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

+ **ARB.P. 885/2025**

SHALIMAR CORP. LTD.

.....Petitioner

Through: Mr. Shashwat Kabi, Advocate.

versus

BHARAT HEAVY ELECTRICALS LTD. (BHEL).....Respondent

Through: Mr. Amish Tandon, Ms. Charchika
Yadav and Ms. Vanshita Singh, Advocates.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

10.10.2025

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1. This petition is filed on behalf of the Petitioner under Section 11(6) of the Arbitration and Conciliation Act, 1996 ('1996 Act') for appointment of a Sole Arbitrator to adjudicate the disputes between the parties.

2. Disputes between the parties having arisen from a Notice Inviting Tender dated 18.06.2018, Letter of Intent dated 29.08.2018 and Work Order dated 13.09.2018. Petitioner claims that on award of the contract dated 13.09.2018, it mobilized all its resources and commenced the work but completion was delayed due to reasons attributable to the Respondent and as a result, work was completed with delay of 1315 days. Final Bill was submitted on 01.08.2023 but outstanding amounts were not cleared. Petitioner made attempts towards amicable settlement of the disputes but to no avail and hence notice invoking arbitration was sent on 07.01.2025, in reply to which Respondent vide letter dated 07.02.2025 proposed a list of five names for appointment as Arbitrator, calling upon the Petitioner to



choose one name. Petitioner requested to offer a wider panel. However, despite further correspondence, parties could not arrive at a consensus and Petitioner filed the present petition.

3. Learned counsel for the Respondent, on instructions, does not dispute the existence of Arbitration Agreement but submits that all rights and contentions of the Respondent be left open as there is serious dispute with respect to the claims of the Petitioner on merits.

4. Notice Inviting Tender dated 18.06.2018 provided that the Contract will be governed by General Conditions of Contract (GCC) and Special Conditions of Contract (SCC) etc. GCC incorporated Arbitration Clause 2.18, whereby parties agreed to refer all disputes arising out of the contract to Arbitration by a Sole Arbitrator who will be the General Manager of the Respondent or his nominee. It needs no reiteration that the Arbitration Clause envisaging appointment of a General Manager or his nominee as a Sole Arbitrator in the present case will be in the teeth of judgments of the Supreme Court in ***Perkins Eastman Architects DPC and Another v. HSCC (India) Limited, (2020) 20 SCC 760*** and ***Central Organisation for Railway Electrification v. ECI SPIC SMO MCML (JV) A Joint Venture Company, (2025) 4 SCC 641*** and therefore, to that extent, the Arbitration Clause is unworkable.

5. Accordingly, this petition is allowed appointing Ms. Justice Indu Malhotra (Mobile No. 9810026757), former Judge of the Supreme Court as Sole Arbitrator to adjudicate the disputes between the parties. Arbitration proceedings will be held under the aegis of Delhi International Arbitration Centre (DIAC) and as per its Rules. Fee of the Arbitrator shall be fixed as per fee schedule of DIAC (Administrative Cost & Arbitrators' Fees) Rules



2018.

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

7. 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. It will be open to the Respondent to file counter-claims, if any, before the learned Arbitrator.

8. At this stage, learned counsels jointly submit that parties will also explore the possibility of amicable settlement and hence the learned Arbitrator be directed not to enter upon reference for a period of three months from today.

9. In light of this submission, it is left open to the parties to explore the possibility of amicable settlement. The outcome shall be intimated to the learned Arbitrator on the expiry of three months or earlier, as the case may be.

10. Petition is disposed of in the aforesaid terms.

JYOTI SINGH, J

OCTOBER 10, 2025/Harshit