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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ ARB.P. 489/2025
M/S SHILPA CONSTRUCTIONPetitioner
Through: Mr. Abhisar Bhanu, Adv.

versus

TELECOMMUNICATIONS CONSULTANTS
INDIA LTD.Respondent
Through: Mr. Himanshu Sachdeva, Adv.

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M/S SHILPA CONSTRUCTIONPetitioner
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versus

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M/S SHILPA CONSTRUCTION

.....Petitioner

Through: Mr. Abhisar Bhanu, Adv.

versus

TELECOMMUNICATIONS CONSULTANTS
INDIA LTD.

.....Respondent

Through: Mr. Himanshu Sachdeva, Adv.

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

28.04.2025

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1. These five (5) petitions have been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 ('A&C Act') for seeking appointment of an Arbitrator. With the consent of the parties, these petitions are being disposed of with a common order, as is intended to appoint a common arbitrator in these petitions.

Facts in ARB.P. 489/2025

2. This petition has been filed under Section 11(6) of the A&C Act seeking appointment of a Sole Arbitrator to adjudicate the disputes that have arisen between the parties.

3. It is stated in the petition that the disputes between the parties emanate from Agreement dated 26.04.2013. The arbitration clause is contained in



Clause 15.6 of the said agreement. The relevant clause reads as under:

“If any dispute or difference arises between TCIL and the agency in relation to or in connection with this agreement, either party may give notice to the other party of the existence of such dispute or difference. Such dispute shall be referred for arbitration to CMD, TCIL who shall appoint the arbitrator. The award given by the arbitrator shall be final and binding on both parties. Provisions of the Indian Arbitration and Conciliation Act, 1996 shall be applicable. The venue of arbitration shall be New Delhi. Notwithstanding any of the provisions of this agreement, the performance of works by the agency shall continue during such arbitration proceedings.”

3.1 It is stated that the Petitioner is a proprietorship firm, engaged in the business of construction and developmental works.

3.2 It is stated that the Respondent is a Government of India enterprise and it is a prime engineering and consultancy company, in a Mini Ratna Category-I, wholly owned Government of India, Public Sector Enterprises under the administrative control of the Department of Telecommunications (DOT), Ministry of Communications, Government of India.

3.3 It is stated that pursuant to an assignment received by Respondent from Rajasthan Urban Infrastructure Finance and Development Corporation Ltd. (RUIFDCL), the Respondent issued Notice Inviting Tender (NIT) on 26.11.2010 for works related to the construction of water supply and sewerage systems. The Petitioner successfully bid and was issued a Letter of Award dated 18.04.2011, and an Agreement dated 26.04.2013 was executed.

3.4 It is stated that the Petitioner, after deploying requisite manpower and machinery, completed the assigned work within the stipulated period, with additional works completed by 26.09.2014; the Urban Improvement Trust, Udaipur, issued confirmation vide letter dated 28.09.2018 regarding satisfactory completion on 17.04.2012 and 26.09.2014.

3.5 It is stated that as per the Agreement, a Defect Liability Period of 12



months was applicable, which expired on 26.09.2015.

3.6 It is stated that despite completion of work, the Respondent delayed the release of the Performance Bank Guarantee, which was eventually released on 18.10.2018, causing financial loss to the Petitioner due to costs of extension.

3.7 It is stated that although some payments were cleared on 26.03.2015, the Respondent withheld amounts towards final bill, escalation charges, security deposit, testing charges, and delayed settlement of Bank Guarantee expenses.

3.8 It is stated that the outstanding dues of the Petitioner aggregate to Rs. 1,07,68,440/-, inclusive of final payments, escalation, security deposit, testing charges, Bank Guarantee costs, and interest.

4. In light of the foregoing facts, the Petitioner has approached this Court for appointment of a Sole Arbitrator under Section 11(6) of the Act.

