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

ARB-413-2025

Date of decision: 01.08.2025

M/S GIRDHARI LAL AGGARWAL CONTRACTORS PVT. LTD.

...Petitioner(s)

VERSUS

MUNICIPAL CORPORATION FARIDABAD AND ANOTHER

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present:- Mr. Rohan Markanda, Advocate for the petitioner.

Mr. Parveen Mehta, 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') read with Section 151 of the Code of Civil Procedure, praying for appointment of an independent Arbitrator to adjudicate the disputes and differences which have arisen between the parties pertaining to an agreement entered into between the parties for augmentation and providing Sewerage System in Faridabad Town Part-A (Construction of 2 MPS with main connecting sewer) along with O&M for 5 years under AMRUT Program.

2. Learned counsel for the petitioner submitted that there is a valid agreement between the parties for the aforesaid work in which there exists an arbitration clause i.e. Clause 25A and the petitioner had adopted the pre-arbitration mechanism but the same failed and thereafter, in pursuance of the



arbitration clause, a Sole Arbitrator was to be appointed, which has been so stated in the arbitration clause to be any serving employee/employer's servant at the relevant time. He further submitted that the designation of the Arbitrator as a Sole Arbitrator, who is a serving employee/employer's servant is not permissible under the law since there is a specific prohibition under Section 12 read with Seventh Schedule of the Act. He further submitted that the petitioner has issued a notice vide Annexure P-4 for invocation of the arbitration clause by referring to the law laid down by Hon'ble Supreme Court, whereby it is not permissible under the law to appoint an employee/employer's servant as a Sole Arbitrator even if contrary is provided under the Arbitration Clause and therefore, no Arbitrator has been appointed till date. He further submitted that now the petitioner has received a letter from the respondents in which they have nominated their Arbitrator, who is an ex-employee of the respondents. He also submitted that the petitioner does not agree with the aforesaid Sole Arbitrator so nominated by the respondents and therefore, some independent Arbitrator may be appointed by this Court.

3. Mr. Parveen Mehta, learned counsel for the respondents submitted that considering the aforesaid legal position, he has no objection in case any independent Arbitrator is appointed by this Court.

4. Both the learned counsels for the parties have submitted that a retired Judge of Hon'ble Supreme Court may be appointed as the Sole Arbitrator.

5. A proposal was made with regard to appointment of Hon'ble Mr. Justice (Retd.) Krishna Murari, a former Judge of Hon'ble Supreme Court



to be appointed as the Sole Arbitrator. Both the learned counsels for the parties have submitted that they have no objection with regard to the same and they accept the appointment of the aforesaid Sole Arbitrator.

6. In view of the above, the present petition is allowed. Hon'ble Mr. Justice (Retd.) Krishna Murari, a former Judge of Hon'ble Supreme Court, residence of 27, Nizamuddin East, Rahim Khan Road, New Delhi-110013, Mobile No.9415308516, e-mail ID- officeofjusticekm@gmail.com, is nominated as the Sole Arbitrator to adjudicate the dispute between the parties, subject to compliance of statutory provisions.

7. 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.

8. Learned Arbitrator is also requested to complete the proceedings as per the time limit prescribed under Section 29-A of the Arbitration and Conciliation Act, 1996.

9. A request letter alongwith a copy of the order be sent to Hon'ble Mr. Justice (Retd.) Krishna Murari, a former Judge of Hon'ble Supreme Court.

(JASGURPREET SINGH PURI)
JUDGE

01.08.2025
Chetan Thakur

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