

Pradeep Kumar Kalra Vs. Delhi Development Authority and anr.

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Court : Delhi

Decided On : Jul-07-1989

Reported in : 1989(2)ARBLR414(Delhi); 39(1989)DLT194

Judge : Arun B. Saharya, J.

Acts : [Arbitration Act, 1940](#) - Sections 20

Appeal No. : First Appeal No. 227 of 1988

Appellant : Pradeep Kumar Kalra

Respondent : Delhi Development Authority and anr.

Advocate for Pet/Ap. : Sunil Agrawal and; Ashok Jain, Advs

Judgement :

Arun B. Saharya, J.

(1) This is an appeal under Section 39 of the [Arbitration Act, 1940](#), hereinafter referred to as the Act. arising out of an order dated 11th of July 1988 made by Shri P.D. Jarwal Sub Judge 1stClass, Delhi, refusing to file the arbitration agreement between the parties.

(2) The appellant entered into a contract with respondent No. 1 for the work of 'Maintenance and Development of Jjr Colony Hastal Sh, metalling and premixing

carpet on dry brick edge flooring in Block A-2, B & C (Balance Work)'. The contract contained an arbitration clause No. 25 wherein the Engineer Member of the D.D.A. is designated as the person to nominate an arbitrator in case of disputes between the part carousing out of the said contract.

(3) Disputes arose between the parties. The appellant invoked the Arbitration clause and sought appointment of an arbitration terms thereof. Respondent No. 1, did not act upon the request of the appellant. Consequently, the appellant moved a petition under Section 20 of the Act for an order for filing of agreement and for a reference of disputes to arbitration.

(4) Respondent No. 1 has not disputed the validity or existence of the arbitration agreement nor that disputes have arisen between the parties, to which the agreement applies, and that the petitioner has invoked the Arbitration clause. In opposition to the application, it was pleaded on behalf of respondent No. 1 that the appellant has not completed the work and that the claims made by him are not sustainable.

(5) By the impugned order, the learned trial court has refused to make a reference merely on the ground that 'the petitioner has not given the details of the dispute.

(6) I have perused the application under Section 20 of the Arbitration Act filed by the appellant. In para 5 of the application, the appellant has stated the disputes regarding refund of security deposit, balance payment of the work executed, amounts payable on account of statutory increase, damages on account various breaches committed by the respondents, and interest etc. The money value of the claim in respect of each of these disputes, apart from a claim for cost of arbitration proceedings, has also been set out in this para.

(7) It appears that the learned trial judge did not properly appreciate the limited scope of the court's jurisdiction under Section 20 of the Act which led him to the erroneous conclusion that the petitioner has not given details of the disputes. Under Section 20, the Court has to see, inter alia, whether a difference has arisen to which the arbitration agreement applies and whether there is any cause why a reference should not be made in accordance with agreement. It is, therefore,

sufficient for a person applying under this provision to specify the dispute for the limited purpose of satisfying the said requirement. The Court has not itself to adjudicate upon the disputes. As such, there is no need for an applicant to plead his whole case, with all particulars and details, as required in an ordinary suit.

(8) As noticed earlier, the appellant has specified the disputes in Para 5 of the application. The arbitration agreement applies to these disputes. No cause has been shown why a reference of these disputes should not be made in accordance with the agreement. The particulars of the dispute as pleaded in the application are enough for the present purpose. The appellant will, of course, be submitting a statement of claim before the arbitrator in which he will plead his case in detail in support of each of the claim mentioned in the application.

(9) therefore, I set aside the impugned order dated 11th of April 1988 and direct that the arbitration agreement between the parties be filed in Court and that an arbitrator be nominated by the Executive Member of the Delhi Development Authority in accordance with Clause 25 of the Agreement within K weeks from today, and I hereby make an order of reference of disputes mentioned in para 5 of the application under Section 20 of the Act.

(10) The appeal is, accordingly, allowed with costs.