5. Learned counsel for the Respondent enters appearance. He states that he has filed his reply. However, since the same is not on record, the Respondent is directed to have the same placed on record within one (1) week.

6. He further states that the Respondent does not dispute the existence of the arbitration agreement, however, the Respondent has raised an objection that the claims in this petition are barred by limitation. He states that the project in question was completed in the year 2014 and payments also stood released in the year 2015.

7. In reply, learned counsel for the Petitioner states that, as is evident from the record, the Respondent has repeatedly acknowledged its liability towards the Petitioner. Therefore, in terms of Section 18 of the Limitation



Act, 1963, the period of limitation stands extended and has not expired. He further submits that, in light of the judgment of Supreme Court in **SBI General Insurance Co. Ltd. v. Krish Spinning**¹, the question of limitation may appropriately be referred for adjudication by the learned Arbitrator.

8. In response, learned counsel for the Respondent also submits that the issue of limitation may be referred to the learned Arbitrator.

9. The value of the claims is Rs. 1.08 crores (approx.).

Facts in ARB.P. 492/2025

10. This petition has been filed under Section 11(6) of A&C Act seeking appointment of a Sole Arbitrator to adjudicate the disputes that have arisen between the parties.

11. It is stated in the petition that the disputes between the parties emanate from Agreement dated 30.07.2014. The arbitration clause is contained in Clause 14.6 of the said agreement. The relevant clause reads as under:

“If any dispute or difference arises between TCIL and the agency in relation to or in connection with this agreement, either party may give notice to the other party of the existence of such dispute or difference. Such dispute shall be referred for arbitration to CMD, TCIL who shall appoint the arbitrator. The award given by the arbitrator shall be final and binding on both parties. Provisions of the Indian Arbitration and Conciliation Act 1996 shall be applicable. The venue of arbitration shall be New Delhi. Notwithstanding any of the provisions of this agreement the performance of works by the agency shall continue during such arbitration proceedings.”

12. It is stated that the Petitioner was awarded the contract vide Letter of Award dated 18.01.2011, followed by an additional Letter of Award dated 28.06.2011, and subsequently a Revised Letter of Award dated 21.07.2014, revising the scope of work.

12.1 It is stated that the Petitioner, upon deployment of requisite manpower

¹ 2024 SCC OnLine SC 1754



and machinery, completed the assigned work within the stipulated time without any delays. It is stated that the work was completed on 15.08.2014.

12.2 It is stated that under the Agreement, a Defect Liability Period of 12 months was applicable. Accordingly, the Defect Liability Period expired on 15.08.2015.

12.3 It is stated that despite successful completion, the Respondent delayed the release of the Performance Bank Guarantee, which was eventually released only on 30.05.2019, causing financial loss to the Petitioner, who had to bear additional costs towards extension of Bank Guarantees.

12.4 It is stated that the Respondent also delayed clearing the running and final bills and withheld amounts towards insurance charges, escalation charges, labour costs for water supply and security services, and bank guarantee extension costs. Final payments were made much later on 24.12.2023.

12.5 It is stated that the Petitioner made repeated representations for release of payments, but the Respondent attributed the delay to non-receipt of funds from Rajasthan Urban Infrastructure Finance and Development Corporation Limited (RUIFDCL) and failed to release the admitted dues.

12.6 It is stated that the Petitioner raised claims towards outstanding dues aggregating to Rs. 4,01,28,226/- comprising due escalation amounts, insurance charges, labour charges, Bank Guarantee charges, and interest for delayed payments.

12.7 It is stated that the Petitioner issued a notice dated 08.10.2024 invoking arbitration and proposing the name of an Advocate, as the Sole Arbitrator. It is stated that the Respondent replied on 29.11.2024 but neither consented to the appointment nor proposed any alternative Arbitrator.



13. In light of the foregoing facts, the Petitioner has approached this Court for appointment of a Sole Arbitrator under Section 11(6) of the Act.

