



2026:DHC:1579



\$~19 to 21

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

Date of decision: 19.02.2026

+ ARB.P. 1787/2025

M/S RAMACIVIL INDIA CONSTRUCTION PVT LTD
THROUGH ITS AUTHORIZED REPRESENTATIVE
DIRECTOR SH R N GUPTAPetitioner

Through: Mr. Anurag Ahluwalia, Sr.
Adv. with Mr. Avinash Trivedi,
Ms. Ritika Trivedi, Mr. Anurag
Kaushik, Mr. Rhythem Nagpal,
Mr. Jatin Arora, Mr. Rahul
Aggarwal, Mr. Rishank Gola &
Mr. Aryan Sangwan, Advs.

versus

CENTRAL PUBLIC WORKS DEPARTMENT THROUGH
ITS ADDL DIRECTOR GENERALRespondent

Through: Mr. Vikram Jetly, CGSC with
Ms. Laavanya Kaushik, Ms.
Shreya Jetly & Ms. Khyaati
Bansal, Advs.
Mr. Sandeep Sharma, Sr. Adv.
with Mr. Praveen Kumar Jain,
Ms. Rashmi Kumari, Mr. Yash
Chauhan, Ms. Anchal Yadav &
Mr. Aditya Rathi, Advs.
alongwith Cmdr. Kesavan
Baskaran, CAO, IIM Jammu
for R-2

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+ O.M.P.(I) (COMM.) 447/2025

M/S RAMACIVIL INDIA CONSTRUCTION PVT LTD



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THROUGH ITS AUTHORIZED REPRESENTATIVE
DIRECTOR SH R N GUPTAPetitioner

Through: Mr. Avinash Trivedi, Ms. Ritika Trivedi, Mr. Anurag Kaushik, Mr. Rhythem Nagpal, Mr. Rahul Aggarwal, Mr. Rishank Gola & Mr. Aryan Sangwan, Advs.

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Mr. Sandeep Sharma, Sr. Adv. with Mr. Praveen Kumar Jain, Ms. Rashmi Kumari, Mr. Yash Chauhan, Ms. Anchal Yadav & Mr. Aditya Rathi, Advs. alongwith Cmdr. Kesavan Baskaran, CAO, IIM Jammu for R-2

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+ O.M.P.(I) (COMM.) 484/2025

M/S RAMACIVIL INDIA CONSTRUCTION PVT. LTD.

.....Petitioner

Through: Mr. Avinash Trivedi, Ms. Ritika Trivedi, Mr. Anurag Kaushik, Mr. Rhythem Nagpal, Mr. Rahul Aggarwal, Mr. Rishank Gola & Mr. Aryan Sangwan, Advs.



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CENTRAL PUBLIC WORKS DEPARTMENT

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Through: Mr. Vikram Jetly, CGSC with
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alongwith Cmdr. Kesavan
Baskkaran, CAO, IIM Jammu
for R-2

CORAM:

**HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR**

%

JUDGEMENT (ORAL)

HARISH VAIDYANATHAN SHANKAR, J.

**O.A. 42/2026 (Seeking setting aside of the order dt. 23.01.2026
passed by the Ld. Joint Registrar (Judicial)) in ARB.P. 1787/2025**

**O.A. 41/2026 (Seeking setting aside of the order dt. 23.01.2026
passed by the Ld. Joint Registrar (Judicial)) in O.M.P.(I)
(COMM.) 447/2025**

**O.A. 40/2026 (Seeking setting aside of the order dt. 23.01.2026
passed by the Ld. Joint Registrar (Judicial)) in O.M.P.(I)
(COMM.) 484/2025**

1. The present Chamber Appeals, being O.A. 42/2026, O.A. 41/2026 and O.A. 40/2026, have been preferred under Rule 5, Chapter II of the Delhi High Court (Original Side) Rules, 2018 read with Section 151 of the Code of Civil Procedure, 1908.



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2. The prayers in all the aforesaid Chamber Appeals are similarly worded and, in substance, assail the separate **Orders dated 23.01.2025¹** passed by the learned **Joint Registrar (Judicial) of this Court²**, whereby I.A. 30458/2025, I.A. 30390/2025 and I.A. 29997/2025 were allowed, resulting in the impleadment of the Applicant therein, *namely* **Indian Institute of Management, Jammu³**, as a party to the proceedings under Sections 9 and 11 of the **Arbitration and Conciliation Act, 1996⁴**.

