



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 26TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE ASHOK S.KINAGI

CIVIL MISC. PETITION NO.507 OF 2025

BETWEEN:

M/S URC CONSTRUCTIONS PRIVATE LIMITED
A COMPANY INCORPORATED AS PER
THE PROVISIONS OF THE COMPANIES ACT, 1956
AND EXISTING UNDER THE PROVISIONS OF
THE ACT, OF 2013
HAVING ITS CORPORATE OFFICE AT NO.810
1ST CROSS, 7TH MAIN, H.A.L 2ND STAGE,
INDIRANAGAR, BENGALURU-560038
REP. BY ITS VICE PRESIDENT AND AUTHORISED
SIGNATORY
SRI. GANESAN V.



...PETITIONER

(BY SRI. ABHILASH RAJU.,ADVOCATE)

AND:

M/S HINDUSTAN AERONAUTICS LIMITED
A COMPANY INCORPORATED AS PER



THE PROVISIONS OF THE COMPANIES ACT, 1956
AND EXISTING UNDER THE PROVISIONS OF
THE ACT, OF 2013.
HAVING ITS CORPORATE OFFICE AT 15/1,
CUBBON ROAD
BENGALURU – 560 001
REP. BY ITS ADDITIONAL GENERAL MANAGER
(WORKS) - PE FACILITIES MANAGEMENT
DIVISION VIMANAPURA POST
PO BOX NO. 1703
BENGALURU - 560 017.

... RESPONDENT

(BY SRI. KEERTI KUMAR.D.NAIK., ADVOCATE)

THIS CMP IS FILED UNDER SECTION 11(6) OF
ARBITRATION AND CONCILIATION ACT, 1996, PRAYING TO
APPOINT A SOLE ARBITRATOR IN TERMS OF THE LETTER OF
ACCEPTANCES DATED 21.01.2016 (ANNEXURE - B AS PER
CLAUSE 27.2(M) OF THE SPECIAL CONDITIONS OF CONTRACT
(ANNEXURE - C) ENTERED INTO BETWEEN THE PETITIONER
AND RESPONDENT TO RESOLVE THE DISPUTES ARISEN AND
ALSO PASS SUCH OTHER DIRECTIONS OR ORDERS AS THIS
HONBLE COURT MAY DEEM IT FIT AND NECESSARY IN THE
CIRCUMSTANCES OF THE CASE AND IN THE INTEREST OF
JUSTICE AND EQUITY.

THIS PETITION, COMING ON FOR ADMISSION, THIS DAY,
ORDER WAS MADE THEREIN AS UNDER:



CORAM: HON'BLE MR. JUSTICE ASHOK S.KINAGI

ORAL ORDER

1. This Civil Miscellaneous Petition is filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 for the appointment of an arbitrator to adjudicate the dispute between the parties as per clause 27.2(m) of the Special Conditions of Contract vide Annexure-C.
2. Brief facts, leading rise to the filing of this writ petition are as follows:
3. The respondent floated e-tender inviting bids from the contractors for the construction of soft landscape development for the proposed Centre of Aerospace Management Excellence and Leadership (3 months for development and 3 months for maintenance after development at HAL, Bengaluru). Pursuant to the discussions and meetings, the respondent issued a letter of acceptance on 21.01.2016. The respondent informed the petitioner that the site for execution of the works would be made available with the effect from



01.06.2016, and reiterated the contract value as per the letter of acceptance dated 21.01.2016. In the said letter, the respondent also informed that the date of commencement would be 15.06.2016 and the date of completion would be 14.12.2016. The respondent issued a letter to the petitioner granting extension of time on 06.02.2018. The letter granting second extension was on 11.09.2018. The respondent refused to settle the claims of the petitioner on the ground of patent illegality on the claims. The petitioner submitted a final bill with the claim. The respondent rejected the claim raised by the petitioner on the ground that the claims were unsubstantiated and imaginary. The petitioner issued a letter on 18.10.2019 requesting the respondent to process the payment insofar as admitted amount and refer the disputed amount for arbitration as per clause 27.2(m) of the contract. The petitioner filed a civil miscellaneous petition in CMP No. 70 of 2021 seeking appointment of an Arbitrator. The civil



