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

**ARB-75-2026 (O&M)
Date of Decision:09.03.2026**

The Lehragaga Coop L & C Society Ltd.

.....Petitioner

Versus

The State of Punjab and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

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

Mr. Sarbuland Singh Mann, Advocate for the respondent No.3.

JASGURPREET SINGH PURI J.(Oral)

1. The present is a petition filed under Section 11 read with Section 12 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 respondent No.3—The Nagar Panchayat, Moonak, District Sangrur, is the contesting party and so far as respondents No.1 and 2 are concerned, they are not necessary parties and therefore respondents No.1 and 2 may be deleted from the array of the parties. .

3. The request made by learned counsel for the petitioner is accepted. Respondents No.1 and 2 are hereby deleted from the array of the



parties.

4. Learned counsel for the petitioner submitted that there exists an agreement between the parties vide Annexure A-1, which contains an arbitration clause i.e. Clause No.8(I). As per the said clause, in case of any dispute or disagreement arising out of the contract agreement, the Deputy Director, Urban Local Bodies, Patiala, shall be the arbitrator whose decision shall be final and binding upon both the parties. He further submitted that the Deputy Director of the respondent-department cannot be appointed as an arbitrator because of conflict of interest in view of Section 12(5) of the Act. Reliance has been placed upon the judgment of Hon'ble Supreme Court in ***Perkins Eastman Architects DPC and another v. HSCC (India) Limited, (2020) 20 SCC 760***, wherein it has been held that unilateral appointment of a sole arbitrator by one of the parties is not permissible in law. He further submitted that since a dispute arose between the parties, the petitioner served a notice dated 06.11.2025 upon the respondent vide Annexure A-7 for invoking the arbitration clause, but no response was received from the respondent. Therefore, he submitted that this Hon'ble Court may appoint an independent and impartial arbitrator for adjudicating the dispute which has arisen between the parties.

5. On the other hand, Mr. S.S. Mann, Advocate, has appeared on behalf of respondent No.3 and has filed his Power of Attorney, which is taken on record. He submitted that he has sought specific instructions from the respondent to state that the respondent has no objection in case any



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independent and impartial Sole Arbitrator is appointed for adjudication of the dispute, as there exists a valid arbitration clause and the petitioner has already invoked the arbitration clause by issuing notice dated 06.11.2025.

6. In view of the aforesaid facts and circumstances as well as the stand taken by learned counsel for respondent No.3, the present petition is allowed. Ms. Ekta Jhanji, Advocate, resident of # 1150, Sector-15B, Chandigarh, Mobile No.9815831122, E-mail:ektajhanji@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.

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

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

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

10. A request letter alongwith a copy of the order be sent to Ms. Ekta Jhanji, Advocate.

09.03.2026

shweta

**(JASGURPREET SINGH PURI)
JUDGE**

Whether speaking/reasoned

: Yes/No

Whether reportable

: Yes/No