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

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ARB-689-2025 (O&M)
Date of Decision:01.05.2026

Indian Oil Corporation Limited

.....Petitioner

Versus

M/S ACE Enterprises

.....Respondents

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present:- Mr. Ashish Kapoor, Advocate and
Ms. Priya, Advocate, for the petitioner.

Mr. Deepak Jain, Advocate and
Ms. Sonia Sharma, Legal Aid Counsel (through V.C.)
for the respondent.

JASGURPREET SINGH PURI J.(Oral)

1. The present is a petition filed under Section 11 (6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act'), seeking appointment of a sole arbitrator in the present case.

2. Learned counsel for the petitioner submitted that a valid satellite depot contractor agreement (Annexure P-1) was entered into between the erstwhile IBP Company and the respondent. He further submitted that the said IBP Company was taken over by the petitioner-Indian Oil Corporation Limited in the year 2007 alongwith all its assets and liabilities and in this manner, the petitioner-Indian Oil Corporation Limited has stepped into the shoes of the aforesaid IBP Company.



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3. He submitted that there is an arbitration clause in the aforesaid agreement in Clause No.32, which provides that in case of failure of a settlement, the dispute or difference shall be referred to arbitration by a sole arbitrator. He further pointed out that there is another clause i.e. Clause No.37 which pertains to jurisdiction and is in the nature of a *non-obstante* clause, which provides that for all purposes under the contract, the Courts in the city of Bombay or a place where the Regional Office of the Company is situated under whose jurisdiction the Satellite depot is located, shall alone have the jurisdiction. He submitted that in this way there were two options for raising grievances either before the judicial Court or by way of arbitration process, namely either before the Courts in the City of Bombay or the place where the Regional Office of the Company is situated under whose jurisdiction the Satellite Depot is located.

4. He submits that in the present case, the Satellite Depot is located in the State of Jammu and Kashmir but the Company which is having jurisdiction over the said place, namely the Regional Office of the Company under whose jurisdiction the Satellite Depot is located, is at Chandigarh. He submitted that when the contract was executed, as stated earlier, the same was executed between IBP Company, which had its Regional Office at Chandigarh, but after the year 2007, when it was taken over by the present petitioner Company namely Indian Oil Corporation Ltd., Chandigarh became the Punjab State Office within whose jurisdiction the entire States of Punjab, Jammu & Kashmir, Himachal Pradesh and U.T.



Chandigarh fall and in this way, the State Office at Chandigarh is the office under whose jurisdiction the Satellite Depot is located and therefore, in pursuance of the aforesaid specific jurisdiction clause, Chandigarh would be the designated place under the aforesaid clause.

5. He submitted that since disputes arose between the parties and the matter could not be settled between them and there exists an arbitration clause, the petitioner invoked the arbitration clause by issuance of notice dated 13.08.2025 (Annexure P-3) upon the respondent, but no response was received from the respondent. Therefore, he submitted that this Court may appoint an independent and impartial Arbitrator for adjudication of the dispute which has arisen between the parties.

6. On the other hand, learned counsel appearing for the respondent submitted that the aforesaid Clause No.37, which was referred to by learned counsel for the petitioner, does not suggest that the seat of arbitration could be any other place except the place where the Satellite Depot at Srinagar is located. He further submitted that the aforesaid clause pertains only to civil suits to be filed and not for the purpose of arbitration. He also submitted that the respondent had earlier filed a civil suit at Srinagar in which the petitioner had filed an application under Section 8 of the Act and the said civil suit was ultimately dismissed. He further submitted that earlier an award was passed by an Arbitrator located at Chandigarh but the same was set aside by the Jammu & Kashmir High Court on the ground that the Arbitrator had been appointed unilaterally,



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which was not permissible under the law, although liberty was granted by the Jammu & Kashmir High Court to initiate fresh arbitration.

