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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ O.M.P. (T) (COMM.) 33/2024 & I.A. 8492/2024
M/S. KAWATRA TENTS AND CATERERS PVT. LTD. ...Petitioner
Through: Mr. Yogesh Jagia, Adv.
versus
DELHI URBAN SHELTER IMPROVEMENT BOARD (DUSIB)
.....Respondent
Through: Mr. Naveen Kumar Raheja, Adv.

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Through: Mr. Yogesh Jagia, Adv.
versus
DELHI URBAN SHELTER IMPROVEMENT BOARD (DUSIB)
.....Respondent
Through: Mr. Naveen Kumar Raheja, Adv.

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

ORDER
30.07.2025

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1. These petitions are filed under Section 14(2) & 15 of the Arbitration and Conciliation Act, 1996 seeking termination of the mandate of the existing sole arbitrator, in the ongoing arbitration proceedings arising out of Agreement/ License Deed dated 27.04.2018 and for appointment of an independent substitute arbitrator.
2. The Agreement contains an arbitration clause being Clause No. 19, which reads as under:

“In cases of any dispute between the parties, the dispute



shall be referred to the Arbitrator to be appointed by Member (Admn.) as per the provisions of Arbitration and Conciliation Act, 1996.”

3. The facts of the case are that, since there were disputes between the parties arising out of demands raised by the respondent of alleged outstanding license fee, the petitioner filed an appeal under Section 45 of the Delhi Urban Shelter Improvement Board Act, 2010. The Hon'ble Lieutenant Governor was pleased to permit the respondent to appoint an arbitrator in terms of Clause 19 of the Agreement.
4. Thereafter, the petitioner participated in the arbitration proceedings and at the stage of claimant's evidence realized that that it is a case of unilateral appointment by the respondent and hence, the existing sole arbitrator so appointed, is *de-jure* ineligible to conduct arbitration proceedings.
5. The said fact was brought to the knowledge of the sole arbitrator and thereafter application was filed by the petitioner company before the learned sole Arbitrator seeking termination of his mandate, however vide order dated 16.03.2024 the same was dismissed on the ground that issue of terminating mandate of the Arbitrator being *de jure* or *de facto* incapable of conducting the dispute between the parties can only lie before the Court.
6. Hence the present petition.
7. Mr. Jagia, learned counsel for the petitioner, states that it is a case of unilateral appointment by the respondent and hence, the sole Arbitrator so appointed is *de jure* ineligible to conduct arbitration proceedings.



8. Mr. Raheja, learned counsel for the respondent, states that the petitioner is seeking to take advantage of its own wrongs.
9. He further submits that the appeal pertained to the petitioner's request for the appointment of an arbitrator in terms of Clause 19 of the Agreement. In response, the respondent appointed an arbitrator, and the petitioner participated in the arbitration proceedings. However, now, towards the conclusion of the arbitration proceedings, the petitioner is seeking the substitution of the arbitrator. The respondent has expended considerable time, effort, energy and arbitral fee towards the arbitration proceedings.
10. I have heard the learned counsel for the parties.
11. In the case of unilateral appointment of an arbitrator, the law is settled. The respondent cannot unilaterally appoint an arbitrator as there always will be an apprehension of bias and non-neutrality in such an arbitration proceeding.
12. Reliance is placed on the judgments of ***Perkins Eastman Architects DPC vs. HSCC (India) Limited, (2020) 20 SCC 760*** and ***TRF Ltd. vs. Energo Engineering Projects Ltd., (2016) SCC OnLine SC 1928***, wherein it has been held by the Hon'ble Supreme Court that a party with an interest in the outcome of the dispute cannot unilaterally appoint an arbitrator.
13. For the said reasons, the mandate of the sole arbitrator is terminated, and the petition is allowed. The following directions are issued:-
 - i) Mr. Justice G.S. Sistani (Retired Judge Delhi High Court) (Mob. No. 9871300034) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.



- ii) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
 - iii) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.
 - iv) The parties shall approach the learned Arbitrator within two weeks from today.
- 14. The arbitrator shall continue the arbitration proceedings from the stage it was left on the last date of arbitration proceedings.
 - 15. The fee of the arbitrator is fixed at Rs. 2 lakhs per hearing, subject to a maximum of 10 hearings in equal proportions.
 - 16. The arbitrator will be at liberty to award costs for the amount of fee paid to the earlier arbitrator.
 - 17. The synopsis submitted by the respondent in the court today is taken on record.
 - 18. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

JULY 30, 2025/sp