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

ARB-130-2023

Date of Decision: 03.02.2025

INDIAN OIL CORPORATION LIMITED

..... Petitioner

Versus

M/S IQBAL MOTORS TRANSPORT SERVICES AND ANR.

..... Respondents

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present : Mr. Amit Jhanji, Sr. Advocate with
Mr. Ashish Kapoor, Advocate,
Mr. M.S. Rana, Advocate and
Ms. Triyyambika Rao, Advocate
for the applicant.

Mr. Pramod Kohli, Sr. Advocate with
Mr. Farhan Mirza, Advocate (Though V.C.) and
Mr. Avinit Avasthi, Advocate
for the respondents.

JAGMOHAN BANSAL, J. (Oral)

1. The applicant through instant application under Section 11(6) of the Arbitration and Conciliation Act, 1996 (for short “1996 Act”) is seeking appointment of an Arbitrator to adjudicate the dispute relating to incident of huge stock variations observed during the joint visit of IOCL packed Bitumen Depot.

2. Mr. Amit Jhanji, Sr. Advocate for the applicant submits that respondent on one hand is pleading that CFA agreement dated 01.07.2022 was never executed and on the other hand is relying upon Clause 12 of the Agreement. In the reply, respondent has made allegations to the effect that CFA dated 01.07.2022 was not in continuation to or extension of the original contract and this agreement



was not signed or executed on 01.07.2022. It was not willfully or consciously executed.

3. On being confronted with Para-H of preliminary submissions of the reply, Mr. Pramod Kohli, Sr. Advocate for the respondents submits that he does not press said averment and accepts existence and execution of CFA Agreement dated 01.07.2022.

4. On the asking of Court, Mr. Amit Jhanji, Sr. Advocate expressed his inability to controvert the fact that as per Clause 12 of the CFA Agreement for all intent and purposes, with respect to proceedings under 1996 Act, the Courts at Jammu alone have jurisdiction. He submits that Clause 13 of the said agreement needs to be taken care of. Clauses 12 and 13 of the CFA agreement are reproduced as below:

“12. Arbitration

All questions dispute and differences arising under or in relation to this Agreement shall be referred to the sole arbitration of an officer of the Corporation to be nominated by the Director (Marketing) of the Corporation. The arbitrator to whom the matter is originally referred by the Director (Marketing) on being transferred or vacating his office or being unable to act, for any reason, the Director (Marketing) may designate and other officer to act an arbitrator. It is also the express terms of this Agreement that no person other than the officer designated by the Director (Managing) as aforesaid shall act an arbitrator. The award of the Arbitrator so appointed shall be final, conclusive and binding on all the parties to the Agreement and provisions of the Arbitration & Conciliation Act 1996 or any statutory modification or re-enactment thereof and the Rules made there under for the time being in force shall



*apply to the arbitration proceedings under this clause.
The parties hereby agree that the court in the city of Jammu alone shall have jurisdiction to entertain any application or any award/s made by the Sole Arbitrator or other proceedings in respect of anything arising under this Agreement.*

In case some amendments are made in "Arbitration and Reconciliation Act 1996, by Ministry of Law and Justice, the same shall accordingly be executed between the parties at a later date.

13. JURISDICTION:

The parties hereby agree that the courts in the city of Chandigarh (city in which State Office is situated) alone shall have jurisdiction to entertain any application or other proceedings in respect of anything under the agreement.”

5. From the perusal of aforesaid clauses, it is evident that Clause 12 is an independent Arbitration Agreement. It specifically provides for jurisdiction of Jammu Courts for all intent and purposes. It is undisputed that Courts at Jammu even otherwise have jurisdiction.

6. The parties by their choice have opted to approach Courts at Jammu for all proceedings arising out of 1996 Act, thus, this Court has no jurisdiction to entertain application under Section 11 of 1996 Act.

7. Dismissed with liberty to approach Court of Competent Jurisdiction.

**(JAGMOHAN BANSAL)
JUDGE**

03.02.2025
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Whether speaking/reasoned	Yes/No
Whether Reportable	Yes/No