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

**ARB-488-2025 (O&M)
Date of Decision: 12.01.2026**

M/s North Star Towers Private Limited and another

.... Petitioners

Versus

Rajbir and others

..... Respondents

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present: Mr. Ajiteshwar Singh, Advocate,
for the petitioner.

Mr. Yashvardhan Goyal, Advocate &
Mr. Vishesh Dhaka, 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') 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 two agreements were executed between the petitioners and the respondents vide Annexures P-1 & P-2. Annexure P-1 is an Agreement for Sale and Annexure P-2 is a Collaboration Agreement and there exists a valid arbitration clause i.e. Clause 13 in the aforesaid Annexure P-1 and a similar clause i.e. Clause 22 is present in Annexure P-2 as well. He further submitted that when a dispute arose between the parties, the petitioners invoked the aforesaid arbitration clause by issuing a notice under Section 21 of the Act to the respondents vide Annexure P-7 dated 16.08.2024 by proposing the name of



the Arbitrator but no response was received from the respondents in this regard. Therefore, the present petition has been filed under Section 11 of the Act for appointment of a Sole Arbitrator by this Court.

3. On the other hand, learned counsel for the respondents while referring to the reply has submitted that the objection of the respondents is that the Agreements which have been attached by the petitioners vide Annexures P-1 and P-2 are fabricated and therefore, no arbitrator may be appointed by this Court.

4. I have heard learned counsels for the parties.

5. The only objection which has been raised by learned counsel for the respondents is pertaining to the allegation that the Agreements so referred to by the petitioner are fabricated agreements. However, this Court is of the considered view that the law in this regard pertaining to the aforesaid objection is well settled. It is a settled law that the reference Court at the time of considering a petition under Section 11 of the Act is only to see *prima facie* existence of an arbitration clause. Hon'ble Supreme Court in **"SBI General Insurance Company Limited Vs. Krish Spinning", 2024 SCC Online SC 1754** has held as under:-

"110. The scope of examination under Section 11(6-A) is confined to the existence of an arbitration agreement on the basis of Section 7. The examination of validity of the arbitration agreement is also limited to the requirement of formal validity such as the requirement that the agreement should be in writing.

111. The use of the term 'examination' under Section 11(6-A) as distinguished from the use of the term 'rule' under Section 16 implies that the scope of enquiry under section 11(6-A) is limited to a prima facie scrutiny of the



existence of the arbitration agreement, and does not include a contested or laborious enquiry, which is left for the arbitral tribunal to 'rule' under Section 16. The prima facie view on existence of the arbitration agreement taken by the referral court does not bind either the arbitral tribunal or the court enforcing the arbitral award.

112. The aforesaid approach serves a two-fold purpose – firstly, it allows the referral court to weed out nonexistent arbitration agreements, and secondly, it protects the jurisdictional competence of the arbitral tribunal to rule on the issue of existence of the arbitration agreement in depth.

113. Referring to the Statement of Objects and Reasons of the Arbitration and Conciliation (Amendment) Act, 2015, it was observed in In Re: Interplay (supra) that the High Court and the Supreme Court at the stage of appointment of arbitrator shall examine the existence of a prima facie arbitration agreement and not any other issues. The relevant observations are extracted hereinbelow:

“209. The above extract indicates that the Supreme Court or High Court at the stage of the appointment of an arbitrator shall “examine the existence of a prima facie arbitration agreement and not other issues”. These other issues not only pertain to the validity of the arbitration agreement, but also include any other issues which are a consequence of unnecessary judicial interference in the arbitration proceedings. Accordingly, the “other issues” also include examination and impounding of an unstamped instrument by the referral court at the Section 8 or Section 11 stage. The process of examination, impounding, and dealing with an unstamped instrument under the Stamp Act is not a timebound process, and therefore does not align with the stated goal of the Arbitration Act to ensure expeditious and time-bound appointment of arbitrators.[...]

(Emphasis supplied)



114. In view of the observations made by this Court in In Re: Interplay (supra), it is clear that the scope of enquiry at the stage of appointment of arbitrator is limited to the scrutiny of prima facie existence of the arbitration agreement, and nothing else. For this reason, we find it difficult to hold that the observations made in Vidya Drolia (supra) and adopted in NTPC v. SPML (supra) that the jurisdiction of the referral court when dealing with the issue of “accord and satisfaction” under Section 11 extends to weeding out ex-facie non-arbitrable and frivolous disputes would continue to apply despite the subsequent decision in In Re: Interplay (supra).

115. The dispute pertaining to the “accord and satisfaction” of claims is not one which attacks or questions the existence of the arbitration agreement in any way. As held by us in the preceding parts of this judgment, the arbitration agreement, being separate and independent from the underlying substantive contract in which it is contained, continues to remain in existence even after the original contract stands discharged by “accord and satisfaction”

116. The question of “accord and satisfaction”, being a mixed question of law and fact, comes within the exclusive jurisdiction of the arbitral tribunal, if not otherwise agreed upon between the parties. Thus, the negative effect of competence-competence would require that the matter falling within the exclusive domain of the arbitral tribunal, should not be looked into by the referral court, even for a prima facie determination, before the arbitral tribunal first has had the opportunity of looking into it.”

8. In view of the aforesaid settled proposition of law, all the essential conditions for appointment of a Sole Arbitrator under Section 11 of the Act are *prima facie* satisfied. Consequently, the present petition is



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allowed. Mr. Tejinderbir Singh, Additional District and Sessions Judge (Retd.), resident of House No.129, 39 West, Sector 122, Mohali, Mobile No.9876105444, Email ID. tejinderbir@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.

10. 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.

11. Liberty is granted to the respondents to raise all the pleas available to them including the plea of allegation of fabrication before learned Arbitrator at an appropriate stage and in accordance with law.

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

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

13. A request letter alongwith a copy of the order be sent to Mr. Tejinderbir Singh, Additional District and Sessions Judge (Retd.).

12.01.2026

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**(JASGURPREET SINGH PURI)
JUDGE**

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