



**ARB-493-2025 (O&M) 1**

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

**ARB-493-2025 (O&M)  
Date of Decision:19.03.2026**

**MOHALI HI TECH BUILDERS AND PROMOTERS PVT LTD.**

**.....Petitioner**

**Versus**

**SULOCHANA AND ANOTHER**

**.....Respondents**

**CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI**

Present:- Mr. Anil Sharma, Advocate for the petitioner.

Mr. Gopal Sharma, Advocate for the respondents.

**\*\*\*\*\***

**JASGURPREET SINGH PURI J.(Oral)**

1. The present is a petition filed under Section 11 (6) 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 there was a joint venture agreement (Annexure A-2) between the petitioner-company and the respondents, or respondent No.1, who were holding the land. He submitted that to develop the aforesaid area, the petitioner-company had given an advance of Rs. 50 lakhs to the respondent, for which a receipt is also attached along with the present petition. Thereafter, a dispute arose between the parties, and the aforesaid amount was not returned by the respondents. Various other disputes have also arisen between the parties.

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Since there is an arbitration clause i.e. Clause 18 of the joint venture agreement, which provides for appointment of an arbitral tribunal in accordance with the Arbitration Act, the petitioner issued a notice dated 09.12.2024. Thereafter, a reply was filed by the respondents on 21.12.2024 vide Annexure A-8, in which they did not accept the claims and raised various objections. In this way, the arbitration mechanism provided in the aforesaid clause failed. Therefore, he prayed that an arbitral tribunal may be constituted.

3. On the other hand, learned counsel appearing on behalf of the respondents submitted that the present petition is liable to be dismissed on three grounds. Firstly, the aforesaid purported agreement, attached as Annexure A-2, is in the name of the company, namely Mohali Hi-Tech Builders & Promoters Pvt. Ltd., and the petition has been filed by the company through its director, Sh. Balkar Singh. However, the company has been struck off from the Register of Companies; therefore, the petitioner-company is not in existence. The Director Identification Number (DIN) of the director, Sh. Balkar Singh, has also been deactivated. Learned counsel referred to Annexure R-1, attached with the reply, which shows that the company is struck off and consequently, no such petition can be filed. Secondly, the signatures on the agreement are alleged to be false and fabricated; therefore, no arbitrator can be appointed pursuant to the said agreement. Thirdly, the claim of the petitioner even otherwise also is stale and therefore on this ground also the dispute is not arbitrable.

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4. I have heard the learned counsels for the parties.
5. The joint venture agreement has been attached along with the present petition, and it appears to have been signed by both parties. The aforesaid arbitration clause i.e. Clause 18 is reproduced as under:

*18. “That any dispute or difference arising out of or under or in connection with regard to the interpretation of this agreement or any rights or liabilities herein shall be adjudicated upon by Arbitrators or to be appointed in accordance with the provisions of the Arbitrations and Conciliation Act, 1996. Each party shall be entitled to nominate its own Arbitrator and the two Arbitrators so nominated shall be entitled to nominate the third Arbitrator. The arbitration shall be held at Chandigarh.”*

6. The invocation of the arbitration clause by issuance of notice dated 09.12.2024 (Annexure A-7) has not been disputed by learned counsel for the respondents, as a reply was filed by them. So far as the first objection raised by learned counsel for the respondents that the company which has filed the present petition has now been struck off from the rolls of the Register of Companies is concerned, reference may be made to Annexure R-1 attached with the reply, which clearly shows that the company has been struck off and that the DIN of Mr. Balkar Singh, through whom the present petition has been filed as director of the petitioner company, is also deactivated. However, learned counsel for the petitioner



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has referred to a judgment of Hon'ble Delhi High Court in ***Braj Mohan Agarwal and Anr. v. Iramya Developers Private Limited & Ors.***, decided on 17.02.2026 in ARB.P. No.1756 of 2025, in which a similar situation arose. It was held that a plain reading of Section 250 of the Companies Act makes it abundantly clear that removal of a company's name from the Register of Companies does not ipso facto extinguish its liabilities or those of its directors and officers, and the statutory framework itself contemplates the continuation and enforcement of liabilities notwithstanding dissolution. Therefore, the mere fact that the company has been struck off from Register of Companies cannot be construed as an impediment to the invocation of arbitration. The Hon'ble Delhi High Court held that, *prima facie*, the striking off of the company does not by itself render the arbitration agreement inoperative or incapable of being acted upon. The relevant portion of the aforesaid judgement is reproduced as under:-

*32. A plain reading of the aforesaid provisions makes it abundantly clear that the removal of a company's name from the Register of Companies does not ipso facto extinguish its liabilities or those of its directors and officers. The statutory framework itself contemplates the continuation and enforcement of liabilities notwithstanding dissolution, and therefore, the mere fact of striking off cannot, at this stage, be construed as an impediment to the invocation of arbitration.*



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*33. In view of the above, this Court is of the prima facie opinion that the striking off of Respondent No.1-Company does not, by itself, render the arbitration agreement inoperative or incapable of being acted upon. Further, the question whether Respondent Nos. 2 and 3 can be held personally liable, whether they can be proceeded against in arbitration, and the extent of their contractual or statutory obligations, if any, are matters which would require a comprehensive examination of both law and fact. Such issues are more appropriately adjudicated by the learned Arbitral Tribunal upon consideration of pleadings and evidence, rather than by this Court at the threshold stage under [Section 11 of the A&C Act.](#)”*

7. In view of the above, this Court is also of the considered opinion that the mere fact that the name of the company has been struck off from the Register of Companies and consequently the DIN of the director through whom the present petition was filed is shown to be inactive, would not render the arbitration clause inoperative and, on the contrary, doing so would go against the spirit of the Arbitration Act.

