



\$-38

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 1473/2025**

Date of Decision: **17.10.2025**

IN THE MATTER OF:

M/S SATISH CHAND RAJESH KUMAR PVT LTD.....Petitioner

Through: Mr. Avinash Trivedi with Mr. Rahul Aggarwal, Advocates.

versus

PUBLIC WORKS DEPARTMENT GOVT OF NCT OF DELHI

.....Respondent

Through: Ms. Rachita Garg with Mr. Agan Rajput, Advocates.

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 manifest that the petitioner, a duly incorporated construction company, was awarded a contract by the Public Works Department, Delhi (PWD), for the construction of 232 additional SPS-type classrooms under the Directorate of Education *vide* letter of acceptance



dated 07.03.2019, for a total value of Rs. 35.26 crores, with stipulated time for completion of work by 10.12.2019.

3. It is the case of the petitioner that owing to hindrances and frequent changes in site plans attributable to the respondent, the work could only be completed on 31.12.2021, for which an Extension of Time (EOT) without levy of compensation was granted *vide* letter dated 20.05.2022. It is also stated that despite completion and submission of the final bill, substantial payments amounting to Rs. 15.05 crores remain outstanding.

4. The petitioner raised claims under Clause 25 of the GCC through multiple representations between June 2023 and January 2025, seeking appointment of an arbitrator.

5. Consequently, the petitioner, being aggrieved by the inaction and non-payment, has filed the present petition seeking reference of the disputes to arbitration.

6. The parties are *ad idem* that the dispute is amenable to be adjudicated by the Arbitrator in terms of Clause 25 of the GCC as amended from time to time.

7. Clause 25 of GCC is reproduced as under:-

“CLAUSE 25

Settlement of Disputes & Arbitration

Except where otherwise provided in the contract, all questions and disputes relating to the meaning of the specifications, design, drawings and instructions here-inbefore mentioned and as to the quality of



workmanship or materials used on the work or as to any other question, claim, right, matter or thing whatsoever in any way arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions, orders or these conditions or otherwise concerning the works or the execution or failure to execute the same whether arising during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be dealt with as mentioned hereinafter: (i) If the contractor considers any work demanded of him to be outside the requirements of the contract, or disputes any drawings, record or decision given in writing by the Engineer-in-Charge or if the Engineer in Charge considers any act or decision of the contractor on any matter in connection with or arising out of the contract or carrying out of the work, to be unacceptable and is disputed, such party shall promptly within 15 days of the arising of the disputes request the Chief Engineer or where there is no Chief Engineer, the Additional Director General (CE/ADG) who shall refer the disputes to Dispute Redressal Committee (DRC) within 15 days along with a list of disputes with amounts claimed if any in respect of each such dispute. The Dispute Redressal Committee (DRC) shall give the opposing party two weeks for a written response, and, give its decision within a period of 60 days extendable by 30 days by consent of both the parties from the receipt of reference from CE/ADG Committee (DRC) shall be as indicated in Schedule 'F'. Provided that no party shall be represented before the Dispute Redressal Committee by an advocate / legal counsel etc. If the Dispute Redressal Committee (DRC) fails to give its decision within the aforesaid period or any party is dissatisfied with the decision of Dispute Redressal Committee (DRC) or expiry of time limit given above, then either party may within a period of 30 days from the receipt of the decision of Dispute Redressal Committee (DRC), give notice to the Chief Engineer, CPWD, incharge 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 (CE/ADG/ DG) for appointment of arbitrator on prescribed proforma as per Appendix XV under intimation to the other party. It is a term of contract that each party invoking arbitration must exhaust the aforesaid mechanism of settlement of claims/disputes prior to invoking arbitration. The CE/ADG / DG shall in such case appoint the sole arbitrator or one of the three arbitrators as the case may be within 30 days of receipt of such a request and refer such disputes to arbitration. Wherever the Arbitral Tribunal consists of three Arbitrators, the contractor shall appoint one arbitrator within 30 days of making request for arbitration or of receipt of request by Engineer - in-charge to CE/ADG/ DG for appointment of arbitrator, as the case may be, and two appointed arbitrators shall appoint the third arbitrator who shall act as the