7. I have heard the learned counsels for the parties.

8. The clause pertaining to arbitration as contained in Clause No.32 as well as the clause pertaining to jurisdiction contained in Clause No.37 are reproduced as under:-

“DISPUTES, ETC.

32. (a) Any dispute or difference of any nature whatsoever arising with reference to this agreement shall be firstly discussed by the Contractor with the Company for a settlement.

(b) In case of failure of a settlement, the dispute or difference shall be referred to the Arbitration by a Sole Arbitrator.

xxxxxx xxxxxx xxxxxx xxxxxx

“37. Notwithstanding anything containing in any law or rule or regulation or anywhere else under this contract, the Company and the Contractor hereby mutually agrees that for all purposes under this contract, the Courts in the City of Bombay or a place where the Regional Office of the Company is situated under whose jurisdiction the Satellite depot is located, shall alone have the jurisdiction.”



9. A bare perusal of the aforesaid would show that it is very clear that Clause 32 provides for arbitration by clearly stating that in case of failure of a settlement, the dispute or difference shall be referred to arbitration by a Sole Arbitrator. However, learned counsel for the respondent has raised an objection with regard to the seat of arbitration. A perusal of Clause 37, which pertains to jurisdiction, would show that it is a *non-obstante* clause since the opening words of the same so provide that notwithstanding anything contained in any law or rule or regulation or anywhere else under this contract, the Company and the Contractor mutually agree that **“for all purposes”** under the contract, the Courts in the City of Bombay or a place where the Regional Office of the Company is situated under whose jurisdiction the Satellite depot is located shall alone have the jurisdiction. In this way, it is also clear that it would apply for all purposes under the contract, which would include for the purpose of Arbitration as well. So far as the argument raised by learned counsel for the respondent that Clause No.37 would apply to civil suits only is concerned, the same is misconceived because there is nothing mentioned in the aforesaid clause that it would apply only to civil suits, whereas, on the other hand, it specifically provides that it will apply **“for all purposes”**.

10. In addition to the above, the places for raising grievances and initiating action under the contract for all purposes are either the City of Bombay or any other place where the Regional Office of the Company is situated under whose jurisdiction the Satellite Depot is located.



11. Admittedly, the Satellite Depot is situated at Srinagar in Jammu & Kashmir, but it is under the control of the State Office which is situated at Chandigarh and which, according to learned counsel for the petitioner, has supervision not only over Jammu & Kashmir but also over the States of Punjab, Himachal Pradesh and Union Territory, Chandigarh. In this way, it is clear that the seat of arbitration is also at Chandigarh where the State Office is situated. Therefore, the objection raised by learned counsel for the respondent is misconceived.

12. The petitioner has already issued a notice for invoking the arbitration clause vide Annexure P-3, which learned counsel for the respondent has not disputed. Therefore, this Court is of the considered view that both the twin conditions for appointment of an Arbitrator under Section 11 of the Act, namely *prima facie* existence of an arbitration clause and its invocation by issuance of notice thereof, stand satisfied.

13. In view of the aforesaid facts and circumstances, the present petition is allowed and Sh. Subhash Godara @ Subhash Chander Godara Advocate, resident of House No.201, GH-6, Yuva Apartments, Sector 6, MDC, Panchkula, Haryana, Mobile No.9416280108, E-mail: subhashgodara15@gmail.com is appointed as the Sole Arbitrator to adjudicate the disputes between the parties, subject to compliance of statutory provisions including Section 12 of the Act.

14. Parties are directed to appear before learned Arbitrator on a date, time and place to be fixed and communicated by learned Arbitrator at



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his convenience.

15. Fee shall be paid to learned Arbitrator in accordance with the Fourth Schedule of the Arbitration Act, as amended.

16. Learned Arbitrator is also requested to complete the proceedings as per the time limit prescribed under Section 29-A of the Act.

17. A request letter alongwith a copy of the order be sent to Sh. Subhash Godara @ Subhash Chander Godara Advocate.

01.05.2026

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**(JASGURPREET SINGH PURI)
JUDGE**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No