3. It is an undisputed position that the underlying reasoning adopted by the learned Joint Registrar in the separate Impugned Orders, while allowing the respective IAs for adjudication, is substantially identical.

4. Since the present batch of matters arises out of Orders of a similar nature and raises common issues for consideration, for the sake of convenience, brevity, and consistency, reference shall hereinafter be made to the facts and particulars in **O.A. 42/2026** in **ARB.P. 1787/2025**, unless the context otherwise requires.

5. The challenge before this Court is founded on the premise that no privity of contract exists between IIM Jammu and the Petitioner herein.

6. Learned counsel appearing on behalf of the Petitioner submits that although IIM Jammu may be the principal entity, it is the **Central Public Works Department⁵** that issued the tender in question, pursuant to which the tender agreement came to be executed

¹ Impugned Order(s)

² Joint Registrar

³ IIM Jammu

⁴ Act

⁵ CPWD



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exclusively between the Petitioner and CPWD. It is, therefore, urged that no contractual privity exists between the Petitioner and IIM Jammu so as to warrant its impleadment in the present proceedings.

7. ***Per contra***, learned counsel appearing on behalf of IIM Jammu, which stands impleaded by virtue of the Impugned Order, submits that IIM Jammu constitutes a necessary and proper party to the present Petition.

8. It is submitted that IIM Jammu is the principal entity in relation to the project and that all payments towards the works executed by the Petitioner emanate from IIM Jammu.

9. Learned Counsel for the IIM Jammu further submits that IIM Jammu remains the ultimate beneficiary of the works executed and plays a substantive role in the decision-making process governing the execution of the project.

10. In support of the aforesaid contentions, attention of this Court is drawn to the minutes of various meetings, which reflect that the said meetings were chaired by the Director of IIM Jammu, thereby seeking to demonstrate that a predominant role was played by IIM Jammu in the overall execution of the project justifying its impleadment in the present proceedings.

11. Reliance is also placed by the learned Counsel for IIM Jammu upon the letter dated 19.11.2025 to contend that the Petitioner itself sought the intervention and assistance of IIM Jammu for the resolution of disputes that had arisen between the Petitioner and CPWD.

12. This Court has heard learned counsel appearing on behalf of the parties and has carefully perused the material placed on record.

13. The rival submissions advanced before this Court raise a



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question of considerable significance concerning the contours and permissibility of arbitral participation by entities that are admittedly non-signatories to the underlying agreement.

14. Upon a holistic consideration of the factual matrix, this Court is of the considered view that IIM Jammu, in the present case, remains a non-signatory to the contract which constitutes the subject matter of the present *lis*. The agreements giving rise to the disputes stand executed exclusively between the Petitioner and the CPWD.

15. The acceptance of the submission advanced on behalf of IIM Jammu would entail far-reaching consequences. If the mere status of a principal entity or project beneficiary were to suffice for impleadment, virtually every arbitration arising out of layered or delegated public works would witness the compulsory addition of principals at multiple tiers, thereby unsettling the carefully structured regime of party autonomy underlying the A&C Act.

16. It is a matter of common commercial practice, particularly in governmental projects, that principal institutions entrust execution to specialised agencies such as CPWD, which alone undertake the tendering process and execute agreements with contractors. Contractors, in turn, perform works and raise bills strictly within the contractual framework entered into with the tendering authority. The legal relationship is thus defined by the instrument executed and not by the identity of the ultimate institutional beneficiary.

17. In the present case, IIM Jammu had entered into a Memorandum of Understanding dated 09.03.2019 with CPWD for the execution of construction works relating to its proposed campus.

18. Pursuant thereto, CPWD issued a tender acceptance letter dated



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16.10.2020 for the construction and maintenance of the academic block of the proposed IIM Jammu campus.

19. The disputes that have arisen emanate solely from the agreement executed thereafter between the Petitioner and CPWD. The arbitral clause invoked in the present proceedings finds its source only in that agreement.

