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

ARB-97-2026

Date of Decision: 17.03.2026

The National Co-Op L&C Society

.... Applicant

Versus

The Municipal Council, Payal, District Ludhiana

..... Respondent

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present: Mr. Rajesh Kumar Girdhar, Advocate
for the applicant.

Mr. Balram Singh, Advocate,
for the respondent.

JASGURPREET SINGH PURI, J. (ORAL)

1. The present application 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 applicant submitted that there was a Contract between the applicant and the respondent which contains terms and conditions including an arbitration clause i.e. Clause 10 and the same has been annexed with the present application as Annexure A-5. The said arbitration clause provides that in case any dispute or disagreement arises out of the contract between the parties, then the ADC (UD), Ludhiana shall be the Arbitrator whose decision shall be final and binding upon the parties. He further submitted that in view of the amendment of the Act which was carried out in the year 2015 whereby Section 12(5) of the Act was added and



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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, the ADC (UD), Ludhiana of the respondent-Department being interested party cannot be appointed as the Sole Arbitrator to adjudicate the disputes between the parties. He submitted that when a dispute arose between the parties, the applicant invoked the aforesaid arbitration clause by issuing a notice under Section 21 of the Act to the respondent vide Annexure A-6 dated 06.01.2025, but no response was received from the respondent in this regard. Therefore, the present application has been filed under Section 11 of the Act for appointment of an independent Sole Arbitrator.

3. On the other hand, learned counsel for the respondent submitted that there is no dispute with regard to the existence of the aforesaid Contract which contains terms and conditions including arbitration clause i.e. Clause 10 vide Annexure A-5. He further submitted that there is also no dispute that the aforesaid arbitration clause has been invoked by the applicant vide Annexure A-6.

4. After hearing the learned counsels for the parties, this Court is of the considered view that all the essential conditions for appointment of an independent Sole Arbitrator under Section 11 of the Act stand satisfied since the existence of the aforesaid arbitration clause as well as its invocation is not disputed by learned counsel for the respondent.

5. Consequently, the present application is allowed. Mr. Paramjeet Singh, District & Sessions Judge (Retired), resident of House No.9-A, Model Town, Patiala Mobile No.9914267647, 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.

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

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

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

9. A request letter alongwith a copy of the order be sent to Mr. Paramjeet Singh, District & Sessions Judge (Retired).

17.03.2026*Bhumika***(JASGURPREET SINGH PURI)
JUDGE**

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