

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

ARB-109-2015

Date of decision:- 29.01.2016

M/s Lion Services Ltd.

...Petitioner

Versus

The Director, Post Graduate Institute of Medical Education &
Research, Sector 12, Chandigarh.

...Respondent

CORAM: HON'BLE MR. JUSTICE S.J. VAZIFDAR, ACTING CHIEF JUSTICE

Present: Ms. Seema Tiwari, Advocate,
for the petitioner.

Mr. Amit Jhanji, Advocate,
for the respondent.

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S.J. VAZIFDAR, A.C.J. (ORAL)

This is a petition for the appointment of an arbitrator.

2. The petitioner seeks reimbursement of an amount of about Rs. 23 lacs being the bonus paid by it to the workers employed by it in respect of the contract entered into between the parties. Clause 24 of the agreement reads as under:-

“24. Dispute Resolution

This agreement shall be deemed to have been made/executed at Chandigarh for all purposes. In the event of any dispute related to the interpretation or rights or liabilities arising out of this agreement, the same shall, at first instance, be amicably settled between the parties. If any dispute is not settled amicably, the same shall be referred to the sole arbitrator to be appointed by Director, PGIMER, Chandigarh. The award given by the arbitrator shall be final and binding on the parties. The venue of the arbitrator shall be Chandigarh.”

3. It is not the petitioner's case that the bonus is included in the agreement even impliedly. If it was so, the dispute as to whether the bonus is included within the terms and conditions of the contract would have been a dispute that falls within the arbitration clause as that would involve the interpretation of the terms and conditions of the agreement. The petitioner's case is that the bonus was not included in the agreement and that the petitioner had sought an additional payment towards bonus prior to entering into an agreement. The petitioner's grievance is that its representation was not decided by the respondent. The dispute, therefore, clearly falls outside the ambit of the agreement. The arbitration clause is in respect of the disputes "arising out of this agreement". The petitioner must, therefore, adopt appropriate proceedings.

4. It is pertinent to note that the relief is not one for rectification of an instrument i.e. the agreement.

5. The petition is accordingly disposed of.

(S.J. VAZIFDAR)
ACTING CHIEF JUSTICE

29.01.2016

Amodh