20. At the outset, it is necessary to bear in mind that the scheme of the A&C Act proceeds on the foundation that each arbitration agreement operates within the confines of the specific contract and the parties thereto. Where disputes arise out of distinct agreements, even if they may be factually connected, the Court, while exercising jurisdiction under Section 11 of the A&C Act, is required to independently examine the existence of an arbitration agreement in respect of each such contract.

21. The statutory framework does not contemplate a composite or omnibus arbitral reference merely on the basis of perceived interlinkages between transactions. The law in this regard has also been succinctly laid down by this Court in *Arunachalam Chandrasekharan and Ors v. Concept Capital Infra Project Pvt. Ltd and Anr*⁶, which reads as under:

“8. At the outset, it is apposite to note that the Hon’ble Supreme Court in *Duro Felguera, S.A. v. Gangavaram Port Ltd.* has categorically held that where parties have entered into multiple independent contracts, each containing a separate arbitration clause, a single arbitral tribunal cannot be constituted to adjudicate disputes arising out of all such contracts. The Apex Court, while considering the provisions of the Act, held that the Court’s jurisdiction at the stage of appointment of an arbitrator is confined to examining the existence of an arbitration agreement.

⁶ 2026:DHC:1364



9. In that case, which concerned five separate contracts, each dealing with distinct subject matters and containing independent arbitration clauses, the Hon'ble Supreme Court held that there could not be a "composite reference" or the constitution of a single arbitral tribunal to adjudicate disputes arising under all such contracts, notwithstanding any interconnection between them. The relevant portion of *Duro Felguera (supra)* is extracted herein under:

"22. On behalf of GPL, it was repeatedly urged that the works are intrinsically connected, inseparable, integrated, interlinked and that they are one composite contract and that they were split up only on the request and representations given by Duro Felguera and FGI. As discussed earlier, as per amended provision Section 11(6-A), the power of the Supreme Court or the High Court is only to examine the existence of an arbitration agreement. From the record, all that we could see are five separate letters of award; five separate contracts; separate subject-matters; separate and distinct work; each containing separate arbitration clause signed by the respective parties to the contract.

23. All the above five contracts awarded to Duro Felguera and FGI have independent arbitration clauses. Mr Sunil Gupta and Mr A.M. Singhvi, learned Senior Counsel have taken us through the contract agreements in New Package No. 4 awarded to M/s Duro Felguera and Package No. 6 (for sample) awarded to FGI and submitted that all the five different contracts have independent arbitration clauses (in sub-clause 20.6). In the contract New Package No. 4 there is a header "Supply of bulk material handling equipments and parts on F.O.B. basis". Likewise, contract agreement for Package No. 6 contains the header "Design, manufacture, supply, installation, erection, testing commissioning of bulk material handling equipments and all other activities related therewith". Various clauses in the Original Package No. 4 TD were suitably modified and incorporated in the split-up contract agreements. Sub-clause 20.6 dealing with arbitration in the Original Package No. 4 TD has been reproduced in New Package No. 4 and other Packages Nos. 6 to 9. The contract for New Package No. 4 which was entered into between M/s Duro Felguera and GPL, also contains an arbitration clause, which reads as under:

"Sub-clause 20.6—Arbitration

Any dispute in respect of which amicable settlement has not been reached within the



period stated in sub-clause 20.5, shall be finally and conclusively settled by arbitration under the Arbitration and Conciliation Act, 1996 by appointing two arbitrators one by each party and a presiding arbitrator to be appointed by the said arbitrators. Any such arbitration proceeding shall be within the exclusive jurisdiction of court of law at Hyderabad, India. The place of arbitration shall be Hyderabad and the language of arbitration shall be English. The contractor shall continue to attend to discharge all his obligations under the contract during pendency of the arbitration proceedings.”

38. The submission of GPL is that since reference to Original Package No. 4 TD is made in MoU, the arbitration clause is incorporated in the MoU and there has to be a “*composite reference*” for settling the disputes under different contracts by constitution of single Arbitral Tribunal for dealing with the international commercial arbitration. As discussed earlier, as per the amended provision of sub-section (6-A) of Section 11, the power of the court is only to examine the existence of arbitration agreement. When there are five separate contracts each having independent existence with separate arbitration clauses, that is, New Package No. 4 (with foreign company Duro Felguera) and Packages Nos. 6, 7, 8 and 9 [with Indian subsidiary (FGI)] based on MoU and Corporate Guarantee, there cannot be a single Arbitral Tribunal for “international commercial arbitration”.

