



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

ARB-663-2025 (O&M)
Date of decision: 13.02.2026

Rashmi Metaliks Limited

.....Applicant

Versus

Director General, Department of Supplies & Disposals, Haryana and others

....Respondent(s)

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE

Present: Mr. Vikas Mohan Gupta, Advocate,
for the applicant.

Mr. Neeraj Gupta, Addl. Advocate General, Haryana.
for respondent(s).

SHEEL NAGU, CHIEF JUSTICE(Oral)

1. Instant application u/s 11 (6) of Arbitration and Conciliation Act, 1996 (for short, '1996 Act'), seeks appointment of Arbitrator.
2. Reply on behalf of respondents is already on record and perused.
3. The rival parties herein entered into a Rate Contract dated 25.04.2023 (Annexure P-1) containing an arbitration clause [Clause 18 of Schedule B of the Rate Contract and Clause D(18) of Schedule A of Tender No. 43/2022-23 (Annexure P-2)] as follows:

“18. If any question, difference or objection whatsoever shall arise in any way connected with or arising out of this instrument or the meaning or operation of any part thereof or the rights duties or liabilities of either party then save in so far



as the decision of any such matter is herein before provided for and has been so decided every such matter including whether its decision has been otherwise provided for and/ or whether it has been finally decided accordingly in whether the contract should be terminated or has been rightly terminated in whole or part and as regards the rights and obligations of the parties as the result of such termination, shall be referred for arbitration to any officer appointed by Haryana Government and his decision shall be final & binding. & where the matter involves a claim the amount if any awarded in such arbitration shall be recoverable in respect of the matters so referred.

18 (a) *The Arbitrator and his subordinate Staff shall be paid a fee of Rs.2500/- per hearing subject to a maximum of Rs. 20,000/- in each case provided that out of this amount 20% will be payable to his staff. The Arbitration fee will be borne equally by the Govt, and by the party concerned. The parties, other than the Govt, shall deposit their share in shape of call Deposit receipt in favour of Director, Supplies & Disposals, Haryana before the announcement of award by the Arbitrator. In case, the arbitration proceedings are conducted ex-parte and the award is announced against the Govt then entire amount shall be payable by the Director, Supplies & Disposals, Haryana but where the ex-parte award is announced in favour of the Govt, the share of the opposite party shall form part of claim and shall be recoverable from the said party.”*

3.1 Dispute erupted between the parties. The applicant served Notice dated 12.08.2025 (Annexure P-17) upon the respondents for the appointment of arbitrator to adjudicate the disputes, but to no avail.

4. Learned counsel for the State of Haryana could not dispute execution of arbitration agreement, exhaustion of remedy by applicant under the arbitration clause in the agreement between rival parties,



service of notice, dispute between the parties being arbitrable and the cause not being a deadwood.

5. The law on the scope of examination u/s 11 (6) of 1996 Act is well settled. The Apex Court in **Vidya Drolia Vs. Durga Trading Corporation, (2021) 2 SCC 1** (para 154.2, 154.3 and 154.4) held that the Court may undertake a prima facie examination at this stage and reject an application where it is manifestly and ex facie certain that the arbitration agreement is non-existent, invalid or the disputes are non-arbitrable. In this context, the relevant extract of the said judgment is as follows :-

“154.2 Scope of judicial review and jurisdiction of the Court under Sections 8 and 11 of the Arbitration Act is identical but extremely limited and restricted.

154.3 The general rule and principle, in view of the legislative mandate clear from Act 3 of 2016 and Act 33 of 2019, and the principle of severability and competence-competence, is that the Arbitral Tribunal is the preferred first authority to determine and decide all questions of non-arbitrability. The court has been conferred power of “second look” on aspects of non-arbitrability post the award in terms of sub-clauses (i), (ii) or (iv) of Section 34 (2) (a) or sub clause (i) of Section 34 (2) (b) of the Arbitration Act.

