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

ARB-411-2025

Date of decision: 17.11.2025

MONIKA NARANG AND ANOTHER

...Petitioner(s)

VERSUS

DAKSHIN HARYANA BIJLI VITRAN NIGAM AND ANOTHER

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present:- Mr. Gaurav Arora, Advocate for the petitioners.

Mr. Prince Singh, Advocate for the respondents.

JASGURPREET SINGH PURI, J. (Oral)

1. The present petition has been filed under Section 11 (6, 7, 8) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act'), seeking appointment of an independent Arbitrator to adjudicate the disputes and differences which have arisen between the parties pertaining to a lease deed entered into between the parties.

2. Learned counsel for the petitioner submitted that there was a lease deed between the petitioners and the respondents, whereby the premises of the petitioners were given on rent to the respondents and the aforesaid lease deed (Annexure P-1) was duly executed and signed by all the parties. He further submitted that Clause No.5(a) of the aforesaid lease deed contains a valid arbitration clause, which provides that in case of any dispute, difference or claim arising out of or in connection with the agreement, the same shall be



referred to the sole arbitration of the Chief Engineer (Op.), DHBVN, Delhi. He further submitted that so far as the aforesaid nomination of the person is concerned, the same is *per se* not permissible in view of the law laid laid by Hon'ble Supreme Court in **Perkins Eastman Architects DPC and another versus HSCC (India) Limited, (2020) 20 SCC 760.** He further submitted that be that as it may, there is no dispute that the aforesaid arbitration clause exists and since a dispute had arisen between the parties, the petitioners served a notice invoking the aforesaid arbitration clause vide Annexure P-7 dated 01.07.2024 but the respondents failed to respond to the same and therefore, the present petition has been filed seeking appointment of a Sole Arbitrator.

3. On the other hand, learned counsel for the respondents submitted that the lease deed is of the year 2009 and the respondents have vacated the premises in the year 2015 and there has been a delay in filing the present petition. He further submitted that considering the delay, this Court may not appoint a Sole Arbitrator in the present case. With regard to the existence of the lease deed and the arbitration clause itself, he submitted that there is no dispute with regard to the same. He further submitted that so far as the issuance of notice vide Annexure P-7 is concerned, the same is also not in dispute but the only objection raised by the respondents is that there has been a delay in invoking the aforesaid arbitration clause.

4. I have heard the learned counsels for the parties.

5. The lease deed (Annexure P-1) between the parties and existence of the arbitration clause are not in dispute. The service of notice dated 01.07.2024 (Annexure P-7) for invoking the arbitration clause is also not in

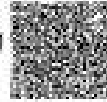


dispute. The present petition has been filed under Section 11 of the Act on 21.06.2025 and is therefore within the period of limitation of three years. The law with regard to starting point of the cause of action for filing of the petition under Section 11 of the Act is now well settled. Hon'ble Supreme Court in **SBI General Insurance Co. Ltd. versus Krish Spinning, 2024 SCC OnLine SC 1754** held that the period of limitation of three years will commence upon the issuance of a notice invoking arbitration under Section 21 of the Act. The relevant portion of the aforesaid judgment passed by Hon'ble Supreme Court in **SBI General Insurance Co. Ltd.'s case (Supra)** is reproduced as under:-

*“127. In **Arif Azim (supra)**, while deciding an application for appointment of arbitrator under Section 11(6) of the Act, 1996, two issues had arisen for our consideration:*

- i. Whether the Limitation Act, 1963 is applicable to an application for appointment of arbitrator under Section 11(6) of the Arbitration and Conciliation Act, 1996? If yes, whether the petition filed by M/s Arif Azim was barred by limitation?*
- ii. Whether the court may decline to make a reference under Section 11 of Act, 1996 where the claims are ex-facie and hopelessly time barred?*

128. On the first issue, it was observed by us that the Limitation Act, 1963 is applicable to the applications filed under Section 11(6) of the Act, 1996. Further, we also held that it is the duty of the referral court to examine that the application under Section 11(6) of the Act, 1996 is not barred by period of limitation as prescribed under Article 137 of the Limitation Act, 1963, i.e., 3 years from the date when the right to apply accrues in favour of the applicant. To determine as to when the right to apply would accrue, we had observed in paragraph 56 of the said decision that “the limitation period for filing a petition under Section 11(6) of the Act, 1996 can only commence once a valid notice invoking arbitration has been sent by the applicant to the other party, and there has been a failure or refusal on part of that other party in complying with the requirements mentioned in such notice.”



6. Therefore, the argument raised by the learned counsel for the respondents pertaining to delay is not maintainable. In case there is any objection pertaining to delay in raising a claim, the same can be considered by the learned Arbitrator and not by the reference Court under Section 11 of the Act.

7. Consequently, the present petition is allowed. Ms. Aakansha Sawhney, Advocate, resident of #1728, Sector 33-D, Chandigarh, Mobile No.-9888177209, E-mail ID-aakanksha.sawhney@gmail.com, is nominated as the Sole Arbitrator to adjudicate the dispute between the parties, subject to compliance of statutory provisions including Section 12 of the Act.

8. Parties are directed to appear before the learned Arbitrator on date, time and place to be fixed and communicated by the learned Arbitrator at her convenience.

9. Fee shall be paid to the learned Arbitrator in accordance with the Fourth Schedule of the Arbitration Act, as amended.

10. Learned Arbitrator is also requested to complete the proceedings as per the time limit prescribed under Section 29-A of the Act.

11. A request letter alongwith a copy of the order be sent to Ms. Aakansha Sawhney, Advocate.

(JASGURPREET SINGH PURI)
JUDGE

17.11.2025
Chetan Thakur

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