(emphasis added)

10. The aforesaid proposition is not only judicially recognized but is also embedded in the statutory framework of the Act.

11. This Court also takes note of Section 2(8) of the Act, which contemplates a party to a specific arbitration agreement, as is evident from the repeated reference to “an arbitration agreement”. The statutory language makes it clear that the Act proceeds on the basis of identifiable parties to a particular agreement. Section 2(8) of the Act reads as follows:

“2. Definitions.-

(8) Where this Part-

(a) refers to the fact that the parties have agreed or that they may agree, or

(b) in any other way refers to an agreement of the parties,”



....”

12. Further, Section 7 of the Act defines an “arbitration agreement” as an agreement between the parties to submit to arbitration disputes that have arisen or may arise between them in respect of a defined legal relationship. It also mandates that such an agreement must be in writing and may either be in the form of an arbitration clause in a contract or a separate agreement. The emphasis throughout the provision is on “an agreement” between specific parties concerning a defined legal relationship. Section 7 of the Act is reproduced hereunder:

“7. Arbitration agreement.- (1) In this Part, “arbitration agreement” means an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.

(2) An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement.

(3) An arbitration agreement shall be in writing.

(4) An arbitration agreement is in writing if it is contained in—

(a) a document signed by the parties;

(b) an exchange of letters, telex, telegrams or other means of telecommunication which provide a record of the agreement; or

(c) an exchange of statements of claim and defence in which the existence of the agreement is alleged by one party and not denied by the other. (5) The reference in a contract to a document containing an arbitration clause constitutes an arbitration agreement if the contract is in writing and the reference is such as to make that arbitration clause part of the contract. ”

(emphasis supplied)

13. A plain reading of Section 7(1) of the Act makes it abundantly clear that the statute contemplates “an agreement” between “the parties” to that particular agreement to submit disputes to arbitration. The expression necessarily refers to the parties of a particular agreement governing a defined legal relationship. Such parties are bound in respect of that agreement alone. The provision does not envisage the consolidation of numerous independent agreements executed by different parties into a single arbitral reference. However, the manner in which the present Petition has been instituted, by clubbing together disputes arising out of multiple, distinct agreements, effectively seeks to create a form of



class-action proceeding, which is alien to the scheme of Section 11 of the Act.

14. This Court also takes note of Section 11(6A) of the Act, which mandates that while considering an application for appointment of an arbitrator, the Supreme Court or the High Court shall confine itself to the examination of the existence of “an arbitration agreement”. Section 11(6A) of the Act reads as follows:

“11. Appointment of arbitrators.-

(6A) The Supreme Court or, as the case may be, the High Court, while considering any application under sub-section (4) or sub-section (5) or sub-section (6), shall, notwithstanding any judgment, decree or order of any Court, confine to the examination of the existence of an arbitration agreement.

....”

(emphasis supplied)

15. A careful perusal of Section 11(6A) indicates that the legislative intent is to restrict the Court’s scrutiny to the existence of “an arbitration agreement” between “the parties” to that particular agreement before it. The use of the singular expression reinforces the position that the Court must examine each arbitration agreement independently. This statutory limitation effectively undermines the Petitioners’ contention that a composite petition, founded upon multiple separate agreements, is maintainable.”

(emphasis supplied)

22. In the present case, therefore, the adjudicatory exercise must remain anchored to the particular agreement which binds the parties to arbitration, and cannot be expanded so as to encompass entities or arrangements falling outside the scope of that defined legal relationship.

23. The Impugned Order passed by the learned Joint Registrar in the present case proceeds on the premise that IIM Jammu, being the ultimate beneficiary and funding authority, deserves impleadment. The relevant extracts of the Impugned Order have been reproduced hereinbelow:

“28. On perusal of law laid down in aforesaid judgments and on



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applying the same to the facts and circumstances of the case in hand, I am of the considered view that applicant/IIM Jammu is entitled of being impleaded as a party in the present matter as the premises in question have been constructed for applicant/IIM Jammu. Applicant/IIM Jammu is beneficiary of the premises in question and all the payment for construction of premises has been made/is to be made by IIM/Jammu. Applicant/IIM Jammu is the ultimate beneficiary/sufferer of all the acts/omissions of petitioner. Applicant/IIM Jammu has supervised the entire construction process and has been involved in day-to-day affairs/decisions with respect to construction of premises in question. Para/Clause 36.0 (page no. 115) of Notice inviting tender gives applicant/IIM Jammu the power to do so. Applicant/IIM Jammu had played active role in performance of the Contract/Agreement in question.

