



2026:DHC:9081



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**# **CNR No. DLHC010307942026**+ **ARB.P. 1162/2026****V.K.BROTHERS**

.....Petitioner

Through: **Mr. S Mathur, Adv.**

versus

**THE MANAGING DIRECTOR CENTRAL COTTAGE
INDUSTRIES CORPORATION LTD**

.....Respondent

Through: **Mr. Himanshu Sehrawat and
Mr. Aditya Shanker Pandey,
Advs.****CORAM:****HON'BLE MR. JUSTICE OM PRAKASH SHUKLA****JUDGMENT(ORAL)**

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09.10.2026

1. The present petition has been filed under Section 11 of the Arbitration and Conciliation Act of 1996¹ seeking appointment of an Arbitrator for resolution of disputes arising between the parties.

2. It is the case of the Petitioner that the Directorate General of Ordinance Services² entered into a contract with the Respondent for the supply of khaki towels, which was sub-let by the Respondent to the Petitioner herein by way of Contract dated 06.03.2006. In furtherance thereof, a Supplementary Agreement dated 02.06.2006 and another Contract dated 09.01.2007 came to be executed.

3. Purportedly aggrieved by the non-payment of contractual dues

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¹ "Act" hereinafter

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by the Respondent, the Petitioner seeks to invoke arbitration in terms of Clause 17 of the Contract dated 06.03.2006. The aforesaid clause is reproduced hereinbelow:

17. ARBITRATION.

In the event of any question, dispute or difference arising under these conditions or any special conditions of the contract, or in connection with this contract the same shall be referred to the sole arbitration of a person to be appointed by the Managing Director of the first party whose decision shall be final on every matter arising hereunder. The venue of the arbitration shall be New Delhi only.

4. At the outset, learned Counsel appearing on behalf of the Respondent contends that the instant petition is time barred as the contract pertains to the year 2008. It is also submitted that Petitioner filed an earlier petition under Section 11 without the arbitration agreement which was dismissed as withdrawn with liberty.

5. Learned Counsel for the Petitioner vehemently resists this objection and places reliance upon Clause 13 of the Contract dated 06.03.2006 which stipulates that Respondent shall make payment to the Petitioner only after full and final payment from DGOS. Clause 13 is reproduced hereinbelow:

“13. PAYMENT UNDER THE CONTRACT

Payment for the costs of Towels will be made by the first party to the second party only after receipt of full and final payment from D.G.O.S. in respect of towels supplied under this contract.”

6. In this regard, learned Counsel appearing for the Petitioner submits on the strength of Minutes of Meeting held on 21.06.2023 between the Respondent and DGOS that the amount was received by

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the Respondents only in 2023.

7. Accordingly, in the opinion of this Court, the claims of the Petitioner are not *ex facie* time-barred so as to preclude the appointment of an Arbitrator.

8. It is well settled that while exercising jurisdiction under Section 11 of the Act, the scope of enquiry is confined to examining the *prima facie* existence of an arbitration agreement.

9. In the present case, a valid arbitration agreement exists *inter se* the parties herein under the aforementioned Clause 17.

10. Accordingly, Mr. Sameer Sharma, Advocate (Mob. No. 9213857759) is appointed as a learned Sole Arbitrator to adjudicate the disputes arisen between the parties. The learned Sole Arbitrator shall enter upon the reference within three weeks from today.

11. In view of the objections raised on behalf of the Respondent, it shall be open to the parties to raise all pleas, including but not limited to objections as to arbitrability, maintainability, jurisdiction, limitation, before the learned Sole Arbitrator who shall decide the same in accordance with law.

12. The learned Sole Arbitrator will proceed to the arbitration proceedings subject to furnishing requisite disclosures as required under Section 12(2) of the Act within three weeks of entering reference.



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13. The arbitration shall be carried under the rules and aegis of Delhi International Arbitration Centre³. The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

14. It is clarified that the observations made herein are only for the purpose of deciding the present petition under Section 11(6) of the Act. The learned Sole Arbitrator shall adjudicate the disputes independently and on their own merits, uninfluenced by any observations contained in the present order.

15. The Registry is directed to send a receipt of this order to Mr. Sameer Sharma, learned Arbitrator through all permissible modes including email.

16. Accordingly, the present petition is disposed of in the above terms.

OM PRAKASH SHUKLA, J

OCTOBER 9, 2026/gunn

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³ "DIAC" hereinafter

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