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

+ **ARB.P. 1706/2025**

A.K. MEHTA AND COMPANYPetitioner

Through: Mr. Sumit Kalra, Ms Yashika
Malhotra, Ms Anisha Arora, Mr. Hari Arora,
Advs.

versus

PUBLIC WORK DEPARTMENTRespondent

Through: Mr. Anubhav Gupta, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **20.11.2025**

1. This is a petition filed under Section 11 (5) & (6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator for adjudication of disputes between the parties.
2. The brief facts of the case are that the petitioner participated in a tender for the construction of three school buildings (G+3) with ancillary facilities at Paschim Vihar, Vasant Kunj, and Ladpur Village, New Delhi [Package-7]. The petitioner being the successful bidder was awarded the Work Contract *vide* letter dated 08.07.2021. Subsequently, Agreement bearing No. 1/EE/Edu.(M) South-West/2021-22 was entered into between the parties.
3. The arbitration clause is contained in General Conditions of Contract being Clause No. 25 which reads as under:

“CLAUSE 25 Settlement of Disputes & Arbitration

(ii) Except where the decision has become final, binding and conclusive in terms of Sub Para (i) above, disputes or difference shall be referred



for adjudication through arbitration by a sole arbitrator appointed by the Chief Engineer, CPWD, in charge of the work or if there be no Chief Engineer, the Additional Director General of the concerned region of CPWD or if there be no Additional Director General, the Director General, CPWD. If the arbitrator so appointed is unable or unwilling to act or resigns his appointment or vacates his office due to any reason whatsoever, another sole arbitrator shall be appointed in the manner aforesaid. Such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.

It is a term of this contract that the party invoking arbitration shall give a list of disputes with amounts claimed in respect of each such dispute along with the notice for appointment of arbitrator and giving reference to the rejection by the Chief Engineer of the appeal.

It is also a term of this contract that no person, other than a person appointed by such Chief Engineer CPWD or Additional Director General or Director General, CPWD, as aforesaid, should act as arbitrator and if for any reason that is not possible, the matter shall not be referred to arbitration at all.

It is also a term of this contract that if the contractor does not make any demand for appointment of arbitrator in respect of any claims in writing as aforesaid within 120 days of receiving the intimation from the Engineer-in-charge that the final bill is ready for payment, the claim of the contractor shall be deemed to have been waived and absolutely barred and the Government shall be discharged and released of all liabilities under the contract in respect of these claims.



The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) or any statutory modifications or re-enactment thereof and the rules made there under and for the time being in force shall apply to the arbitration proceeding under this clause.

It is also a term of this contract that the arbitrator shall adjudicate on only such disputes as are referred to him by the appointing authority and give separate award against each dispute and claim referred to him and in all cases where the total amount of the claims by any party exceeds Rs. 1,00,000/-, the arbitrator shall give reasons for the award.

It is also a term of the contract that if any fees are payable to the arbitrator, these shall be paid equally by both the parties.

It is also a term of the contract that the arbitrator shall be deemed to have entered on the reference on the date he issues notice to both the parties calling them to submit their statement of claims and counter statement of claims. The venue of the arbitration shall be such place as may be fixed by the arbitrator in his sole discretion. The fees, if any, of the arbitrator shall, if required to be paid before the award is made and published, be paid half and half by each of the parties. The cost of the reference and of the award (including the fees, if any, of the arbitrator) shall be in the discretion of the arbitrator who may direct to any by whom and in what manner, such costs or any part thereof shall be paid and fix or settle the amount of costs to be so paid.”

4. Since there were disputes between the parties, the petitioner invoked arbitration vide legal notice dated 28.01.2025 and thereafter filed the present petition.



5. No reply has been filed by the respondent.
6. I am satisfied that there exists is a valid arbitration agreement and there are disputes which need to be adjudicated through arbitral mechanism.
7. For the said reasons, the petition is allowed and the following directions are issued:-
 - i) Mr. Arvind Kumar Arora (Approved from the List of Arbitrators on Panel of CPWD/ DIAC) (Mob. No. 8130588577) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
 - ii) The arbitration will be held under the aegis and rules of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC').
 - iii) The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
 - iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
 - v) 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.
 - vi) The parties shall approach the learned Arbitrator within two weeks from today.
8. The present petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

NOVEMBER 20, 2025/AS