29. It is also a matter of record that the petitioner itself had written letter to Director as well as other Board Members of IIM Jammu to intervene and mediate when disputes arose between petitioner and respondent.

30. Respondent/CPWD was acting as an agent of applicant/IIM Jammu and presence of applicant/IIM Jammu is very much essential and required for the complete and effective adjudication of the dispute between parties. Though IIM Jammu is not signatory to the Arbitration Agreement but the positive, direct and substantial involvement of applicant/IIM Jammu in fulfilling the terms and conditions of notice inviting tender etc. establishes its role as necessary party to the dispute.”

24. As is evident from the reasoning adopted by the learned Joint Registrar, impleadment has been permitted primarily on the ground that IIM Jammu stands to benefit from the works and has supervised certain aspects of execution.

25. This Court is unable to accept that the status of an “ultimate beneficiary” can constitute the governing test for impleadment in arbitral proceedings. Arbitration, being consensual in nature, cannot be expanded to include entities solely because they derive indirect advantage or bear institutional interest in the project. The law in this regard has been succinctly laid down by the Hon’ble Supreme Court in *Hindustan Petroleum Corporation Ltd. v. BCL Secure Premises*



*Pvt. Ltd.*⁷, which reads as under:

“24. The scope of jurisdiction of the referral court hearing a Section 11-Petition when faced with an issue of joinder of a non-signatory to the arbitration agreement has been lucidly set out by the five-judge Bench of this Court in *Cox and Kings Limited v. Sap India Private Limited*¹. Though said in the context of considering the Group of Companies doctrine, the said judgment has a great bearing for the present case. This Court, speaking through Chief Justice D.Y. Chandrachud, held as under:—

“84. It is presumed that the formal signatories to an arbitration agreement are parties who will be bound by it. However, in exceptional cases persons or entities who have not signed or formally assented to a written arbitration agreement or the underlying contract containing the arbitration agreement may be held to be bound by such agreement. As mentioned in the preceding paragraphs, the doctrine of privity limits the imposition of rights and liabilities on third parties to a contract. Generally, only the parties to an arbitration agreement can be subject to the full effects of the agreement in terms of the reliefs and remedies because they consented to be bound by the arbitration agreement. Therefore, the decisive question before the Courts or tribunals is whether a non-signatory consented to be bound by the arbitration agreement. To determine whether a non-signatory is bound by an arbitration agreement, the Courts and tribunals apply typical principles of contract law and corporate law. The legal doctrines provide a framework for evaluating the specific contractual language and the factual settings to determine the intentions of the parties to be bound by the arbitration agreement. [Gary Born, *International Arbitration Law and Practice*, (3rd Edn., 2021) at p. 1531.]

101. A formalistic construction of an arbitration agreement would suggest that the decision of a party to not sign an arbitration agreement should be construed to mean that the mutual intention of the parties was to exclude that party from the ambit of the arbitration agreement. Indeed, corporate entities have the commercial and contractual freedom to structure their businesses in a manner to limit their liability. However, there have been situations where a corporate entity deliberately made an effort to be not bound by the underlying contract containing the arbitration agreement, but was actively involved in the

⁷ 2025 SCC OnLine SC 2746



negotiation and performance of the contract. **The level of the non-signatory party's involvement was to the extent of making the other party believe that it was a veritable party to the contract, and the arbitration agreement contained under it. Therefore, the Group of Companies doctrine is applied to ascertain the intentions of the parties by analysing the factual circumstances surrounding the contractual arrangements.** [Gary Born, *International Arbitration Law and Practice*, (3rd Edn., 2021) at p. 1568.]