14. Learned counsel for the Respondent states that he has filed a reply to the present petition. However, since the same is not on record, the Respondent is directed to have the same placed on record within one (1) week.

15. He states that in this petition, it is the stand of the Respondent that the Petitioner has issued a no dues certificate, thereby evidencing that the contract stands discharged by accord and satisfaction.

16. He, however, states that the said issue may be placed before the learned Arbitrator for its decision as the Respondent does not dispute the existence of an arbitration agreement.

17. Learned counsel for the Petitioner states that the value of the claim is Rs. 4.01 crores. He states that the Petitioner disputes the submission of the Respondent regarding accord and satisfaction but has no objection if the said issue is referred for adjudication before the learned Arbitrator.

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18. This petition has been filed under Section 11(6) of the A&C Act seeking appointment of a Sole Arbitrator to adjudicate the disputes that have arisen between the parties.

19. It is stated in the petition that the disputes between the parties emanate from Agreement dated 18.12.2013. The arbitration clause is contained in Clause 14.6 of the said agreement. The relevant clause reads as under:

“If any dispute or difference arises between TCIL and the agency in relation to or in connection with this agreement, either party may give notice to the other party of the existence of such dispute or difference. Such dispute shall be referred for arbitration to CMD, TCIL who shall appoint the arbitrator. The award given by the arbitrator shall be final and binding on



both parties. Provisions of the Indian Arbitration and Conciliation Act 1996 shall be applicable. The venue of arbitration shall be New Delhi. Notwithstanding any of the provisions of this agreement the performance of works by the agency shall continue during such arbitration proceedings.”

20. It is stated that the Respondent was awarded a project by RUIFDCL for construction and infrastructure development works under the IHSDP Scheme in Udaipur. Pursuant to a tender issued on 15.03.2013, the Petitioner was awarded the contract vide Letter of Award dated 18.12.2013.

20.1 It is stated that the work was delayed due to frequent changes and funding issues from the Respondent’s end. The Petitioner completed the project on 30.11.2019. The completion was acknowledged by the Urban Improvement Trust, Udaipur, and a completion certificate was issued on 02.11.2022

20.2 It is stated that despite successful execution, the Respondent failed to release the Petitioner’s Bank Guarantee and make payment of final bills in time. The Bank Guarantee was only released on 30.10.2023, causing the Petitioner to incur additional expenses. Moreover, claims towards escalation, insurance, and delayed payments remained unsettled.

20.3 It is stated that the Petitioner issued a notice dated 25.10.2024 invoking arbitration in terms of Clause 14.6 of the Agreement and proposed the name of an Advocate, as Sole Arbitrator. The Respondent failed to respond or appoint an arbitrator.

20.4 It is state that disputes have arisen regarding outstanding dues amounting to Rs.4,90,69,949.14/-, which includes escalation charges, GST, bank guarantee expenses, insurance, and interest on delayed payments.

21. In light of the foregoing facts, the Petitioner has approached this Court for appointment of a Sole Arbitrator under Section 11(6) of the Act.



22. Learned counsel for the Respondent states that he has filed a reply to the present petition. However, since the same is not on record, the Respondent is directed to have the same placed on record within one (1) week.

23. Learned counsel for the Respondent states that in this petition, it is the stand of the Respondent that a No Dues Certificate has been issued by the Petitioner and, therefore, the contract stands discharged by accord and satisfaction.

24. However, he fairly states that the said issue may be placed before the learned Arbitrator for its decision as the Respondent does not dispute the existence of an arbitration agreement.

25. Learned counsel for the Petitioner states that the value of the claim is Rs. 4.06 crores. He further states that the Petitioner disputes the submission of the Respondent regarding accord and satisfaction but has no objection if the said issue is left for determination by the learned Arbitrator.

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26. This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 ('A&C Act') seeking appointment of a Sole Arbitrator to adjudicate the disputes that have arisen between the parties.

