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IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

ARB-133-2024(O&M)

Date of Decision: 18.03.2026

HARKIRAN SINGH SANDHU AND ANOTHER

....Petitioner(s)

Versus

M/S IREO PVT. LTD. AND ANOTHER

.....Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present: Mr. Nishant Nigam, Advocate,
Mr. Aman Abbi, Advocate and
Mr. Mahender Joshi, Advocate,
for the petitioners.

Mr. G.S. Bedi, Advocate,
Mr. Pawandeep Singh, Advocate and
Mr. Anand Vardhan Khanna, Advocate,
for the respondents.

JASGURPREET SINGH PURI, J. (Oral)

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') for appointment of a Sole Arbitrator.

2. Mr. Nishant Nigam, Advocate and Mr. Aman Abbi, Advocate appearing on behalf of the petitioners submitted that the petitioners are allottees of an apartment, which was allotted to them by the respondent builder company and a builder-buyer agreement was entered into between the parties vide Annexure P-7, which contains an arbitration clause. They submitted that in pursuance of the said arbitration clause, an Arbitrator was appointed by the respondents themselves and consequent thereupon, the



proceedings continued before the Arbitrator. Although the aforesaid Arbitrator could not have continued the arbitration proceedings in view of the fact that he was appointed unilaterally, which is otherwise impermissible under the law, still both the parties had participated in the arbitral proceedings before the Arbitrator. However, at the end of the arbitral proceedings, the petitioners requested the Arbitrator not to proceed further with the arbitral proceedings on the ground of his appointment being unilateral and also on the ground that they wanted to file an appropriate application before the RERA. They further submitted that the learned Arbitrator had reserved the award, which has not been pronounced till date and even otherwise also, the statutory period has also elapsed with the efflux of time and now the Arbitrator cannot even pass any award and therefore, the present petition has been filed under Section 11 of the Act for appointment of a fresh Arbitrator by this Court.

3. It was also submitted that the grievance of the petitioners in the present petition pertains to various other developments that have taken place pertaining to other causes of action as well and therefore, the present petition has been filed under Section 11 of the Act.

4. On the other hand, Mr. G.S. Bedi, learned counsel for the respondents submitted that the present petition is not even maintainable for two reasons. Firstly, the petitioners are residents and citizen of Singapore and since one of the parties is a foreign entity, which is otherwise also in an individual capacity, the subject matter constitutes an international commercial arbitration and therefore, this Court would not have jurisdiction. The second objection raised by learned counsel for the respondents was that once the arbitration proceedings have commenced and learned Arbitrator has



reserved the award, even though with the efflux of time, the mandate has terminated, the remedy available to the petitioners would not be to file a petition under Section 11 of the Act for appointment of a fresh Arbitrator but the appropriate remedy would be to seek substitution of the Arbitrator by filing an appropriate application before the Court as defined under Section 2(1) (e) of the Act. He submitted that the remedy for both termination of mandate of Arbitrator and for seeking substitution of the Arbitrator lies before the said Court and not before this Court by way of a petition under Section 11 of the Act.

5. I have heard the learned counsel for the parties.

6. An objection was raised by learned counsel for the respondents with regard to maintainability of the present petition on the ground that the Arbitrator was already appointed and both the parties participated in the proceedings before the Arbitrator and the Arbitrator had continued with the arbitral proceedings and had reserved the award, which has not been pronounced till date and the statutory period has already elapsed. It was the objection of the learned counsel for the respondents that a separate petition under Section 11 of the Act would not be maintainable and an appropriate application under Sections 14 and 15 of the Act would lie before the appropriate Court as defined under Section 2(1) (e) of the Act.

7. The law with regard to seeking substitution of an Arbitrator or for seeking termination of the mandate of an Arbitrator is well settled by the Hon'ble Supreme Court in ***Jagdeep Chowgule and others vs. Sheela Chowgule and others, 2026 SCC OnLine SC 124*** and ***Bhadra International (India) Pvt. Ltd. and others vs. Airports Authority of India,***



2026 SCC OnLine SC 7. The relevant portion of the aforesaid judgment in **Jagdeep Chowgule's case (supra)** is reproduced as under:-

“23. Nimet Resources (Supra) clarifies two propositions of enduring relevance. First, that applications concerning conduct, continuation, termination or substitution of an arbitral mandate, whether under Section 14 or otherwise, are matters of curial supervision and must be instituted before the “Court” as statutorily defined. Second, that the jurisdiction exercised under Section 11 is limited and exhausted upon the constitution of the arbitral tribunal, leading to the appointing Court becoming functus officio thereafter. These principles apply with equal force to Section 29A. The extension of mandate or substitution of an arbitrator under Section 29A does not partake the character of “appointment” under Section 11, but is a measure designed to ensure timely conclusion of arbitration. Absence of any contextual indicia to the contrary, the expression “Court” in Section 29A must, therefore, be accorded the meaning assigned to it under Section 2(1)(e)”.

8. The relevant portion of the judgment in **Bhadra International (India) Pvt. Ltd. case (supra)** is reproduced as under:-

“102. The law in this regard is fairly settled. Where a party is aggrieved by the ineligibility of an arbitrator under Section 12(5), it may directly approach the court under Section 14 of the Act, 1996. There is no doubt that when an arbitrator is ineligible under Section 12(5), i.e., he lacks inherent jurisdiction to hold the position, his mandate stands automatically terminated, and it is not necessary for the parties to challenge his appointment under Section 12 read with Section 13. When such a challenge is made, the court is required to determine whether the arbitrator suffers from de jure inability under Section 14(1)(a) of the Act, 1996.”



9. The correct position of law emerging from the aforesaid judgments is that in cases such as the present one, an application seeking substitution of the Arbitrator would lie before the Court as defined under Section 2(1) (e) of the Act.

10. The provisions of Section 2(1)(e) of the Act is reproduced as under:-

“Section 2(1) (e) "Court" means-

(i) in the case of an arbitration other than international commercial arbitration, the principal Civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, but does not include any Civil Court of a grade inferior to such principal Civil Court, or any Court of Small Causes;

(ii) in the case of international commercial arbitration, the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, and in other cases, a High Court having jurisdiction to hear appeals from decrees of courts subordinate to that High Court;]”

11. So far as the argument raised by learned counsel for the petitioners that the present petition also includes claims which have arisen after the appointment of the Arbitrator is concerned, he referred to para No.(F) of the replication. A perusal of the same would show that it was so stated in the replication by the petitioners that they have a continuing cause of action. There is nothing on the record to show that the present petition has been filed on a totally fresh cause of action.

12. In the States of Punjab and Haryana, the Principal Civil Court of original jurisdiction is the Court of the District Judge and not this Court. Therefore, the petition which is to be filed under Sections 14 and 15 of the Act either for the termination of the mandate or for substitution of the Arbitrator thereof is to be filed only in the Court as defined under Section 2(1)(e) of the Act i.e., the Principal Civil Court of original jurisdiction. Therefore, this Court is of the considered view that the present petition filed by the petitioner is not maintainable before this Court.
13. Consequently, the present petition is dismissed. However, liberty is granted to the petitioner to move an appropriate application before the Court as defined under Section 2(1) (e) of the Act.

18.03.2026

(JASGURPREET SINGH PURI)

JUDGE

rakesh

Whether speaking : Yes/No

Whether reportable : Yes/No