

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CR No. 8057 of 2014 (O&M)

Date of decision: 28.07.2015

M/S WIG BROTHERS INDIA PVT. LTD. AND ANR.

... Petitioner

versus

M/S RAMTEX OVERSEAS PVT. LTD.

.... Respondent

CORAM: HON'BLE MR. JUSTICE K. KANNAN

Present: Mr. Virendra Rana, Advocate for the petitioner.

None for the respondent.

K.Kannan, J.

In a suit for recoveries by a contractor against the defendant who admittedly had entrusted the contract work. The defendant relied on an arbitral Clause in the contract of entrustment and sought for reference to an arbitration in the manner provided under Section 8 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as the 'Act'). The Clause found in the agreement read as follows:

“Dispute

In case any dispute, if it arises during the course of execution of this work order, the same shall be referred to the Chairman Wig Brother (I) Pvt. Ltd. and his decision shall be final and binding on both parties”.

The Court found this Clause to be vague and shall not be

sufficient to make reference under Section 8 of the Act. The same shall be referred to the Chairman and this decision shall be final and binding and mere reference that a dispute will be referred to the Chairman ought not to understand as an arbitration agreement. The decision by the Court below is correct and I will not cause any intervention.

However, the statement which is filed on the same day when the Court disposed off the application, ought to have been received by the Court. The Court below was not justified in striking off the defense. I set aside that portion of the order and direct the trial Court to receive the statement already filed, frame issues and dispose of the case in accordance with law.

The impugned order is modified and the civil revision petition is allowed to the above extent.

(K.KANNAN)
JUDGE

28.07.2015
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