



**IN THE HIGH COURT OF PUNJAB & HARYANA  
AT CHANDIGARH**

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ARB-149-2024 (O&M)  
Date of decision: 07.05.2025

VARUN GUPTA AND CO.

...APPLICANT

Vs.

CENTRAL PUBLIC WORKS DEPARTMENT AND OTHERS

...RESPONDENTS

**CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL**

Present: Mr. Ganesh Khanna, Advocate (through V.C.) and  
Ms. Achintaya Soni, Advocate  
for the applicant.

Mr. Bharat Bhushan Sharma, Senior Panel Counsel  
for the respondents-UOI.

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**JAGMOHAN BANSAL, J (ORAL)**

1. Through instant application under Section 11 of the Arbitration and Conciliation Act, 1996 (for short '1996 Act'), the applicant is seeking appointment of an Arbitrator.

2. The parties entered into arbitration agreement dated 16.01.2015. A dispute erupted between the parties. The applicant served notice upon respondent seeking resolution of dispute through arbitral tribunal but to no avail.

3. Mr. Bharat Bhushan Sharma, Senior Panel Counsel submits that as per terms and conditions of the contract, the applicant was supposed to file appeal against decision of Chief Engineer before Dispute Redressal Committee. The said Committee was supposed to pass order within 90 days from the date of receipt of reference by the Committee. The applicant filed appeal on 12.05.2019 and respondent constituted DRC on 07.08.2019, thus, 90 days period had to start



from 07.08.2019. The Committee passed its order on 23.10.2019 which was within 3 months from the date of its constitution. The applicant contrary to terms and conditions of the contract has approached this Court.

4. The parties are relying upon clause 25 of the agreement which is reproduced as below:-

*“If the Superintending Engineer fails to give his instructions 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 before the Dispute Redressal Committee (DRC) along with a list of disputes with amounts claimed in respect of each such dispute and giving reference to the rejection of his disputes 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.”*

***[Emphasis Supplied]***

5. Counsel for the respondent is claiming that 90 days period for adjudication of appeal against order of Chief Engineer has to be counted from the date of constitution of DRC whereas applicant is claiming that 90 days period should be counted from the date of filing appeal. There is substance in the contention of the applicant. The Committee has to decide the matter within 90 days from the receipt of Contractor's appeal. The DRC had to be constituted by respondent. If they fail to constitute the Committee at the earliest, the period of 90 days for deciding appeal would not extend.

6. There is no dispute *qua* execution of contract, dispute and service of notice.

7. Conditions to invoke power conferred by Section 11(6) of 1996 Act stand satisfied, thus, I hereby appoint a sole Arbitrator to adjudicate the dispute between the parties.

8. Mr. S.K. Sharma, Chief Engineer I&WRD, Haryana (Retd.), residing at 1001-B, Lord Krishna Apartment, Sector 43, Gurgaon, Haryana 122009, Mobile No. 9417892352 is hereby appointed as a Sole Arbitrator to adjudicate the dispute between the parties, subject to compliance of statutory requirements. The learned Arbitrator is requested to comply with mandate of Section 12 of 1996 Act before proceeding further.

9. The parties at the first instance will appear before the Arbitrator on 22.05.2025 at 10.00 A.M. and thereafter as directed by learned Arbitrator.

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10. The Arbitrator shall be paid fee in accordance with the Fourth Schedule of the 1996 Act, as amended.
11. The Arbitrator is requested to complete the proceedings as per time limit specified under Section 29-A of the 1996 Act.
12. Needless to mention, parties would be at liberty to raise all the claims/defences/counter claims/pleas before the Arbitrator. Any observation made hereinabove will not be binding on the learned Arbitrator.
13. A request letter along with copy of this order be sent to Mr. S.K. Sharma.
14. Pending miscellaneous application(s), if any, shall also stand disposed of.

07.05.2025  
manoj

**[JAGMOHAN BANSAL]**  
**JUDGE**

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No