miscellaneous petition came to be allowed vide order dated 20.06.2022 appointing retired District Judge as an Arbitrator based on the pleadings filed in Arbitration Case No. 497 of 2022. The petitioner examined the witness and the respondent also examined the witnesses. The Arbitral Tribunal passed an award on 13.09.2024 holding that the claim petition is not maintainable, specifically for being in violation of Order VI Rule 14 of the Code of Civil Procedure, 1908. Further, the learned Commercial Court in Comm.AP No. 164 of 2024 under Section 34 of the Act of 1996, set aside the award dated 13.09.2024 passed by the learned Arbitral Tribunal.

4. The petitioner issued a legal notice to the respondent requesting the respondent to approach the Director, Arbitration Centre, Karnataka for appointment of an Arbitrator on 23.06.2025. The respondent issued a reply notice to the petitioner by refusing to jointly



approach the Arbitration Centre on 19.07.2025. Hence, this civil miscellaneous petition.

5. The respondent filed a statement of objections contending that, there is no arbitral dispute arose between the petitioner and the respondent and it is also contended that, the award was set aside on the technical and short grounds. The petitioner could have been afforded an opportunity of curing the defect and he may be permitted to file the authorisation. Hence, on these grounds, prays to dismiss the petition.

6. Heard the arguments of learned counsel for the petitioner and learned counsel for the respondent.

7. Learned counsel for the petitioner submits that earlier the petitioner filed a civil miscellaneous petition in CMP No. 70 of 2021 seeking for appointment of an Arbitrator. The said petition came to be allowed by this Court vide order dated 20.06.2022. The parties have approached the Arbitrator and filed a claim petition and



examined the witnesses. The Arbitral Tribunal passed an award holding that the claim petition filed by the petitioner is not maintainable since it is in violation of Order VI Rule 14 of the CPC. He submits that, the learned Commercial Court set aside the award passed by the learned Arbitral Tribunal and while setting aside the arbitral award, the Commercial Court observed that there is no embargo for the petitioner to initiate a fresh arbitration regarding the claims which are subject matter of the impugned arbitral proceedings. Pursuant to order passed by the Commercial Court, the petitioner issued an arbitration notice under Section 21 of the Act on 23.06.2025 and the respondent refused to jointly approach the Arbitration Centre. Hence, on these grounds, he prays to allow the petition.

8. *Per contra*, learned counsel for the respondent submits that, the Arbitral Tribunal has dismissed the claim petition on the ground that, the claim petition filed by the petitioner is not maintainable, and is in violation of



Order VI Rule 14 of the CPC. Thus, the petitioner cannot maintain an application under Section 11(6) of the Act of 1996. Hence, on these grounds, he prays to dismiss the petition.

9. Perused the records, and considered the submissions of the learned counsel for the parties.

10. The point, that would arise for consideration is as follows:

"Whether the petitioner has made out a ground to refer the arbitral dispute to the arbitration in terms of clause 27(m) of Annexure-C as per the provisions of the Act and the Rules?"

11. It is an undisputed fact that the respondent floated an e-tender inviting bids from the contractors for the construction of soft landscape development for the proposed Centre of aerospace management excellence and leadership.



12. Pursuant to the discussions and meetings, the respondent issued a letter of acceptance on 21.01.2016.

13. The petitioner submitted a final bill with the claim. The respondent rejected the claim raised by the petitioner on the ground that the claims were unsubstantiated and imaginary.

