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IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

ARB-93-2025(O&M)

Date of Decision: 16.03.2026

ABB INDIA LTD

....Petitioner(s)

Versus

PATIALA LOCOMOTIVE WORKS

.....Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present: Mr. Manish Kumar, Advocate and
Mr. Yash Pal Gupta, Advocate,
for the petitioner.

Mr. Vinish Singla, Advocate,
for the respondent.

JASGURPREET SINGH PURI, J. (Oral)

1. The present petition has been filed under Sections 14 and 15 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act') read with the Scheme of Punjab and Haryana High Court, 2003, for substitution of one of the co-arbitrators.

2. Learned counsel appearing on behalf of the petitioner submitted that there is an agreement between the petitioner and the respondent and on the basis of the arbitration clause contained therein, an Arbitral Tribunal was constituted by a Coordinate Bench of this Court on 14.11.2024 vide Annexure P-15 and as per the aforesaid order, it was also observed that learned Members of the Arbitral Tribunal were requested to comply with the

mandate of Section 12 of the Act before proceeding with the arbitral



proceedings. Thereafter, the petitioner moved an application under Sections 12 and 13 of the Act before the Arbitral Tribunal on the ground that the arbitrators were ineligible to continue the arbitration proceedings because of justifiable doubts as to their independence or impartiality under Section 12(5) read with the fifth and the seventh Schedules of the Act and they were ineligible to proceed with the arbitral proceedings under the aforesaid provisions of law. However, learned Arbitral Tribunal rejected the application of the petitioner.

3. Learned counsel submitted that it was because of the aforesaid rejection by learned Arbitral Tribunal that the present petition has been filed before this Court under Sections 14 and 15 of the Act for termination of the mandate and substitution of the Arbitrator by this Court. He further submitted that the reason for filing the present petition before this Court is that the Arbitral Tribunal was appointed by this Court under Section 11 of the Act vide Annexure P-15 on 14.11.2024 and therefore, no other Court can entertain the present petition under Sections 14 and 15 of the Act. In this way, he submitted that although the Court as defined under Section 2(1) (e) of the Act is the Principal Civil Court of original jurisdiction and while the aforesaid Court would be competent to hear the applications for extension of time under Section 29-A of the Act but when an application has been filed for termination and substitution of the Arbitral Tribunal, then this Court would be competent to entertain the same in view of the fact that the Arbitral Tribunal was constituted by this Court under Section 11 of the Act. He submitted that therefore the mandate of the Arbitrator be terminated and any other Arbitrator may be substituted by this Court. He referred to a judgment of Hon'ble Supreme Court in *Swadesh Kumar*



Agarwal vs. Dinesh Kumar Agarwal & others, 2022 SCC OnLine 556 in this regard.

4. On the other hand, Mr. Vinish Singla, learned counsel appearing on behalf of the respondent submitted that the present petition before this Court is neither entertainable nor maintainable in view of the law laid down by Hon'ble Supreme Court. He submitted that the judgment which has been referred to by the learned counsel for the petitioner is distinguishable, in view of the fact that in the aforesaid judgment, the Arbitral Tribunal was not constituted under Section 11 of the Act. He referred to a judgment passed by Hon'ble Supreme Court in later point in time in this regard and submitted that the competent Court to entertain any petition under Sections 14 and 15 of the Act for termination of the mandate and for substitution of the Arbitral Tribunal is the Principal Civil Court of original jurisdiction as defined under Section 2(1) (e) of the Act and therefore, the present petition may be dismissed.

5. I have heard the learned counsel for the parties.

6. One of the primary grounds taken by the learned counsel for the petitioner was that since the Arbitral Tribunal was constituted by a Coordinate Bench of this Court under the provisions of Section 11 of the Court, this Court would therefore be competent to terminate the mandate of the Arbitrator on the ground of ineligibility under Section 12(5) read with the fifth and the seventh Schedules of the Act and also to substitute the Arbitrator and the present petition would not lie before the Principal Civil Court of original jurisdiction as defined under Section 2(1) (e) of the Act.

