fact that as per the learned counsel for the petitioner, the petitioner was not even aware of the aforesaid order as it was never conveyed to him. This Court is of the considered view that the petitioner has adopted the pre-arbitration mechanism as stated above and therefore, there is no



bar to the appointment of a Sole Arbitrator because at the stage of reference under Section 11 of the Act, this Court is only to see the *prima facie* existence of the arbitration clause and as per the learned counsel for the respondents, there is no dispute with regard to the same.

8. In view of the aforesaid facts and circumstances, the present petition is allowed. Hon’ble Mr. Justice Pritam Pal, a former Judge of this Court, resident of House No.665, Sector 11-B, Chandigarh, Mobile No.9463122333, 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 Act.

12. A request letter alongwith a copy of the order be sent to Hon’ble Mr. Justice Pritam Pal, a former Judge of this Court.

(JASGURPREET SINGH PURI)
JUDGE

12.11.2025
Chetan Thakur

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No