14. The petitioner issued a letter on 18.10.2019 requesting the respondent to process the payment insofar as admitted amount and refer the disputed amount for arbitration as per clause 27.2(m) of the contract. The petitioner filed a civil miscellaneous petition in CMP No.70 of 2021 seeking appointment of an Arbitrator. The civil miscellaneous petition came to be allowed vide order dated 20.06.2022 appointing retired District Judge as an Arbitrator based on the pleadings filed in Arbitration Case No. 497 of 2022. The petitioner examined the witness and the respondent also examined the witnesses. The Arbitral Tribunal



passed an award on 13.09.2024 that the claim petition is not maintainable, specifically for being in violation of Order VI Rule 14 of the Code of Civil Procedure, 1908. The Learned Commercial Court in Comm.AP No. 164 of 2024 under Section 34 of the Act of 1996, set aside the award dated 13.09.2024 passed by the learned Arbitral Tribunal.

15. The petitioner issued a legal notice to the respondent requesting the respondent to approach the Director, Arbitration Center, Karnataka for appointment of an Arbitrator. The respondent issued a reply notice to the petitioner by refusing to jointly approach the Arbitration Centre.

16. I have perused the arbitration clause at clause 27.2(m) of the contract at Annexure C, which reads as follows:

"m) ARBITRATION:

Except where, otherwise provided for in the contract, all questions and disputes relating to the meaning of the specifications, designs,



drawings and instructions herein before 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 to the specifications, estimates, instructions, orders or these conditions or otherwise concerning the works, or the execution or fallure to execute, the same whether arising during the progress of the work or after the completion or abandonment thereof shall be referred to the sole arbitration of the Managing Director / General Manager and if the Managing Director / General Manager is unable or willing to act, to the sole arbitration of some other persons appointed by the Managing Director / General Manager willing to act as such Arbitrator. The Arbitrator to whom the matter is originally referred being transferred or vacating his office or being unable to act for any reason, such Managing Director /General Manager as aforesaid at the time of such transfer, vacation of office or Inability to act, shall appoint another person to act as arbitrator in accordance with the terms of the contract. Such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.

a) Subject as aforesaid the provision of the Arbitration and Conciliation Act, 1996, or any statutory modification 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.

b) It is a term of the contract that the party involving arbitration shall specify the dispute or disputes to be referred to arbitration under this clause together with the amount or amounts claimed in respect of each such dispute.



c) The arbitrator (s) may from time to time with consent of the parties enlarge the time, for making and publishing the award.

d) The work under the contract shall, if reasonably possible, continue during the arbitration proceedings and no payment due or payable to the contractor shall be withheld on account of such proceedings.

e) The Arbitrator shall be deemed to have entered on the reference on the date the Issues notice to both the parties fixing the date of the first hearing. The arbitrator shall give a separate award In respect of each dispute or difference referred to him.

f) The venue of arbitration shall be such place as may be fixed by the Arbitrator in his sole discretion.

g) The award of the arbitrator shall be final, conclusive and binding on both the parties to the contract."

17. From the perusal of the aforesaid arbitration clause, it is evident that, any dispute arising out of the said contract, the same shall be resolved through the arbitration. Admittedly, there is an arbitration clause and the petitioner invoked the arbitration clause asking the respondent to concur in approaching the Arbitration and Conciliation Centre. However, the respondent did not



concur with the petitioner in approaching the arbitration and conciliation centre for appointing the arbitrator.

18. Admittedly, the dispute which arose between the parties to the petition is arbitral in nature and therefore, the same has to be resolved through the arbitration.

19. For the foregoing, the petitioner has made out a ground to refer the dispute to the arbitration. Accordingly I answer the point in the ***affirmative***.

20. In view of the above discussion, I proceed to pass the following:

ORDER

- i. The CMP is ***allowed***.
- ii. ***Sri. Javeed Pasha***, learned Retired District Judge is appointed as the Arbitrator to resolve the dispute between the parties to the petition in terms of clause 27.2(m) of the Annexure C as per the provisions of the Act and the Rules.
- iii. The Registry is directed to forward the copy of this order to the learned arbitrator and



the Director, Arbitration and Conciliation Centre, Bengaluru.

- iv. The Registry is directed to return the originals/ certified copies of the documents after following the due procedure.
- v. All the contentions of the parties are kept open
- vi. Pending application(s) if any shall stand disposed of.

Sd/-
(ASHOK S. KINAGI)
JUDGE

PA (Online)