27. It is stated in the petition that the disputes between the parties emanate from Agreement dated 18.03.2015. The arbitration clause is contained in Clause 14.6 of the said agreement. The relevant clause reads as under:

"If any dispute or difference arises between TCIL and the agency in relation to or in connection with this agreement, either party may give notice to the other party of the existence of such dispute or difference. Such dispute shall be referred for arbitration to CMD, TCIL who shall appoint the arbitrator. The award given by the arbitrator shall be final and binding on both parties. Provisions of the Indian' Arbitration and Conciliation Act 1996



shall be applicable. The venue of arbitration shall be New Delhi. Notwithstanding any of the provisions of this agreement the performance of works by the agency shall continue during such arbitration proceedings.”

28. It is stated that the Respondent received work from Rajasthan Urban Infrastructure Finance and Development Corporation Ltd. (RUIFDCL) under the IHSDP Scheme. The Respondent issued a Notice Inviting Tender on 07.11.2012 for civil development works at Biliya Village, Titardi, Udaipur.

28.1 It is stated that the Petitioner’s bid was accepted and a Letter of Award dated 22.02.2013 was issued, followed by execution of an Agreement dated 18.03.2015, effective from 22.02.2013. The contract value was Rs. 3,69,95,000/-. The work was completed by the Petitioner on 15.08.2014.

28.2 Despite successful completion and certification of work, release of the performance guarantee and final bill payment were delayed. The Bank Guarantee was returned only on 30.05.2019 and final bill payment was made on 24.12.2023.

28.3 It is stated that the Petitioner raised repeated representations claiming losses due to delayed payment and late release of the Bank Guarantee, and has quantified the outstanding dues at Rs. 61,10,347/-, which includes interest and bank guarantee charges.

28.4 The Petitioner issued a notice dated 08.10.2024 invoking arbitration and proposed appointment of an Advocate. The Respondent failed to respond or propose any alternate arbitrator.

29. In light of the foregoing facts, the Petitioner has approached this Court for appointment of a Sole Arbitrator under Section 11(6) of the Act.



30. Learned counsel for the Respondent states that he has filed a reply to the present petition. However, since the same is not on record, the Respondent is directed to have the same placed on record within one (1) week.

31. Learned counsel for the Respondent states that in this petition, it is the stand of the Respondent that a No Dues Certificate has been issued by the Petitioner and, therefore, the contract stands discharged by accord and satisfaction.

32. Learned counsel for the Petitioner states that the value of the claim is Rs. 61.10 lakhs. However, he fairly states that the said issue may be placed before the learned Arbitrator for its decision as the Respondent does not dispute the existence of an arbitration agreement.

33. He further states that the Petitioner disputes the submission of the Respondent regarding accord and satisfaction but has no objection if the said issue is left for determination by the learned Arbitrator.

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34. This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 ('A&C Act') seeking appointment of a Sole Arbitrator to adjudicate the disputes that have arisen between the parties.

35. It is stated in the petition that the disputes between the parties emanate from Agreement dated 17.03.2015. The arbitration clause is contained in Clause 14.6 of the said agreement. The relevant clause reads as under:

"If any dispute or difference arises between TCIL and the agency in relation to or in connection with this agreement, either party may give notice to the other party of the existence of such dispute or difference. Such dispute shall be referred for arbitration to CMD, TCIL who shall appoint the arbitrator. The award given by the arbitrator shall be final and binding on both parties. Provisions of the Indian Arbitration and Conciliation Act 1996



shall be applicable. The venue of arbitration shall be New Delhi. Notwithstanding any of the provisions of this agreement the performance of works by the agency shall continue during such arbitration proceedings.”

36. It is stated that the Respondent issued multiple Letters of Award to the Petitioner for construction of 720 houses and related works under the Integrated Housing and Slum Development Programme at South Extension Scheme, Balicha, Udaipur. The total contract value was revised to Rs. 24.20 Crores.