*154.4 Rarely as a demurrer the court may interfere at Section 8 or 11 stage when it is manifestly and ex facie certain that the arbitration agreement is **non existent, invalid or the disputes are non-arbitrable**, though the nature and facet of non-arbitrability would, to some extent, determine the level and nature of judicial scrutiny. The restricted and limited review is to check and protect parties from being forced to arbitrate when the matter is demonstrably “non arbitrable” and to cut off the deadwood. The court by default would refer*



the matter when contentions relating to non-arbitrability are plainly arguable; when consideration in summary proceedings would be insufficient and inconclusive; when facts are contested; when the party opposing arbitration adopts delaying tactics or impairs conduct of arbitration proceedings. This is not the stage for the court to enter into a mini trial or elaborate review so as to usurp the jurisdiction of the Arbitral Tribunal but to affirm and uphold integrity and efficacy of arbitration as an alternative dispute resolution mechanism.”

Further in the case of **Vidya Darolia’s case** (supra) it was held as under:

“244. Before we part, the conclusions reached, with respect to Question 1, are :

244.1 Sections 8 and 11 of the Act have the same ambit with respect to judicial interference.

244.2 Usually, **subject matter arbitrability cannot be decided at the stage of Section 8 or 11 of the Act, unless it is a clear case of deadwood.**

244.3 The court, under Sections 8 and 11, has to refer a matter to arbitration or to appoint an arbitrator, as the case may be, unless a party has established a *prima facie* (summary findings) case of non existence of valid arbitration agreement, by summarily portraying a strong case that he is entitled to such a finding.

244.4 The court should refer a matter if the validity of the arbitration agreement cannot be determined on a *prima facie* basis, as laid down above i.e. “when in doubt, do refer”.

244.5 The scope of the court to examine the *prima facie* validity of an arbitration agreement includes only :

244.5.1 Whether the arbitration agreement was in writing? Or

244.5.2 -----

244.5.3 Whether the core contractual ingredients qua the arbitration agreement were fulfilled?



244.5.4 On rare occasions, whether the subject matter of dispute is arbitrable?”

6. In **NTPC Ltd. Vs. SPML Infra Ltd., 2023 (9) SCC 385**, the Apex Court while relying on the principle laid down in **Vidya Drolia** (supra) judgment, has reiterated :

“26. As general rule and a principle, the arbitral tribunal is the preferred first authority to determine and decide all questions of non-arbitrability. As an exception to the rule, and rarely as a demurrer, the referral court may reject claims which are manifestly and ex-facie non-arbitrable.”

7. Similarly, in **DLF Home Developers Ltd. Vs. Rajapura Homes (P) Ltd., (2021) 2 SCC 675**, the Apex Court reiterated that :

“19. To say it differently, this Court or a High Court, as the case may be, are not expected to act mechanically merely to deliver a purported dispute raised by an applicant at the doors of the chosen Arbitrator. On the contrary, the Court(s) are obliged to apply their mind to the core preliminary issues, albeit, within the framework of Section 11 (6-A) of the Act. Such a review, as already clarified by this Court, is not intended to usurp the jurisdiction of the Arbitral Tribunal but is aimed at streamlining the process of arbitration. Therefore, even when an arbitration agreement exists, it would not prevent the court to decline a prayer for reference if the dispute in question does not correlate to the said agreement.”

8. Pre-requisites for invoking power u/s 11 (6) of 1996 Act appear to be satisfied.

9. Accordingly, this application is allowed.

9.1 Mr. Justice S.D. Anand, former Judge of this High Court, residing at House No. A-9, Orbit Apartments 1, VIP Road, Zirakpur,



District S.A.S. Nagar, Mohali, Mobile No. 089683-26699, is hereby appointed as Sole Arbitrator to adjudicate the dispute between the parties, subject to compliance of statutory requirements under 1996 Act before proceeding ahead.

10. Parties are directed to appear before the learned Arbitrator on date, time and place to be fixed by the Arbitrator at her/his convenience.

11. The Arbitrator is appointed with the liberty to determine jurisdiction, including ruling on any objections with respect to the existence or validity of the arbitration agreement and the scope of the Arbitrator's authority in accordance with Section 16 of the 1996 Act.

12. The Arbitrator shall be paid fee in accordance with the Fourth Schedule of 1996 Act, as amended from time to time, or fee as agreed to by the parties.

13. The Arbitrator is requested to complete the arbitral proceedings as per time limit stipulated u/s 29-A of 1996 Act.

14. Any observation made hereinabove is meant merely for passing this order and shall not be construed as expression on merits of the dispute.

15. A request letter along with copy of this order be sent to Mr. Justice S.D. Anand, Former Judge of this Court.

(SHEELNAGU)
CHIEF

13.02.2026
Ajay Prasher

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No