

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Arbitration Case No. 52 of 2016

Date of Decision: 11.11.2016

M/s Sunny Electronics

..Petitioner

Versus

Power Grid Corporation of India Ltd. and others

..Respondents

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

Present : Mr. Sandeep Singh Deol, Advocate, for the petitioner.
Mr. Mansur Ali, Advocate,
for respondent Nos.1 to 3.

S.J.VAZIFDAR C.J. (Oral)

This is a petition under section 11 of the Arbitration & Conciliation Act, 1996 for the appointment of an Arbitrator.

2. The parties had entered into an agreement dated 03.05.2010. The contract was for a period of two years commencing seven days from the date of Letter of the Intent (LOI) i.e. 31.03.2010. The respondents reserved the right to extend the contract for a further period of one year. There were admittedly two extensions, the last of which admittedly expired on 08.04.2013. The extensions were granted on the terms and conditions contained therein. The extensions stipulated that the other terms and conditions would be as per the original contract/LOI dated 03.05.2010. The arbitration clause in the original contract, therefore, stood incorporated in and admittedly applied to the extensions. In other words the arbitration agreement applied in respect of the extensions entered into between the parties which came to an end by efflux of time on 08.04.2013.

3. The petitioner claims the payment for the work for the period thereafter from 09.04.2013 to 26.08.2013. The grievance is that the petitioner has not been paid for the work done during these 3½ months.

The respondents deny the claim of the petitioner. They even denied the work having been done by the petitioner during these 3½ months.

4. The merits of this dispute pertaining to the period after the expiry of the contract are not relevant. Even assuming that any work was done after 08.04.2013, it was admittedly not pursuant to a written agreement. Even the rates were not decided. Presumably the petitioner's claim would be one on *quantum meruit*. Such a claim is not covered by the original arbitration agreement. There was no arbitration agreement in respect of the said period of 3½ months. The petitioner must adopt appropriate proceedings in respect of its claim.

5. In the circumstances, the petition is dismissed.

11.11.2016
'ravinder'

(S.J.VAZIFDAR)
CHIEF JUSTICE

Whether speaking/reasoned	√Yes/No
Whether reportable	Yes/No√