36.1 It is state that an Agreement dated 17.03.2015 was executed between the parties, with retrospective effect from 01.05.2012.

36.2 It is stated that despite multiple revisions to the work orders by the Respondent and delays due to layout and funding issues attributable to the Respondent, the Petitioner successfully completed the project on 30.11.2019. The final completion certificate was issued by the Urban Improvement Trust, Udaipur on 02.11.2022.

36.3 It is stated that the Defect Liability Period of one year expired on 30.11.2020. However, the Respondent delayed release of performance security (Bank Guarantee), which was finally returned on 30.10.2023. The Petitioner incurred costs for its continued renewal.

36.4 The Petitioner’s final bills were also delayed and only cleared on 18.02.2023. Due to such delays, the Petitioner claims compensation under various heads including insurance, escalation, bank guarantee charges, GST and interest, totalling Rs. 6,22,95,238.55/-.

36.5 It is stated that the Petitioner invoked arbitration on 25.10.2024 by proposing an Advocate, as Sole Arbitrator. However, the Respondent failed to respond or nominate any arbitrator.



37. In light of the foregoing facts, the Petitioner has approached this Court for appointment of a Sole Arbitrator under Section 11(6) of the Act.

38. Learned counsel for the Respondent states that he has filed a reply to the present petition. However, since the same is not on record, the Respondent is directed to have the same placed on record within one (1) week.

39. Learned counsel for the Respondent states that in this petition, it is the stand of the Respondent that a No Dues Certificate has been issued by the Petitioner and, therefore, the contract stands discharged by accord and satisfaction.

40. However, he fairly states that the said issue may be placed before the learned Arbitrator for its decision as the Respondent does not dispute the existence of an arbitration agreement.

41. Learned counsel for the Petitioner states that the value of the claim is Rs. 6.22 crores. He further states that the Petitioner disputes the submission of the Respondent regarding accord and satisfaction, however, he has no objection if the said issue is left for determination by the learned Arbitrator.

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42. Learned counsel for the parties state that they jointly pray that a common sole arbitrator be appointed for each of these petitions; though they clarify that they will file separate pleadings in each of these petitions and lead evidence separately.

43. A perusal of the arbitration clauses contained in the agreements



executed between the parties in the above caption petitions shows that there exists valid arbitration agreements between the parties.

44. In view of the above, the disputes between the parties in all the aforesaid petitions are referred to arbitration to be presided over by a sole arbitrator. With the consent of the parties, Former Judge of this Court, **Hon'ble Mr. Justice Manmohan Singh** [Mobile No. 9717495001, e-mail ID: justicemanmohansingh@gmail.com], is appointed as a Sole Arbitrator. The learned Sole Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act of 1996 before entering into the reference.

45. The parties jointly consent that the arbitration be held under the aegis of Delhi International Arbitration Centre (DIAC) and as per the Rules of DIAC. It is ordered accordingly.

46. The remuneration of the learned Sole Arbitrator shall be in terms of Schedule IV of the Act of 1996 as amended by the Rules of DIAC.

47. It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claims and/or counter-claims, any other preliminary objection, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.

48. The DIAC is directed to fix a preliminary hearing in these matters on or before **15.07.2025** as per the convenience of the learned sole arbitrator.

49. Learned counsel for the Petitioner states that the statement of claim will be duly filed within eight (8) weeks, from today.

50. With the aforesaid directions, the present petitions stand disposed of.

51. The registry is directed to send a copy of this order to Secretary, DIAC for information and compliance and the learned Sole Arbitrator.

52. The digitally signed copy of this order, duly uploaded on the official



website of the Delhi High Court, www.delhihighcourt.nic.in, shall be treated as a certified copy of the order for the purpose of ensuring compliance. No physical copy of order shall be insisted by any authority/entity or litigant.

APRIL 28, 2025/msh/akp

MANMEET PRITAM SINGH ARORA, J

[Click here to check corrigendum, if any](#)