7. After hearing the learned counsels for the parties, this Court is of the considered view that the arguments raised by the learned counsel for



the petitioner are not sustainable in view of the settled law laid down by Hon'ble Supreme Court in ***Jagdeep Chowgule and others vs. Sheela Chowgule and others, 2026 SCC OnLine SC 124***, wherein Hon'ble Supreme Court while dealing with the aforesaid proposition of law observed that for the purpose of extension of mandate of the Arbitral Tribunal under Section 29-A of the Act, the competent Court to extend the time would be the Court as defined under Section 2(1) (e) of the Act. However, with regard to the Court which is to be considered for the purpose of Sections 14 and 15 of the Act, the same has also been considered by Hon'ble Supreme Court in para No.23 of the said judgment, wherein it was observed while referring to the earlier judgment of Hon'ble Supreme Court in ***Nimet Resources Inc. vs. Essar Steels Ltd. (2009) 17 SCC 319*** that applications concerning conduct, continuation, termination or substitution of an arbitral mandate, whether under Section 14 or otherwise, are matters of curial supervision and must be instituted before the "Court" as statutorily defined and secondly that the jurisdiction exercised under Section 11 is limited and exhausted upon the constitution of the Arbitral Tribunal, leading to the appointing Court having become *functus officio* thereafter. The relevant portion of the aforesaid judgment contained in para No.23 is reproduced as under:-

"23. Nimet Resources (Supra) clarifies two propositions of enduring relevance. First, that applications concerning conduct, continuation, termination or substitution of an arbitral mandate, whether under Section 14 or otherwise, are matters of curial supervision and must be instituted before the "Court" as statutorily defined. Second, that the jurisdiction exercised under Section 11 is limited and exhausted upon the constitution of the arbitral tribunal, leading to the appointing Court becoming functus officio thereafter. These principles apply with equal force to Section 29A. The extension of mandate or



substitution of an arbitrator under Section 29A does not partake the character of “appointment” under Section 11, but is a measure designed to ensure timely conclusion of arbitration. Absence of any contextual indicia to the contrary, the expression “Court” in Section 29A must, therefore, be accorded the meaning assigned to it under Section 2(1)(e)”.

8. Learned counsel for the petitioner had also during the course of arguments submitted that the aforesaid ***Nimet resources's case (supra)*** was a judgment passed in the year 2009 and thereafter by way of the amendment of the Arbitration Act w.e.f 23.10.2015, the provisions of Section 12 were also amended and the law was changed. He submitted that therefore ***Nimet resources's case (supra)*** would not be a good law. However, the arguments raised by the learned counsel for the petitioner in this regard cannot hold the field in view of the fact that Hon'ble Supreme Court in the aforesaid judgment has referred to the judgment of ***Nimet resources's case (supra)*** to hold that in absence of any contextual indicia to the contrary, the expression “Court” in Section 29A must, therefore, be accorded the meaning assigned to it under Section 2(1)(e). Not only this, but another judgment of Hon'ble Supreme Court in ***Bhadra International (India) Pvt. Ltd. and others vs. Airports Authority of India, 2026 SCC OnLine SC 7*** had already settled the aforesaid issue. It was observed by Hon'ble Supreme Court that where a party is aggrieved due to the ineligibility of an arbitrator under Section 12(5), it may directly approach the Court under Section 14 of the Act, 1996 and there is no doubt that when an arbitrator is ineligible under Section 12(5), he lacks inherent jurisdiction to hold the position and his mandate stands automatically terminated and it is not necessary for the parties to challenge his appointment under Section 12



read with Section 13. It was further observed that 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 or not. The relevant portion of the aforesaid judgment contained in para No.102 is reproduced as under:-

“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.”

9. The provisions of Section 2(1)(e) of the Act is also reproduced as under:-

“Section 2(1) (e) "Court" means-

(i) in the case of an arbitration other than international commercial arbitration, the principal Civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, but does not include any Civil Court of a grade inferior to such principal Civil Court, or any Court of Small Causes;

(ii) in the case of international commercial arbitration, the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, and in other cases, a High Court

having jurisdiction to hear appeals from decrees of courts subordinate to that High Court;] ”

10. In the States of Punjab and Haryana, the Principal Civil Court of original jurisdiction is the Court of the District Judge and not this Court. Therefore, the petition which is to be filed under Sections 14 and 15 of the Act either for the termination of the mandate or for substitution of the Arbitrator thereof is to be filed only in the Court as defined under Section 2(1)(e) of the Act i.e., the Principal Civil Court of original jurisdiction. Therefore, this Court is of the considered view that the present petition filed by the petitioner is neither entertainable nor maintainable before this Court.

11. Consequently, the present petition is dismissed. However, liberty is granted to the petitioner to move an appropriate application before the Court as defined under Section 2(1) (e) of the Act.

16.03.2026

rakesh

Whether speaking
Whether reportable

(JASGURPREET SINGH PURI)

JUDGE

: Yes/No
: Yes/No