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

CNR No. DLHC010299782026

+ **ARB.P. 1136/2026, I.A. 18084/2026**

M/S G AND G SERVICES PRIVATE LIMITEDPetitioner

Through: Mr. Mayank Jain, Mr. Ritik Chauhan, Advs.

versus

NEW DELHI MUNICIPAL COUNCILRespondent

Through: Mr. Sukrit Seth, ASC, NDMC.

CORAM:

HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT(ORAL)

% 30.07.2026

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996¹ seeking appointment of a Sole Arbitrator for adjudication of the disputes arising out of an agreement dated 11.12.2018 executed between the Petitioner and the Respondent in relation to the work of “Sanitation, Expenses, Sh:-Clearing and Sweeping of Palika Bazar”.

2. Upon completion of the work, the Respondent issued a completion certificate dated 27.05.2019, and the Petitioner submitted its final bill.

3. The disputes between the parties arise out of the Petitioner’s claims in respect of the alleged withholding by the Respondent of the balance amount of the final bill, the GST component, and the security



deposit.

4. In view of the aforesaid disputes, the Petitioner invoked the dispute resolution mechanism contained in Clause 25 of the Agreement by seeking the constitution of the Dispute Redressal Committee (DRC) through letters dated 15.01.2026 and 10.02.2026. The relevant arbitration clause is reproduced below:

"Clause 25

Settlement of Disputes and Arbitration

Except where otherwise provided in the contract, all questions and disputes relating to the meaning of the specifications, designs, drawings and instructions hereinbefore 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 condition 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.

25(i) If the contractor considers any work demanded of him to be outside the requirements of the contract, or disputes any drawing, record or decision given in writing by the Engineer-in-Charge on any matter in connection with or arising out of the contract or carrying out of the work, to be unacceptable. He shall promptly within 15 days request the Superintending Engineer for written instruction or decision within a period of Three Months from the receipt of contractor's letter'

If the Superintending Engineer fails to give his instruction or decision in writing within the aforesaid period or if the contractor is dissatisfied with the instructions or decision of the Superintending Engineer, the contractor may, within 15 days of the receipt of Superintending Engineer's decision, appeal to the Chief Engineer who shall afford an opportunity to the contractor to be heard, if the latter so desires, and to offer evidence in support of his appeal. The Chief Engineer shall give his decision within 30 days of receipt of contractor's appeal. If the contractor is dissatisfied with the decision of the Chief Engineer. The contractor may within 30 days from the receipt of The Chief Engineer decision, appeal

¹ "the Act" hereinafter



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before Dispute Redressal Committee (DRC) along with list of disputes with amount claimed in respect of each such dispute and giving reference to the rejection of his dispute by the Chief Engineer. The Dispute Redressal Committee (DRC) shall give his decision within a period of 90 days from the receipt of contractor's appeal. The constitution of Dispute Redressal Committee (DRC) shall be as indicated in Schedule 'F', if the Dispute Redressal Committee (DRC) fails to give his decision within the aforesaid period or any party is dissatisfied with the decision of Dispute Redressal Committee (DRC), 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 for appointment of arbitrator on prescribed proforma as per Appendix XV, failing which the said decision shall be final binding and conclusive and not referable to adjudication by the arbitrator.

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.

25(ii) Except where the decision has become final, binding and conclusive in term of Sub Para (1) above, disputes or difference shall be referred for adjudication through arbitration by a sole arbitrator appointed by the Chairperson, NDMC, if there be no Chairperson, the administrative head of NDMC if the arbitrator so appointed is unable or unwilling to act or resigns his appointment or vacates his office due to any reason whatsoever, another sole arbitrator shall be appointed in the matter aforesaid. Such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.

it is a term of this contract that the party invoking arbitration shall give a list of disputes with amounts claimed in respect of each such dispute along with the notice of appointment of arbitrator and giving reference to the rejection by the Chief Engineer of the appeal.

It is also a term of this contract that no person, other than a person appointed by such chairperson NDMC or the administrative head of NDMC as aforesaid, should act as arbitrator and if for any reason that is not possible, the matter shall not be referred to arbitration at all.

It is also a term of this contract that if the contractor does not make any demand for appointment of arbitrator in respect of any claims in writing as aforesaid within 120 days of receiving the intimation from the Engineer-in-charge that the final bill is ready for payment, the claim of the contractor shall be deemed to have been waived



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and absolutely barred and the NDMC shall be discharged and released of all liabilities under the contract in respect of these claims.

The arbitration shall be conducted in accordance with the provision of the Arbitration and Conciliation Act 1996 (26 of 1996) the Jammu and Kashmir Arbitration and Conciliation act 1977(35% of 1997) (As the case may be) or any statutory modifications or re-enactment thereof and the rules made there under and for the time being in force shall apply to the arbitration proceeding under this clause. It is also a term of this contract that 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 reason from the award.

It is also a term of the contract that if any fees are payable to the arbitrator, these shall be paid equally by both the parties.

It is also a term of the contract that the arbitrator shall be deemed to have entered on the reference on the date he issues notice to the both the parties calling them to submit their statement of claims and counter statement of claims. The venue of the arbitration shall be such place as may be fixed by the arbitrator in his sole discretion. The fees, if any, of the arbitration shall, if required to be paid before the award is made and published, be paid half and half by each of the parties. The cost of the reference and of the award (including the fees, if any, of the arbitrator) shall be in the discretion of the arbitrator who may direct to any by whom and in what manner, such costs or any part thereof shall be paid and fix or settle the amount of costs to be so paid.”

5. Since the DRC was not constituted, the Petitioner thereafter issued a notice dated 06.04.2026 in terms of Section 21 of the Act invoking arbitration. However, the parties failed to appoint an arbitrator.

6. Issue notice.

7. Mr. Sukrit Seth, ASC, NDMC has accepted notice on behalf of



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Respondent.

8. Mr. Seth, on instructions, submits that he has no objection to the appointment of a sole Arbitrator by this Court.

9. 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 agreement².

10. In the present case, there is no dispute with regard to the existence of a valid arbitration clause between the parties.

11. Further, the parties are *ad idem* with respect to the reference of the disputes to arbitration. In the aforesaid circumstances, this Court finds no impediment in appointing a Sole Arbitrator.

12. The claim amount is stated to be around 12 lakhs approximately.

13. Accordingly, Mr. Ritik Malik, Advocate (9999653611) 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 two weeks from today.

14. The learned Sole Arbitrator will proceed to the arbitration proceedings subject to furnishing requisite disclosures as required

² **SBI General Insurance Co. Ltd. v. Krish Spinning** 2024 SCC OnLine SC 1754



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under Section 12(2) of the Act within two weeks of entering reference.

15. The learned Sole Arbitrator shall be entitled to fees in accordance with the Fourth Schedule of the Act or such other fee as may be mutually agreed upon between the parties and the learned Sole Arbitrator.

16. The parties shall share the learned Arbitrator's fee and arbitral cost equally.

17. It shall be open to the parties to raise all pleas, including objection as to arbitrability and jurisdiction, before the learned Sole Arbitrator who shall decide the same in accordance with law.

18. Needless to state 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.

19. The Registry is directed to send a receipt of this order to Mr. Ritik Malik, learned Arbitrator through all permissible modes including email.

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

OM PRAKASH SHUKLA, J

JULY 30, 2026/at