



ARB-164-2025 (O&M), ARB-165-2025 (O&M) & ARB-166-2025 (O&M)

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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

249 to 251 (3 cases)

ARB-164-2025 (O&M)

Date of Decision: 09.09.2025

M/s Sanjeev Kumar Goyal Contractor

...Applicant

Versus

Punjab Small Industries and Export Corporation Limited

...Respondents

With

Sr. No.	Case No.	Petitioner(s)	Respondent(s)
2.	ARB-165-2025 (O&M)	M/s Sanjeev Kumar Goyal Contractor	Punjab Small Industries and Export Corporation Limited
3.	ARB-166-2025 (O&M)	M/s Sanjeev Kumar Goyal Contractor	Punjab Small Industries and Export Corporation Limited

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: - Mr. Anand Chhibber, Senior Advocate with
Mr. Lakhwinder Singh Sidhu, Advocate and
Mr. Ishan Thakur, Advocate for the applicant
Mr. Kanan Malik, Advocate for the respondent

JAGMOHAN BANSAL, J. (Oral)

1. As common issues are involved in the captioned petitions, with the consent of both sides, the same are hereby disposed of by this common order. For the sake of brevity and convenience, facts are borrowed from *ARB-164-2025*.

2. 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.



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3. Pursuant to tender, the applicant was allotted work by the respondent vide allotment letter dated 21.07.2020. A dispute erupted between the parties. The applicant served notice upon the respondent seeking resolution of dispute through Arbitral Tribunal but to no avail.

4. Learned counsel for the respondent submits that as per clause 25 of the General Conditions of Contract, the matter could be referred to Arbitrator before the commencement of work or during the progress of work or after termination/amendment or breach of the contract. In the case in hand, the work has completed and dispute has been raised after completion of work. The respondent has already made full and final payment. Nothing is outstanding against the respondent.

With respect to *ARB No.165 of 2025* and *ARB No.166 of 2025*, he further submits that claim was lodged beyond six months from the date of completion of work, thus, as per Clause 25(xiv), claim is time barred.

5. The respondent is opposing appointment of Arbitrator on the ground that work stands completed, thus, Clause 25 of General Conditions of Contract cannot be invoked. The said clause is reproduced as below: -

“25. DISPUTES RESOLUTION MECHANISM

- i) If any dispute or differences of any kind whatsoever arise between the PSIEC, its authorized representatives and the Contractor in connection with or arising out of this contract or the execution of work, these shall be resolved as under.*
- ii) Whether before its commencement or during the progress of Project/Work or after abandonment or breach of the contract, the dispute shall in the*



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- iii) *first the termination, instance supported with complete documents and further documents, if any, required by him, be referred for settlement to the Engineer of the work and he shall, within a period of sixty (60) days after being requested in writing by the Contractor to do so, convey his decision to the Contractor. Such decision in respect of every matter so referred shall, subject to arbitration as hereinafter provided, be final and binding upon the Contractor. In case the work is already in process, the Contractor shall continue with the execution of the work as aforesaid with all due diligence, whether any of the parties requires arbitration as hereinafter provided or not.*
- iv) *If the Engineer has conveyed his decision to the Contractor and no claim for arbitration has been filed by the Contractor within a the receipt of the letter communicating the decision, and binding upon the Contractor and will not be a subject period of sixty (60) days from the said decision shall be final matter of arbitration at all.*
- v) *period of sixty (60) days from If the Engineer fails to convey his decision within a the date on which the said request was made by the Contractor, he may refer the dispute for arbitration as hereinafter provided.*
- vi) *All disputes or differences in respect of which the decision is not final and conclusive shall, at the request of either party made in communication sent through registered A.D. post, be referred for arbitration as per following:*
 - a. *For original contract of the value upto Rs. 5.00 Crore, the disputes shall be referred to the sole arbitration of any*



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- serving/retired Superintending Engineer of PWD(B&R) out of the penal maintained by PSIEC after approval of the MD, PSIEC.*
- b. For original contracts of the value Rs.5.00 crore and above, the disputes shall be referred to the sole arbitration of Arbitrator nominated by PIRA out of the penal maintained by PSIEC after approval of the MD, PSIEC.*
- c. In case the value of claims is Rs.5.00 crore or above, the matter will be referred to Punjab Infrastructure Regulatory Authority (PIRA)*
- *The fee of the Arbitrators shall be as per Indian Arbitration and Conciliation Act 1996 amended upto date or as mutually decided between PSIEC & of the Contractor. The expenditure of the Arbitration shall be borne equally by PSIEC and the Contractor.*
- vii) The Employer shall have the authority to change the arbitrator/any member of arbitral tribunal on an application by either the Contractor or the Engineer requesting change of arbitrator giving reasons thereof, either before the start of the arbitration proceedings or during the course of such proceedings. The arbitration proceedings would stand suspended as soon as an application for change of Arbitrator/any member of Arbitral Tribunal is filed before the Employer and a notice thereof is given by the applicant to the Arbitrator. The Employer after hearing both the parties may pass a speaking order rejecting the application or accepting to change the arbitrator or simultaneously, appointing a technical officer as Arbitrator/any member of arbitral tribunal under the contract.*



The new Arbitrator/Arbitral Tribunal so appointed may enter upon the reference afresh or may continue the hearings from the point these were suspended before the previous Arbitrator/Arbitral Tribunal.

