



ARB-5-2025 (O&M)

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

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**ARB-5-2025 (O&M)
Date of Decision: 24.09.2025**

M/s Friends Paper Mills**...Applicant**

Versus

The Oriental Insurance Company Limited**...Respondent****CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL**

Present: - Mr. Jaskaran Jeet Singh Sibia, Advocate for the applicant

Mr. Akashdeep Singh, Advocate for the respondent

JAGMOHAN BANSAL, J. (Oral)

1. Through instant application under Section 11 of the Arbitration and Conciliation Act, 1996 (for short '**1996 Act**'), the applicant is seeking appointment of an Arbitrator.

2. The applicant was issued policy dated 01.10.2022 by the respondent. A dispute erupted between the parties. The applicant served notice upon the respondent seeking resolution of dispute through Arbitral Tribunal but to no avail.

3. Learned counsel for the respondent submits that as per Clause 4 of the agreement which provides for arbitration, the matter cannot be referred to Arbitral Tribunal because liability has not been admitted by respondent-insurance company. The respondent-insurance company has repudiated claim of the application vide communication dated 05.02.2025.



4. Learned counsel for the applicant submits that Delhi High Court in ***M/s Inox World Industries Private Limited v. IFFCO Tokio General Insurance Company Limited, 2025 SCC OnLine Del 2873*** while adverting to similar clause has held that the matter needs to be referred to Arbitral Tribunal. It is the Arbitral Tribunal which has to adjudicate all the disputed questions. He further submits that till the filing of application, the claim was not repudiated.

5. I have heard the arguments of learned counsel for both sides and perused the record with their able assistance.

6. The parties have entered into agreement of Insurance. Clause I (4) of the agreement which is bone of contention is reproduced as below: -

“4. Arbitration

If any dispute or difference arises between You and Us regarding the amount of claim to be paid under this policy (liability having been admitted by Us), such difference shall independently of all other questions, be referred to the decision of a sole arbitrator to be appointed in writing by You and Us or if You and We cannot agree upon a single arbitrator within 30 days of either of Us opting for arbitration, the same shall be referred to a panel of three arbitrators comprising of two arbitrators, one to be appointed by each of Us, to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.”

7. From the perusal of aforesaid clause, it is evident that matter may be referred to the decision of a Sole Arbitrator if there is difference between the claimed and admitted amount. In case claim is repudiated, there is no covenant to refer the matter to Arbitral Tribunal.



8. In the case in hand, the claim of the applicant was not repudiated till the filing of application before this Court leaving aside date of notice under Section 21 of 1996 Act as well as reply to said notice by respondent.

9. Conditions to invoke power conferred by Section 11(6) of 1996 Act stand satisfied, thus, I hereby appoint a Sole Arbitrator to adjudicate the dispute between the parties.

10. Mr. Justice Amar Nath Jindal, Former Judge of this Court, residing at House No.12, Sector 15, Panchkula, Haryana, Mobile No.8528300000 is hereby appointed as a Sole Arbitrator to adjudicate the dispute between the parties, subject to compliance of statutory requirements. The learned Arbitrator is requested to comply with mandate of Section 12 of 1996 Act before proceeding further.

11. The parties at the first instance will appear before the Arbitrator on 10.10.2025 at 10:00 AM and thereafter, as directed by learned Arbitrator.

12. The Arbitrator shall be paid fee in accordance with the Fourth Schedule of the 1996 Act, as amended.

13. The Arbitrator is requested to complete the proceedings as per time limit specified under Section 29-A of the 1996 Act.

14. Needless to mention, parties would be at liberty to raise all the claims/defences/counter claims/pleas before the Arbitrator. Any observation made hereinabove will not be binding on the learned Arbitrator.

15. A request letter along with copy of this order be sent to Mr. Justice Amar Nath Jindal.

16. Pending application(s), if any, shall stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

24.09.2025
Mohit Kumar

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