2026:PHHC:030956

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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ARB-35-2026 (O&M)
Date of decision: 23.02.2026

SUNIL GARG

...Applicant(s)

VERSUS

HARYANA STATE AGRICULTURE MARKETING BOARD

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present:- Mr. Devansh Khanna, Advocate for the applicant.

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JASGURPREET SINGH PURI, J. (Oral)

1. The present application has been filed under Section 11 read with Sections 14 and 15 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') seeking appointment of an independent Arbitrator, termination of the mandate of the Sole Arbitrator and appointment of a substitute Arbitrator for adjudication of the dispute.

2. Learned counsel for the applicant submitted that there is an agreement between the applicant and the respondent vide Annexure P-2, wherein there exists an arbitration clause. He further submitted that vide Annexure P-4 dated 27.08.2025, the respondent proposed the names of three Arbitrators but in response to the aforesaid letter, the applicant vide Annexure P-5 dated 12.09.2025 responded that it does not agree to the proposed names as they were not in conformity with the arbitration clause mutually agreed between the parties. Thereafter, vide office order dated 03.11.2025 (Annexure P-6), the

respondent appointed an Arbitrator for settlement of the dispute, who is a former Judge of this Court. Subsequently, vide Annexures P-7, P-8 and P-9, the learned Arbitrator passed procedural orders initiating the proceedings and the arbitration proceedings are still pending before the learned Sole Arbitrator.

3. Learned counsel for the petitioner submitted that the present arbitration case has been filed under Section 11 read with Sections 14 and 15 of the Act seeking appointment of an Arbitrator and for termination of the mandate of the Arbitrator already appointed by the respondent, who is proceeding with the arbitration process.

4. I have heard the learned counsel for the applicant.

5. It is a case where the applicant is seeking appointment of an Arbitrator under Section 11 of the Act and simultaneously seeking termination of the mandate of an Arbitrator under Sections 14 and 15 of the Act, who is already proceeding with the matter. It is very surprising as to how an application under Section 11 of the Act would be maintainable before this Court and a specific query in this regard was put to the learned counsel for the applicant, to which he could not answer. Similarly, it is also very surprising as to how an application under Sections 14 and 15 of the Act seeking termination of the mandate of an Arbitrator would be maintainable before this Court and that too read with Section 11 of the Act because such an application, if any, has to be filed before the learned Court as defined under Section 2(1)(e) of the Act and therefore, the applicant cannot seek substitution of the Arbitrator from this Court which is not the Court as defined under Section 2(1)(e) of the

Act. The law with regard to the aforesaid is very clear. Hon'ble Supreme Court in ***Bhadra International (India) Pvt. Ltd. and others versus Airports Authority of India, 2026 SCC OnLine SC 7*** held as under:-

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"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.

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108. The Constitution Bench in CORE II (supra) affirmed the aforementioned decisions and reiterated that the ineligibility of a person to act as an arbitrator is a matter of law and goes to the root of the appointment. Thus, when an arbitrator is de jure unable to perform his function, his mandate would be automatically terminated under Section 14(1)(a), and the parties would be within their rights to apply to the court under Section 14(2) for termination of the arbitrator's mandate and appointment of a substituted arbitrator."

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6. In view of the aforesaid facts and circumstances, this Court is of the considered view that the present arbitration case is not only frivolous and vexatious but also amounts to wastage of the time of this Court.

7. Consequently, the present arbitration case is dismissed with costs of Rs.25,000/- (Rupees Twenty Five Thousand). The applicant is hereby directed to deposit the aforesaid costs with the High Court Legal Services Committee, within a period of two months from today and thereafter, furnish the receipt of such deposit to the Registry of the Court. In case the aforesaid costs are not deposited by the applicant within the stipulated period, then this Court will further proceed in accordance with law, including recovery of the same as arrears of land revenue and if the receipt of the aforesaid costs is not furnished by the applicant to the Registry of the Court within two months, then the Registry shall list this case for compliance purposes after two months.

(JASGURPREET SINGH PURI)
JUDGE

23.02.2026
Chetan Thakur

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