- viii) *The reference to the Arbitrator/Arbitral Tribunal shall be made by the claimant party within one hundred twenty (120) days from the date of dispute of claim arises during the execution of work. If the claim pertains to rates or recoveries introduced in the final bill, the reference to the Arbitrator/Arbitral Tribunal shall be made within six calendar months from the date of payment of the final bill to the Contractor or from the date a registered notice is sent to the Contractor to the effect that his final bill is ready by the Engineer (whose decision in this respect shall be final and binding) whichever is earlier.*
- ix) *It shall be an essential term of this contract that in order to avoid frivolous claims, the party invoking arbitration shall specify the disputes based upon facts and calculations stating the amount claimed under each claim and shall furnish a "deposit-at-call" for ten percent of the amount claimed, on a scheduled bank in the name of the PSIEC, who shall keep the amount in deposit till the announcement of the award. In the event of an award in favour of the claimant, the deposit shall be refunded to him in proportion to the amount awarded with respect to the amount claimed and the balance, if any, shall be forfeited and paid to the other party.*
- x) *The provisions of the Arbitration and Conciliation Act, 1996 as amended upto date or any other statutory law there under or modification thereof and for the time being in*



force shall apply to the arbitration proceedings under this clause.

- xi) The Arbitrator/Arbitral Tribunal shall give a reasoned award for each claim/counter claim.*
- xii) The independent claims of the party other than one seeking arbitration as also the counter claims of any party shall be entertained by the arbitrator.*
- xiii) The venue of arbitration shall be in Committee Room of PSIEC in Udyog Bhawan, Sector-17, Chandigarh. The work under the contract shall continue during the arbitration proceedings.*
- xiv) The stamp fee due on the award shall be payable by the party as desired by the Arbitrator/Arbitral Tribunal and in the event of such party's default, the stamp fee shall be recoverable from another sum due to such party under this or any other contract.*
- xv) Neither party shall be entitled to bring a claim for arbitration, if it is not filed as per the time period already specified or within six months of the following:-*
 - a) of the date of completion of the work as certified by the Engineer or*
 - b) of the date of abandonment of the work or breach of contract under any of its clauses, or*
 - c) of its non-commencement or non resumption of work within 10 days of written notice for commencement or resumption as applicable, or*
 - d) of the cancellation, termination or withdrawal of the work from the Contractor in whole or in part and/or revision for closure of the contract, or*



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- e) *of receiving an intimation from the Engineer that the final payment due or to be recovered from the Contractor had been determined, for the purpose of payment/adjustment whichever is the latest. If the matter is not referred to arbitration within the period prescribed above, all the rights and claims of either party under the contract shall be deemed to have been forfeited and absolutely barred by the time for arbitration and even for civil litigation.*
- xvi) *No question relating to this contract shall be brought before any civil court without first invoking and completing the arbitration proceedings, if the issue is covered by the scope of arbitration under the contract. The pending arbitration proceedings shall not disentitle the Engineer to terminate the contract and to make alternate arrangement for completion of the works.*
- xvii) *Arbitrator/Arbitral Tribunal shall be deemed to have entered into the reference on the day, notice is issued to the parties fixing the first date of hearing. The Arbitrator/Arbitral Tribunal may, from time to time, with the consent of the parties enlarge the initial time for making and publishing the award. However the Arbitrator/Arbitral Tribunal shall make all out efforts to decide each claim within a period of 6 months from the date of initiation.*
- xviii) *The expiry to the contractual time limit, whether originally fixed or extended, shall not invalidate the provisions of this clause.”*

6. From the perusal of Sub-Clause (xiv) of the afore-stated clause, it is evident that the matter may be referred to Arbitrator even after completion



of the work. Sub-Clause (i) also provides that any dispute or differences of any kind whatsoever between the parties shall be resolved through procedure prescribed under other clauses. The contention of respondent that matter cannot be referred to Arbitrator after completion of work is misconceived. The dispute between the parties needs to be adjudicated by Arbitral Tribunal. The issue with respect to limitation, in terms of Clause 25(xiv), also needs to be adjudicated by Arbitral Tribunal.

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. Justice Amol Rattan Singh, Former Judge of this Court, residing at House No. 363 Sector-2, Panchkula-134109, Mobile No.9814105596 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 24.09.2025 at 10:00 AM and thereafter, as directed by learned Arbitrator.

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.



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13. A request letter along with copy of this order be sent to
Mr. Justice Amol Rattan Singh

14. Pending application(s), if any, shall stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

09.09.2025
Mohit Kumar

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