



IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH

LPA-1213-2016 (O&M)

Date of decision: 05.08.2025

Indian Oil Corporation Limited and others ....Appellants

Versus

M/s Preet Filling Station and others ....Respondents

**CORAM: HON'BLE MR. JUSTICE ASHWANI KUMAR MISHRA  
HON'BLE MR. JUSTICE KULDEEP TIWARI**

Present: Mr. Ashish Kapoor, Advocate,  
for the appellants.

Mr. Sumeet Mahajan, Senior Advocate, with  
Mr. Sakshan Mahajan, Advocate,  
for respondent No.1.

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**KULDEEP TIWARI, J.** (Oral)

**CM-2528-LPA-2016**

For the good and valid reasons assigned in the application, which is supported by an affidavit, the same is allowed. Accordingly, a delay of 34 days in re-filing the accompanying appeal is condoned.

**CM-2530-LPA-2016**

For the good and valid reasons assigned in the application, which is duly supported by an affidavit, the same is allowed, and the dealership agreement dated 18.02.1987 is taken on record.

**Main case**

1. This is an intra-court appeal, under Clause X of the Letters Patent, against an order and judgment dated 03.02.2016, passed by the learned Single Judge, vide which, the writ petition preferred by



petitioner-respondent No.1 was disposed of, thereby, issuing a direction to the appellant-Corporation to supply petroleum products to it.

2. Concisely, the main ground to challenge the impugned order and judgment is that the writ petition itself was not maintainable, as prior to its filing, the petitioner had already invoked the arbitration clause, in view of the agreement executed between the parties. As a consequence, an award dated 09.08.2005 was passed by the Arbitrator, whereby, claim of the petitioner for restoration of the dealership in question was not accepted, but damages were granted.

3. At the outset, learned counsel for the appellants vociferously asserts that in the event, petitioner-respondent No.1 was aggrieved by the outcome of the award, it could have availed the remedy of filing objection under Section 34 of the Arbitration and Conciliation Act, 1996 (for short, 'the Act'). While referring to the provision of Section 14(1)(C) of the Specific Relief Act, 1963, he submits that once the agreement between the parties is determinable in nature, it cannot be specifically enforced by the Court. While resting his arguments, it is urged that the learned Single Judge has apparently failed to appreciate the law laid down by the Hon'ble Supreme Court in **Indian Oil Corporation Limited Vs. Amritsar Gas Service and others (1991) 1 SCC 533**, and thus, the impugned order and judgment is liable to set aside.

4. *Per contra*, learned Senior counsel for the petitioner-respondent No.1, while vehemently supporting the verdict rendered by the learned Single Judge, submits that, there is no error or perversity in the impugned judgment requiring interference. He further submits that once the Arbitrator opined that termination of dealership was not fair, the



same ought to have been restored. In such circumstances, the learned Single Judge, in exercise of extra-ordinary jurisdiction, has rightly issued the direction upon the appellant-Corporation to supply petroleum products to the petitioner.

5. Having heard learned counsel for the parties at length, this Court is of the considered view that the impugned order and judgment requires interference, for the hereinafter recorded reasons.

6. Before proceeding further with the matter, it is expedient to take note of the fact that even earlier, the petitioner had approached this Court by way of a writ petition (CWP-9562-2002), laying challenge to the communication dated 02.05.2002, wherethrough, its dealership was terminated. However, the said writ petition was dismissed as withdrawn, to enable the petitioner to raise the matter in issue before an Arbitrator, in terms of clause 69 of the agreement. Accordingly, petitioner-respondent No.1 invoked the arbitration clause, and the Arbitrator was duly appointed by the appellant-Corporation, who passed an award dated 09.08.2005. Whereafter, the petitioner-respondent No.1, again knocked the doors of this Court, with a prayer for issuance of a Mandamus, commanding the Corporation to resume supply of petroleum products, by way of the writ petition, which, as indicated above, has been disposed of.

7. While issuing notice of motion, a Coordinate Bench of this Court, vide order dated 11.08.2017, stayed the operation of the impugned judgment. It is not in dispute that the award (supra) has attained finality, as petitioner-respondent No.1 did not choose to challenge the same, by availing the remedies, as enshrined in Section 34 of the Act. Instead, the petitioner filed the writ petition, seeking restoration of the dealership,



which, in fact, was not even maintainable, for the reason that an award passed by the Arbitrator could only be interfered with, in the proceedings initiated under Section 34 of the Act, and not by filing a writ petition. However, the learned Single Judge has failed to take into consideration the abovesaid position. Further, the learned Single Judge has also observed that the Corporation did not opt to challenge the award. But, to our mind, it was the petitioner, who was aggrieved by the award (supra), as its prayer for restoration of dealership, was not accepted. Thus, there was no plausible reason with the appellant-Corporation to challenge the award.

8. In the wake of the position sketched out above, this Court does not find favour with the impugned judgment, rendered by the learned Single Judge, as the same does not pass the test of legality. Accordingly, the same is set aside. As a sequel, the instant appeal is **allowed**.

9. Pending application, if any, also stands disposed of.

**(ASHWANI KUMAR MISHRA)**  
**JUDGE**

**(KULDEEP TIWARI)**  
**JUDGE**

**05.08.2025**

Ak Sharma

Whether speaking/reasoned	Yes
Whether reportable	Yes/No