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

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**ARB-59-2026 (O&M)
Date of Decision:01.05.2026**

Pawan Kumar**.....Petitioner****Versus****M/s Mahavir Cotton Factory and others****.....Respondents****CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI**

Present:- Mr. Tapish Kumar Gupta, Advocate for the petitioner.

Ms. Harmanpreet Kaur, Advocate for respondents No.2 and 3.

JASGURPREET SINGH PURI J.(Oral)

1. The present is a petition filed under Section 11 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act'), seeking appointment of a sole arbitrator in the present case.

2. Learned counsel for the petitioner submitted that a valid partnership agreement dated 08.09.2010 (Annexure A-2) was entered into between the parties, which contains an arbitration clause i.e. Clause 13 providing that any matter of dispute relating to partnership business shall be referred to arbitration in accordance with and subject of Indian Arbitration Act. He submitted that since a dispute arose between the parties, the petitioner served a notice dated 05.01.2026 upon the respondents vide Annexure A-9 for invoking the arbitration clause and also suggested the



name of sole Arbitrator therein, but no response was received from the respondents. Therefore, he submitted that this Court may appoint an independent and impartial Arbitrator for adjudicating the dispute which has arisen between the parties.

3. On the other hand, learned counsel appearing for respondents No.2 and 3 submitted that there is no dispute regarding the existence of the arbitration clause or the service of notice invoking the aforesaid arbitration clause upon the respondents. She further submitted that the only objection of the respondents is that the entire matter already stands settled between the parties and there is no outstanding amount against the respondents and therefore, there is no necessity to refer the matter to arbitration.

4. I have heard learned counsels for the parties.

5. On 06.04.2026, all the respondents were proceeded against *ex parte*. Thereafter, an application was filed on behalf of respondents No.2 and 3 seeking permission to participate in the present proceedings by recalling the order dated 06.04.2026 passed by this Court. This Court vide order dated 20.04.2026 permitted respondents No.2 and 3 to participate in the present proceedings and, qua them, the order dated 06.04.2026 proceeding against *ex parte* was recalled to the aforesaid limited extent. However, respondents No.1 and 4 did not appear despite service and continue to remain proceeded against *ex parte*.

6. The arbitration clause contained in the aforesaid agreement is reproduced as under:-

13. That any matter of dispute relating to



partnership business shall be referred to arbitration in accordance with and subject of 'INDIAN ARBITRATION ACT'.”

7. Learned counsel appearing for respondents No.2 and 3 has specifically stated that there is no dispute with regard to the partnership agreement and the aforesaid arbitration clause.

8. So far as the objection which has been raised by learned counsel for respondents No.2 and 3 that the entire dispute has already been resolved and there is no outstanding amount against the respondents is concerned, the same is not sustainable in view of the fact that this Court, at the reference stage under Section 11 of the Act, would not go into the aforesaid aspect as to whether any amount is outstanding or not because that does not fall within the scope of this Court. Such an objection, if any, would always be available to the respondents at an appropriate stage before the learned Arbitrator.

9. Since the essential conditions for appointment of an Arbitrator under Section 11 of the Act, namely existence of an arbitration clause as well as invocation thereof by issuance of notice, stand satisfied in the present matter, this Court deems it fit and proper to appoint a sole Arbitrator in the present case. Accordingly, the present petition is allowed. Hon'ble Mr. Justice Inderjit Singh (retired), resident of House No.497, IAS/IPS Society, New Chandigarh, Mobile No.8558809904,



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Email: inderjitdsj@gmail.com is appointed as the Sole Arbitrator to adjudicate the disputes between the parties, subject to compliance of statutory provisions including Section 12 of the Act.

10. Liberty is granted to the respondents to raise all the legally permissible pleas as may be available to them in accordance with law before the learned Arbitrator at an appropriate stage.

11. Parties are directed to appear before learned Arbitrator on a date, time and place to be fixed and communicated by learned Arbitrator at his convenience.

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

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

14. A request letter alongwith a copy of the order be sent to Hon'ble Mr. Justice Inderjit Singh (retired).

01.05.2026

shweta

(JASGURPREET SINGH PURI)
JUDGE

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