Presiding Arbitrator. In the event of a. A party fails to appoint the second Arbitrator, or b. The two appointed Arbitrators fail to appoint the Presiding Arbitrator, then The Director General CPWD shall appoint the second or Presiding Arbitrator as the case may be.(ii) Disputes or difference shall be referred for adjudication through arbitration by a Tribunal having sole arbitrator where Tendered amount is Rs. 100 Crore or less. Where Tendered Value is more than Rs. 100 Crore , Tribunal shall consist of three Arbitrators as above. The requirements of the Arbitration and Conciliation Act,1996 (26 of 1996) and any further statutory modifications or re-enactment thereof and the rules made there under and for the time being in force shall be applicable. It is a term of this contract that the party invoking arbitration shall give a list of disputes with amounts claimed, if any, in respect of each such dispute along with The constitution of Dispute Redressal, the notice for appointment of arbitrator and giving reference to the decision of the DRC. It is also a term of this contract that any member of the Arbitration Tribunal shall be a Graduate Engineer with experience in handling public works engineering contract sat a level not lower than Chief Engineer (Joint Secretary level of Government of India). This shall be treated as a mandatory qualification to be appointed as arbitrator. Parties, before or at the time of appointment of Arbitral Tribunal may agree in writing for fast track arbitration as per the Arbitration and Conciliation Act, 1996 (26 of 1996) as amended in 2015. Subject to provision in the Arbitration and Conciliation Act, 1996 (26 of 1996) as amended in 2015 whereby the counter claims if any can be directly filed before the arbitrator without any requirement of reference by the appointing authority, 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 as per the Act. The place of arbitration shall be as mentioned in Schedule F. In case there is no mention of place of arbitration, the arbitral tribunal shall determine the place of arbitration. The venue of the arbitration shall be such place as may be fixed by the Arbitral Tribunal in consultation with both the parties. Failing any such agreement, then the Arbitral Tribunal shall decide the venue.”

It is seen that Clause 25 of the GCC prescribes that the arbitrator should be a Graduate Engineer with experience in handling public works engineering contracts at a level not lower than Chief Engineer (Joint Secretary level of Government of India). The said condition has been stated to be a mandatory qualification for appointment of the



Arbitrator.”

8. It is seen that Clause 25 of the GCC prescribes that the arbitrator should be a Graduate Engineer with experience in handling public works engineering contracts at a level not lower than Chief Engineer (Joint Secretary level of Government of India). The said condition has been stated to be a mandatory qualification for appointment of the Arbitrator.

9. Therefore, with the consent of the parties and in view of the fact that disputes have arisen between the parties, this Court, appoints Mr. Mohammed Suleman, Retd. Additional Chief Secretary, Govt of MP, (Mobile No. + 91 9425062888, e-mail id: sulemanmohd@gmail.com) as the sole Arbitrator.

10. The Sole Arbitrator may proceed with the arbitration proceedings, subject to furnishing to the parties the requisite disclosures as required under Section 12 of the Act.

11. The Sole Arbitrator shall be entitled to fee in accordance with the IVth Schedule of the Act or as may otherwise be agreed to between the parties and the Sole Arbitrator.

12. The parties shall share the arbitrator's fee and arbitral cost, equally.

13. 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 state, nothing in this order shall be construed as an



2025:DHC:9544



expression of opinion of this Court on the merits of the controversy. All rights and contentions of the parties in this regard are reserved. Let the copy of the said order be sent to the Sole Arbitrator through the electronic mode as well.

10. Accordingly, the instant petition stands disposed of.

PURUSHAINdra KUMAR KAURAV, J

OCTOBER, 17, 2025

tr/mj