126. Evaluating the involvement of the non-signatory party in the negotiation, performance, or termination of a contract is an important factor for a number of reasons. **First, by being actively involved in the performance of a contract, a non-signatory may create an appearance that it is a veritable party to the contract containing the arbitration agreement; second, the conduct of the non-signatory may be in harmony with the conduct of the other members of the group, leading the other party to legitimately believe that the non-signatory was a veritable party to the contract; and third, the other party has legitimate reasons to rely on the appearance created by the non-signatory party so as to bind it to the arbitration agreement.**

169. In case of joinder of non-signatory parties to an arbitration agreement, the following two scenarios will prominently emerge: first, where a signatory party to an arbitration agreement seeks joinder of a non-signatory party to the arbitration agreement; and second, where a non-signatory party itself seeks invocation of an arbitration agreement. **In both the scenarios, the referral court will be required to prima facie rule on the existence of the arbitration agreement and whether the non-signatory is a veritable party to the arbitration agreement. In view of the complexity of such a determination, the referral court should leave it for the Arbitral Tribunal to decide whether the non-signatory party is indeed a party to the arbitration agreement on the basis of the factual evidence and application of legal doctrine.** The Tribunal can delve into the factual, circumstantial, and legal aspects of the matter to decide whether its jurisdiction extends to the non-signatory party. In the process, the Tribunal should comply with the requirements of principles of natural justice such as giving opportunity to the non-signatory to raise objections with regard to the jurisdiction of the Arbitral Tribunal. This interpretation also gives true effect to the doctrine of



competence-competence by leaving the issue of determination of true parties to an arbitration agreement to be decided by the Arbitral Tribunal under Section 16.

170.12. At the referral stage, the referral court should leave it for the Arbitral Tribunal to decide whether the non-signatory is bound by the arbitration agreement.”

(Emphasis supplied)

25. A careful reading of the above passage reveals that the referral court should be prima facie satisfied that there exists an arbitration agreement and as to whether the non-signatory is a veritable party. It further holds that even if the referral court prima facie arrives at the satisfaction that the non-signatory is a veritable party, the Arbitral Tribunal is not denuded of its jurisdiction to decide whether the non-signatory is indeed a party to the arbitration agreement on the basis of factual evidence and application of legal doctrine. The Court further reinforces this proposition by holding that as to whether the non-signatory is bound would be for the Arbitral Tribunal to decide.

39. It will be apt to refer to the judgment of this Court in *Khardah Company Limited v. Raymon & Co.*⁶ wherein this Court held as under:—

“The law of the subject is well settled and might be stated in simple terms. An assignment of a contract might result by transfer either of the rights or of the obligations thereunder. But there is a well-recognised distinction between these two classes of assignments. As a rule obligations under a contract cannot be assigned except with the consent of the promise, and when such consent is given, it is really a novation resulting in substitution of liabilities. On the other hand rights under a contract are assignable unless the contract is personal in its nature the rights are incapable of assignment either under the law or under an agreement between the parties.”

(emphasis supplied)

26. This Court is of the considered view that the reasoning adopted by the learned Joint Registrar would produce anomalous consequences. In complex infrastructure projects, multiple stakeholders may exist across several institutional layers. If all beneficiaries were to be treated as necessary parties, arbitral proceedings would lose their consensual character and be transformed



into sprawling multi-party disputes divorced from the contractual foundation of arbitration law.

27. The Impugned Order further places reliance upon the alleged supervisory role attributed to IIM Jammu and its stated involvement in day-to-day decision-making processes. In support of this conclusion, reliance has been placed on Clause 36 of Part-B (Civil Works) of the Notice Inviting Tender No. 02/NIT/CE cum ED/JPZ/2020-21, which reads as follows:

“36.0 Quality Assurance: Quality of work is of paramount importance. Contractor will be required to engage well-experienced supervisors, engineers, skilled labour and deploy modern T&P and other equipments to execute the work in a time bound manner. Many items like exposed finish form work, specialized flooring work, factory made door- window shutters, proper slope maintaining in toilet units, sanitary- water supply installation, textured finishing, aluminium and glass work and water proofing treatment will specially require engagement of skilled workers having experience particularly in execution of such items.

The contractor shall ensure quality construction in a planned and time bound manner. Any substandard material / work beyond set out tolerance limit shall be summarily rejected by the Engineer-in-Charge & contractor shall be bound to replace / remove such substandard / defective work immediately. If any material, even though approved by Engineer -in-Charge is found defective or not conforming to specifications shall be replaced / removed by the contractor at his own risk & cost.

