

CNR No:PBAS020057792023

CASE No:CS-6174-2023

PANKAJ SALWAN VERSUS M/S ORIGO COMMODITIES etc.

Present: Sh. Sanjeev Arora, Advocate, Counsel for plaintiff.
Sh. Ashok Chadha, Advocate, Counsel for defendant.

ORDER:-

This order of mine shall dispose of an application filed on behalf of defendant under-order 7 rule 11 CPC for rejection of plaint.

2. It is averred in the application that plaintiff has filed the present suit for recovery on the basis of false allegations. It is case of defendant that at the time of appointment of plaintiff with the defendant concern, there is an agreement in shape of letter of appointment dated 08.03.2017 including the terms of agreement and as per the term no. 15 of the said agreement in event of any dispute, difference or any claim arising under the condition of letter, then same has to be referred to the arbitration of the sole arbitrator to be appointed by the directors of Origo (defendant). It is further pleaded that without prejudice to arbitration clause, the registered office of defendant company is at Delhi and therefore, Courts in Delhi only have jurisdiction in any matter relating to agreement including petitions under-section 9, 12 and 34 of arbitration and conciliation Act. It is prayed for allowing the present application and rejecting the plaint.

3. Upon notice reply filed by plaintiff. Application is preliminary objected on the ground of maintainability, present application being abuse of process of law and agreement in question being job agreement and not the arbitration agreement.

On merits, all the material averments of the application are denied being wrong. It is prayed for dismissal of the present application.

4. Counsels argued on the lines of application and reply respectively.

5. Heard. Record perused. Perusal of file reveals that present application has been filed under-order 7 rule 11 CPC for rejection of plaint on the ground of non-reference of present dispute to arbitrator and **secondly**, on the ground of lack of jurisdiction of this Court.

As far as question of filing of the present suit before the Arbitrator is concerned, the Court would like to mention that an arbitration agreement does not extinguish the jurisdiction of Civil Court. Plaint can be rejected only on specific grounds as enumerated in order 7 rule 11 CPC and non-reference of dispute to arbitration is no ground for rejection of plaint. Further, while deciding an application under-order 7 rule 11 CPC the court is confined to the averments in the plaint and cannot reject the same, merely because the defendant relies upon an arbitration clause contained in an agreement. Arbitration clause does not ipso-facto render the suit barred by law, so, as to attract order 7 rule 11 CPC.

Moreover, perusal of term 15 of agreement dated 08.03.2017 as to arbitration reflects that it provides for appointment of sole arbitrator to be appointed by the Director(s) Origo i.e. defendant company. In these facts and circumstances, it is pertinent to mention that Hon'ble Punjab & Haryana High Court, in ***Vijay Lakshmi Srivasan Vs. Ireo R Evidence Company Pvt. Ltd. (ARB No. 289 of 2021 date of decision 21.04.2022)*** While reiterating law laid down by Hon'ble Supreme Court of India in ***Perkins Eastman Architects DPC Vs HSCC (India) 2019 SCC Online SC 1519*** has held that sole arbitrator cannot be appointed unilaterally by

one party. Appointment must adhere to principles of independence and impartiality. So by application of law to the facts, the Court is of view that at instance of appointment of sole arbitrator, defendant company is not permissible. Hence, present application is also not maintainable on this aspect also.

6. *Besides, defendant has also sought the rejection of plaint on the ground that defendant company is having its registered office at Delhi and hence, the Court in Delhi have exclusive jurisdiction to deal with the matter. To this, the Court would again like to mention that for deciding the application under-order 7 rule 11 CPC, court has just to go by the averments of the plaint and it is specifically pleaded by the plaintiff that he was given authority by the defendant company for supervision of areas of Amritsar, Tarn Taran, Gurdaspur, Kapurthala, Jalandhar and SBS Nagar. Further , it is also mentioned in plaint that joining letter was issued by defendant concern to him at Amritsar and was signed and accepted by him at Amritsar. This clearly reflects that part of cause of action has arisen at Amritsar. Since part of cause of action has accrued at Amritsar, therefore, this Court at Amritsar has jurisdiction to deal with mater.*

Accordingly, present suit is well maintainable at this stage before this Court. Thus, application in hand stands dismissed. Now, to come upon 05.09.2026 for filing written statement.

Pronounced in open court:-

Dated: 05.08.2026.

Lakshmi-Stenographer-Gr-II

**(Priyanka Sharma)
Civil Judge (Jr. Division)
Amritsar/UID- PB0544**