



2025:DHC:10784



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**+ **ARB.P. 1142/2025**Date of Decision: **14.11.2025****IN THE MATTER OF:**

LIBRA ASSOCIATES

.....Petitioner

Through: Mr. Sachin Bajpai, Adv.

versus

DABUR INDIA LTD

.....Respondent

Through: Mr. Hemant Gupta, Adv.

CORAM:**HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****JUDGEMENT****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)**

The present petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 (the Act), seeking appointment of an Arbitrator to adjudicate upon the disputes that have arisen between the parties.

2. The facts of the case would indicate that an earlier unilateral arbitrator was appointed who proceeded to render an award. However, such a position is impermissible in law in view of the authoritative pronouncement of the Supreme Court in *Perkins Eastman Architects DPC & Anr. v. HSCC (India) Ltd.*¹, wherein the Court categorically held that a party interested in the outcome of the dispute cannot have the exclusive power to appoint a sole arbitrator. The Supreme Court drew a clear distinction between cases where

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a party has a role in the appointment process as part of a neutral or balanced mechanism, and cases where one party alone retains the unilateral right to constitute the tribunal. In the latter scenario, as in the present case, the appointment is hit by the principles of impartiality and independence embedded in Section 12(5) of the Act. Consequently, the award rendered by a unilaterally appointed arbitrator stands vitiated in law, being contrary to the mandate of neutrality.

3. Applying these principles to the present case, the unilateral appointment of the arbitrator by a party violates not only the dicta in *Perkins* but also the statutory scheme that manifests the constitution of an independent and impartial arbitral tribunal.

4. Admittedly, there exists an arbitration clause, i.e. clause 23 of the Tender Document dated 21.02.2014, which is extracted as under:

“23. ARBITRATION

23.1 IN case any dispute or difference shall arise between the OWNER or the ENGINEER on his behalf and the CONTRACTOR touching or convening this contract or the construct in, meaning, operation or effect thereof or of any clause herein contained or as to the rights, duties or liabilities of the parties hereto respectively or of the ENGINEER under or by virtue of these presents or arising left to the sole discretion of the ENGINEER, the same shall be referred to the arbitration of a single arbitrator appointed by the OWNER in accordance with and subject to provisions of the Indian Arbitration & Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force.

23.2 Work under the Contract shall, if reasonably possible, continue during the arbitration proceedings and no payments due or payable by the OWNER shall be withheld on account of such proceedings.

All claims will have to be made within 90 days of payment of final bill and no claim made after that period is subject to arbitration.

All the arbitration proceedings shall be at Delhi and the courts at Delhi alone.”

¹ (2020) 20 SCC 760



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5. Thus, disputes have arisen between the parties and there is an arbitration clause in the contract, Mr. R.K. Yadav (Retd. Principal District Judge, Delhi) (Mobile No.9910384623, e-mail id: rkyadav9910384623@gmail.com) is appointed as the Sole Arbitrator.

6. The arbitration would take place under the aegis of the Delhi International Arbitration Centre (DIAC) and in terms of its rules and regulations. The Sole Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

7. The Sole Arbitrator is also requested to file the requisite disclosure under Section 12 (2) of the Act within a week of entering on reference.

8. All rights and contentions of the parties in relation to the claims/counter-claims are kept open, to be decided by the Sole Arbitrator on their merits, in accordance with law.

9. Needless to say, nothing in this order shall be construed as an expression of opinion of this Court on the merits of the controversy between the parties. Let a copy of the instant order be sent to the Sole Arbitrator through electronic mode as well.

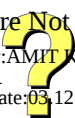
10. Accordingly, the instant petition stands disposed of.

PURUSHAINDRA KUMAR KAURAV, J

NOVEMBER 14, 2025/p/amg

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