8. Consequently, the objection raised by learned counsel for the respondents is not sustainable.

9. So far as the second objection raised by learned counsel for the respondent regarding the dispute of signatures in the agreement is



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concerned, the same is also 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 the signatures are fabricated or not because that does not lie 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 Arbitral Tribunal.

10. It is a settled law that the Court at the reference stage would not hold a mini-trial. Reference in this regard may be made to the judgment of the Hon'ble Supreme Court in "**SBI General Insurance Company Limited Vs. Krish Spinning**", 2024 SCC Online SC 1754 and also another judgment of Hon'ble Supreme Court in "**Interplay between Arbitration Agreements under Arbitration and Conciliation Act, 1996 and Stamp Act, 1899, In Re**" (2024) 6 SCC 1 and therefore, the law is no longer *res integra*. Therefore the second objection raised by learned counsel for the respondents is also rejected.

11. So far as the third objection raised by learned counsel for the respondents regarding the stale agreement is concerned, this objection is also not sustainable in view of the aforesaid settled law that, in case the claim is time-barred, it lies within the scope and domain of the Arbitral Tribunal and not before this Court under Section 11 of the Act at the reference stage. The relevant portion of the aforesaid judgment of Hon'ble Supreme Court passed in **SBI General Insurance Company Limited's case (Supra)** is reproduced as under:-

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*“127. In Arif Azim (supra), while deciding an application for appointment of arbitrator under Section 11(6) of the Act, 1996, two issues had arisen for our consideration:*

*i. Whether the Limitation Act, 1963 is applicable to an application for appointment of arbitrator under Section 11(6) of the Arbitration and Conciliation Act, 1996? If yes, whether the petition filed by M/s Arif Azim was barred by limitation?*

*ii. Whether the court may decline to make a reference under Section 11 of Act, 1996, where the claims are ex-facie and hopelessly time barred?*

*128. On the first issue, it was observed by us that the Limitation Act, 1963 is applicable to the applications filed under Section 11(6) of the Act, 1996. Further, we also held that it is the duty of the referral court to examine that the application under Section 11(6) of the Act, 1996 is not barred by period of limitation as prescribed under Article 137 of the Limitation Act, 1963, i.e., 3 years from the date when the right to apply accrues in favour of the applicant. To determine as to when the right to apply would accrue, we had observed in paragraph 56 of the said decision that "the limitation period for filing a petition under Section 11(6) of the Act, 1996 can only commence once a valid notice invoking arbitration has been sent by the applicant to the other party, and there has been a failure or refusal on part of that other party in complying with the requirements mentioned in such notice."*



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12. Learned counsel for the respondents has referred to a judgment of the Hon'ble Delhi High Court passed in **CRL.M.C. 7534 of 2023 and CRL.M.C. 7559 of 2023** titled as ***Mr. Krishan Lal Gulati & Anr. v. State of NCT of Delhi & Anr.*** decided on 08.10.2025. However, this Court is of the considered view that the aforesaid judgment is distinguishable and not applicable to the present case, as it pertains to Section 138 of the Negotiable Instruments Act, whereas the Arbitration Act is a self-contained code. Accordingly, the judgment referred to by learned counsel in ***Krishan Lal Gulati (supra)*** is not relevant to the present case

13. In view of the aforesaid facts and circumstances, this Court is of the considered view that the essential requirements for the appointment of an arbitral tribunal are therefore satisfied in the present case, as *prima facie* there exists an arbitration clause for constitution of three-members arbitral tribunal and the same has been invoked by the petitioner through issuance of notice, to which the respondents have also filed a reply.

14. Consequently, in terms of the aforesaid clause, the present petition is allowed. Mr. Balbir Singh, District & Sessions Judge (Retd.), resident of House No.385, IAS-PCS Society, Mullanpur, New Chandigarh, District S.A.S. Nagar, Mobile No.8558800204 is nominated as the Arbitrator on behalf of the petitioner and Mr. Satvinder Singh, District & Sessions Judge (Retd.), resident of House No.390, IAS-PCS Society, Mullanpur, New Chandigarh, Distt. S.A.S. Nagar, Punjab, Mobile No. 9877979433, Email: chahalsatvindersingh@gmail.com is nominated





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as the Arbitrator on behalf of respondents and the aforesaid two arbitrators will appoint the Presiding Officer to adjudicate the dispute between the parties, subject to compliance of statutory provisions including Section 12 of the Act.

15. Parties are directed to appear before the Arbitral Tribunal on date, time and place to be fixed and communicated by learned Arbitral Tribunal.

16. Fee shall be paid to learned Arbitrators constituting the aforesaid Arbitral Tribunal in accordance with the Fourth Schedule of the Arbitration Act, as amended.

17. Arbitral Tribunal is also requested to complete the proceedings as per the time limit prescribed under Section 29-A of the Act.

18. A request letter alongwith a copy of the order be sent to both the learned Arbitrators appointed as aforesaid.

**19.03.2026**  
*shweta*

**(JASGURPREET SINGH PURI)**  
**JUDGE**

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