In addition to the supervision of work by CPWD engineers, the Consultants / third party quality assurance representatives / Quality Assurance of CPWD and IIM Jammu representatives shall also be carrying out regular and periodic inspections of the on-going activities in the work and deficiencies, shortcomings, inferior workmanship pointed out by them shall be communicated by CPWD engineers to the contractor. Upon receipt of instructions from Engineer -in-Charge these are also to be made good by necessary improvement, rectification, replacement upto his complete satisfaction. Special attention shall be paid towards line and level of internal and external plastering, exposed smooth surface of RCC members by providing fresh shuttering plates, rubberized linings to all the shuttering joints, accurate joinery work in wooden doors and windows, thinnest joints in stone/ tiling /



cladding work, non-hollowness in floor and dado tiles work, protection of scratches over flooring by impounding layer of Plaster of Paris, water tight pipe linings, absence of hollow vertical joints in brick masonry, proper compaction of filled up earth and up keeping of quality assurance shall be of paramount importance. It is proposed to have monthly meeting having CPWD officers, IIM officials, Third party consultant of CPWD/IIM, consultant of EPC contractor etc. for progress review. The progress of the work shall be captured using Drone mounted camera. The entire battery limit and path to be constructed along the boundary wall shall be video graphed and still pictures captured for the purpose of progress review on monthly basis after the planning period of Three months is over. The approvals required for drone operation, if any, shall be obtained by the EPC contractor from the concerned department(s).”

(emphasis supplied)

28. A careful reading of Clause 36 reveals that while representatives of IIM Jammu were entitled to participate in quality assurance inspections, any observations made by them were required to be communicated through CPWD engineers. The clause preserves a clear structural demarcation between the executing authority and the principal institution.

29. The contractual framework thus recognises CPWD as the nodal authority responsible for supervision, communication and contractual enforcement *vis-à-vis* the contractor. The role envisaged for IIM Jammu remains advisory and supervisory in a limited sense, and does not translate into contractual control or privity.

30. Acceptance of the reasoning adopted in the Impugned Order would effectively rewrite the contractual architecture by permitting IIM Jammu to assume a direct supervisory and contractual role inconsistent with the express terms of the agreement itself. Such an interpretation cannot be sustained.

31. As regards the reliance placed upon the letter dated 19.11.2025



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addressed by the Petitioner to the Director of IIM Jammu, this Court finds that the said communication merely reflects an attempt by the Petitioner to seek the Institute's assistance in resolving disputes with CPWD. In the considered view of this Court, the said letter, at its highest, evidences only a request for intervention or facilitation. It cannot be construed to confer upon IIM Jammu the legal status of a contracting party or a party to the arbitration agreement.

32. Further, the Impugned Order records a finding of "positive, direct and substantial involvement" of IIM Jammu; however, the reasoning underlying such a conclusion remains conspicuously absent. The conclusion appears to rest on broad generalisations rather than a demonstrable analysis of contractual rights and obligations.

33. In view of the aforesaid discussion, this Court is of the considered opinion that the Impugned Orders passed by the learned Judicial Registrar in all three Chamber Appeals suffer from fundamental errors. The reasoning adopted therein overlooks the settled position of law that arbitration is founded upon consent and that a party can be subjected to arbitral proceedings only if it is bound by the arbitration agreement. In the absence of privity of contract between the Petitioner and IIM Jammu, and there being no material to demonstrate that the said entity is a signatory to, or otherwise bound by, the arbitration agreement, its impleadment is legally unsustainable.

34. Accordingly, all three Chamber Appeals are allowed, and the separate Impugned Orders dated 23.01.2025 passed in I.A. 30458/2025, I.A. 30390/2025, and I.A. 29997/2025 are set aside.

35. The listing before the learned Joint Registrar on 02.03.2026 stands cancelled.



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ARB.P. 1787/2025, O.M.P.(I) (COMM.) 447/202, O.M.P.(I) (COMM.) 484/2025

36. List the matters on the date already fixed, i.e., 18.03.2026.
37. A photocopy of this order shall be placed on the record of the connected matters.

HARISH VAIDYANATHAN SHANKAR, J.
FEBRUARY 19, 2026/ v/kr