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

+ **ARB.P. 175/2026**

M/S THERMAL ENGINEERS AND INSULATORS PVT. LTD.

.....Petitioner

Through: Mr. Sanjam Chaba, Ms. Nisha Singh,
Ms. Samiksha Yadav, Advs.
Mob: 9711236952

versus

GOVT OF NCT OF DELHI

.....Respondent

Through: Mr. Anubhav Gupta, Panel Counsel
(Civil) GNCTD
Mob: 9910623535
Email: advanubhav94@gmail.com

CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER
16.02.2026

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1. The present petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), for appointment of a Sole Arbitrator for adjudication of disputes between the parties, arising out of the Contract Agreement dated 20th February, 2024, whereby, the petitioner herein was awarded the work of "*Improvement of streets and side drain at Mansa Ram Park in Matiala Assembly Constituency AC-34 (Regd. No. 993)*".

2. It is the case of the petitioner that despite due execution, completion, intimation, as well as deemed acceptance of completion of the awarded



work under the Agreement, the respondent has failed to release the legitimate dues, owing to which the petitioner has suffered huge financial losses. Further, the respondent has illegally determined the Agreement on 06th October, 2025, without any valid reason.

3. Pursuant thereto, the petitioner sent a Demand Notice dated 09th September, 2025 to the Executive Engineer, Civil Division-I, Irrigation & Flood Control Department, Government of NCT of Delhi (“GNCTD”), seeking release of pending dues and the Performance Guarantee submitted by it. However, the disputes raised by the petitioner were not settled by the Executive Engineer.

4. Learned counsel appearing for the petitioner submits that since the disputes/claims were not settled by the said Executive Engineer, therefore, the arbitrator appointing authority under the amended/modified *Clause 25* of the Agreement between the parties was approached by the petitioner, for appointment of an Arbitrator, *vide* a letter dated 14th October, 2025 as well as *vide* an E-mail dated 25th October, 2025.

5. It is submitted that the said arbitrator appointing authority, i.e., Chief Engineer, despite receipt of petitioner’s notice invoking *Clause 25* of the Agreement, has failed to issue any reply or take any step for appointment of a Sole Arbitrator. Thus, the present petition has been filed.

6. Today, learned counsel appearing for the respondent, on instructions, submits that they have no objection if an Arbitrator is appointed by this Court for adjudication of the disputes between the parties.

7. Learned Counsel appearing for the petitioner submits that they have a claim of approximately Rs. 1,59,42,730/- (Rupees One Crore Fifty Nine Lacs Forty Two Thousand Seven Hundred Thirty).



8. This Court notes that the amended *Clause 25*, which forms part of the Contract Agreement dated 20th February, 2024 between the parties, stipulates recourse to conciliation proceedings under *Clause 25.1*. However, arbitration can be invoked directly as well under the modified *Clause 25.2*, which contains the Arbitration Clause. The said modified *Clause 25.2* reads as follows:

“xxx xxx xxx

25.2 Arbitration: If the aforesaid conciliation proceedings fail or the Conciliator fails to give proposal for settlement within the aforesaid period, either party may promptly give notice in the proforma prescribed in Appendix XVIII, under intimation to the other party, to the Chief Engineer or the Superintending Engineer concerned with the work (as applicable), hereinafter referred to as the Arbitrator Appointing Authority as indicated in Schedule F, for appointment of Arbitrator.

However, a party may seek appointment of Arbitrator without taking recourse to the process of conciliation mentioned in sub-clause 25.1 above.

In the event of either party giving a notice to the Arbitrator Appointing Authority for appointment of Arbitrator, the said Authority shall appoint Arbitrator as per the procedure given below and refer such disputes to arbitration.

(a) Number of Arbitrators: If the contract amount is less than Rs 100 crore, the disputes may be referred for adjudication by a sole Arbitrator. If the contract amount is Rs. 100 crore or more, the disputes may be referred to an Arbitral Tribunal of three Arbitrators.



(b) **Qualification of Arbitrators:** It is a term of this contract that each member of the Arbitral Tribunal shall be Graduate Engineer with experience in execution of public works engineering contracts, and he should have worked earlier at a level not lower than the Chief Engineer (equivalent to level of Joint Secretary to the Government of India).

The aforesaid educational qualification and work experience shall be mandatory for appointment as Arbitrator.

The age of Arbitrator at the time of appointment shall not exceed 70 years. An Arbitrator may be appointed notwithstanding the total number of active arbitration cases with him.

xxx xxx xxx”

9. Perusal of *Clause 25.2(b)* shows that the qualification of the Arbitrator to be appointed has been specified, as per which, the Arbitrator has to be a Graduate Engineer with experience of execution of public works engineering contracts, having worked at a level not lower than Chief Engineer. The said educational qualification and work experience has been stipulated as a mandatory condition for appointment of an Arbitrator.

10. In this regard, learned counsel appearing for the respondent submits that since the qualification of the Arbitrator is specified in the Contract Agreement between the parties, an engineer be appointed as an Arbitrator, in terms of the specified qualifications.

11. In view of the aforesaid, this Court is satisfied that there exists a valid Arbitration Clause, being *Clause 25.2* of the Contract Agreement dated 20th February, 2024, for adjudication of the disputes between the parties.

12. Accordingly, with the consent of the parties, and in terms of *Clause*



25.2 of the Contract Agreement dated 20th February, 2024, the following directions are issued:

- (i) The matter is referred to the Delhi International Arbitration Centre (“DIAC”), to be held under the aegis and Rules of the DIAC.
- (ii) The DIAC, Delhi High Court, Sher Shah Road, New Delhi shall appoint a Sole Arbitrator in terms of the qualification as specified in *Clause 25.2(b)* of the Contract Agreement dated 20th February, 2024 between the parties.
- (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 Arbitration Act prior to entering into the reference.
- (v) It shall be open to the respondent to raise counter-claims, if any, in the arbitration proceedings.
- (vi) 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.

13. Accordingly, the present petition is disposed of in the aforesaid terms.

14. The Registry is directed to send a copy of this order to the Secretary, DIAC, for their information and compliance.

MINI PUSHKARNA, J

FEBRUARY 16, 2026/SK