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

+ **ARB.P. 574/2025**

LARSEN AND TOUBRO LIMITED

.....Petitioner

Through: Mr. Rajat Malhotra, Mr. Tathagat
Tiwari and Ms. Madhu Kumari, Advocates.

versus

PUBLIC WORKS DEPARTMENT

.....Respondent

Through: Ms. Vaishali Gupta, Panel Counsel
(Civil), GNCTD.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

14.05.2025

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1. This petition is preferred on behalf of the Petitioner under Section 11(5) of the Arbitration and Conciliation Act, 1996 ('1996 Act') seeking appointment of a Sole Arbitrator to adjudicate the disputes between the parties.
2. Factual matrix to the extent necessary and as set out in the petition is that Respondent issued a Notice Inviting Tender for work of construction of 700 beds at Indira Gandhi Hospital, Dwarka on turnkey basis including for water supply, sanitary installations, drainage, art work, etc. and maintenance and operation for a period of 05 years. An Agreement was executed between the parties herein on 13.10.2014, Petitioner being a successful bidder. Petitioner asserts that it commenced the work in the right earnest but faced difficulties during execution, leading to time and cost overrun. Several disputes arose between the parties and Petitioner invoked Clause 25 which is



a Dispute Resolution Clause of GCC. However, instead of resolving the disputes, Chief Engineer, PWD appointed a Sole Arbitrator to adjudicate the first round of disputes (between 2014 to 2016). This was challenged by the Petitioner by filing a petition under Section 11(6) of 1996 Act being Arb. P. 529/2018, which was allowed by this Court on 09.01.2020 and a Sole Arbitrator was appointed.

3. It is further averred that second round of disputes (2016 to 2024) were referred by the Engineer In-Charge vide letter dated 10.01.2024 for resolution as per contractually stipulated pre-arbitration mechanism. The claims of the Petitioner were rejected on 09.02.2024 and Petitioner took further recourse to agitate its claims first before the Superintending Engineer and then before the Chief Engineer. The appeal was made to the Chief Engineer vide letter dated 20.06.2024, however, no decision was taken in the stipulated 30 days period and the disputes were referred vide letter dated 23.09.2024 before the Disputes Redressal Committee ('DRC').

4. It is stated in the petition that Clause 25 of GCC provides that DRC shall give its decision within 90 days from the receipt of the appeal. However, no decision was taken and Petitioner invoked arbitration in terms of the same clause, which provides that in the event of failure of DRC to give its decision, either party may within 30 days give notice to the Chief Engineer for appointment of an Arbitrator.

5. Learned counsel for the Petitioner submits that Petitioner has exhausted the entire mechanism of the adjudicatory process stipulated in Clause 25 of GCC. Respondent failed to appoint the Arbitrator and refer the disputes, despite receipt of the invocation notice dated 26.12.2024 by the Respondent on 22.01.2025 and passing of 30 days therefrom. In this light, it



is prayed that a Sole Arbitrator be appointed to adjudicate the second round of disputes for the period 2016 to 2024.

6. Ms. Vaishali Gupta, learned counsel appearing on behalf of the Respondent, on instructions, submits that Respondent has no objection to the appointment of a Sole Arbitrator by this Court.

7. There is no dispute between the parties on the existence of the arbitration agreement, which is Clause 25 of GCC. In view of this, there is no impediment in the appointment of a Sole Arbitrator by this Court.

8. Accordingly, with the consent of the parties, Mr. Justice Najmi Waziri, former Judge of this Court, (Mobile No.9810097311), is appointed as the Sole Arbitrator to adjudicate the disputes between the parties. Fee of the Arbitrator shall be as per Fourth Schedule of 1996 Act.

9. Learned Arbitrator shall give disclosure under Section 12 of the 1996 Act before entering upon reference.

10. It is made clear that this Court has not expressed any opinion on the merits of the case and all rights and contentions of the respective parties are left open.

11. Petition is disposed of in the aforesaid terms.

JYOTI SINGH, J

MAY 14, 2025/RW