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

ARB-518-2025

Date of Decision: 09.12.2025

M/s Aarush Constructions

.... Petitioner

Versus

State of Punjab and others

..... Respondents

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present: Mr. R.K. Girdhar, Advocate
for the petitioner.

Mr. Raghav Goel, AAG, Punjab.

JASGURPREET SINGH PURI, J. (ORAL)

1. The present petition has been filed under Section 11 read with Section 12 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') praying for appointment of an independent Sole Arbitrator to adjudicate upon the disputes which have arisen between the parties.

2. Learned counsel for the petitioner submitted that an agreement was executed between the petitioner and the respondents vide Annexure A-1 in which there is a clause pertaining to Dispute Resolution Mechanism vide Clause 25, which provides that in case any dispute arises between the parties and total value of the Contract is less than ₹5 crores, then the same will be referred to the Sole Arbitrator, who shall be a serving Superintending Engineer of the department. He further submitted that in the present matter, the claim value is about ₹15 lacs which is much less than ₹5 crores and as per the aforesaid arbitration clause, serving Superintending Engineer of the



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respondent-Department is to be appointed as the Sole Arbitrator which is illegal in view of Section 12(5) of the Act and also in view of the law laid down by Hon'ble Supreme Court in "*Perkins Eastman Architects DPC Vs. HSCC (India) Ltd.*", 2020(20) SCC 760. He further submitted that vide Annexure A-9, a notice dated 02.06.2025 was served upon the respondents for invoking the aforesaid arbitration clause to which the respondents have sent a reply vide Annexure A-10 whereby they have rejected the prayer of the petitioner for appointment of the Arbitrator. Therefore, the present petition has been filed under Section 11 of the Act for appointment of an independent Sole Arbitrator.

3. On the other hand, Mr. Raghav Goel, learned AAG, Punjab submitted that he has sought specific instructions from Er. Piyush Aggarwal, Executive Engineer, Provincial Division No.1, PWD, B&R, Patiala to state that the respondents have no objection in case any independent Sole Arbitrator is appointed by this Court considering the fact that there exists a valid arbitration clause in the agreement (Annexure A-1) and the same has been invoked by the petitioner vide the aforesaid notice dated 02.06.2025.

4. In view of the above, the present petition is allowed. Mr. Pranav Chadha, Advocate, resident of House No. 5408, Sector 38 (West), Chandigarh, Mobile No.9915007790, Email id. pchadha31@hotmail.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.

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

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at his convenience.

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

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

8. A request letter alongwith a copy of the order be sent to Mr. Pranav Chadha, Advocate.

09.12.2025*Bhumika***(JASGURPREET SINGH PURI)
JUDGE**

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| 1. Whether speaking/reasoned: | Yes/No |
| 2. Whether reportable: | Yes/No |