



Non-Reportable

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**Civil Appeal No. _____ of 2026
[@ Special Leave Petition (C) No.28834 of 2026]**

**Indian Institute of Management
Jammu**

...Appellant

Versus

**M/s Ramacivil India Construction
Pvt. Ltd. & Anr.**

...Respondents

ORDER

Leave granted.

2. The matter arises from the impugned order, which set aside the impleadment of the appellant herein and constituted an Arbitral Tribunal to resolve the disputes between respondent Nos. 1 and 2. The appellant does not challenge the constitution of the Arbitral Tribunal but is only concerned with the rejection of its prayer for impleadment, since the arbitration was with respect to a construction project in its premises, which was entrusted to CPWD, the

second respondent, who in turn entrusted the same to the first respondent.

3. The first respondent was declared successful in a bid by the CPWD for the work of construction of Permanent campus under Phase-1 for the appellant, and a Letter of Acceptance dated 16.10.2020 was issued by the CPWD. In the course of execution of the project, certain disputes arose between respondent Nos.1 and 2, and the matter reached the High Court in an application under Section 11 of the Arbitration and Conciliation Act, 1996¹. There were also applications filed under Section 9 of the Act, all of which were clubbed together and heard along with a Chamber Appeal with respect to the impleadment of the appellant herein.

4. The learned Single Judge disagreed with the findings of the Joint Registrar that the appellant had a 'positive, direct and substantial involvement' in the subject matter sought to be referred for resolution by arbitration. It was held that

¹ For brevity, 'the Act'

large infrastructure projects often involved several institutional stakeholders at different levels and if every beneficiary were regarded as a necessary party, arbitral proceedings would cease to retain their consensual character and instead be converted into sprawling multi-party disputes detached from the contractual foundation of arbitration law.

5. We are of the opinion that this is not a case in which the appellant is said to be one of the stakeholders; especially when the work was with respect to the construction project for the benefit of the appellant carried out in its premises. The construction was entrusted with the CPWD, which had carried out the auction in which the first respondent turned out successful. It was also clear that, in addition to the supervision of work by the CPWD Engineers, the representatives of the appellant were empowered with regular and periodic inspections of the ongoing activities, and the deficiencies and shortcomings could be pointed out to the CPWD Engineers. We pointed out to the CPWD

Engineers for the purpose of cautioning the contractor, who in turn intimidated.

6. In the above circumstances, we are of the opinion that though the agreement was between the CPWD and a contractor, the appellant herein is a veritable party to the dispute and should be participated; especially since eventually the liability may fall on the appellant.

7. In the above circumstances, we are of the opinion that the appellant should participate in the arbitration initiated by the impugned order. The appellant, though cannot raise any independent claims, would be entitled to dispute the claims/contentions raised by either of the parties and apprise the Arbitration Tribunal of the ground realities and the factual situation from time to time, in the execution of the contract and its closure.

8. We make it clear that the participation of the appellant cannot result in any particular claim being raised by the appellant, since any such claim would have to be adjudicated as between the appellant and the CPWD; the appellant's role would be essentially in assisting the

Arbitral Tribunal to come to a just decision while resolving the dispute between the respondent Nos.1 and 2; the contractor and the CPWD, the result of which could substantially impact the appellant also.

9. With the above observations, the appeal stands allowed.

10. Pending application(s), if any, shall stand rejected.

..... J.
(J. B. PARDIWALA)

..... J.
(K. VINOD CHANDRAN)

**NEW DELHI;
SEPTEMBER 24, 2026.**