

A.V.N. Tubes Ltd. Vs Bharatia Cutler Hammer Ltd.

Court: Delhi High Court

Date of Decision: Feb. 7, 1992

Citation: (1992) 46 DLT 453 : (1992) RLR 89

Hon'ble Judges: Sat Pal, J; G.C. Mittal, J

Bench: Division Bench

Advocate: Kum Kum Sen, Rajesh Banti and S.K. Sharma, for the Appellant;

Judgement

Gokal Chand Mital, J.

(1) The arbitration clause is as follows :

WITHOUT prejudice to the above Clause 17, of the Contract the Company, M/s. Avn Tubes Limited, reserves its right to go in for arbitration, if

any dispute so arisen is not mutually settled within 3 months of such notice given by the Company to the Contractor. And, the award of the

Arbitrator, to be appointed by the Company, M/s. Avn Tubes Limited, shall be final and binding on both the Company and the Contractor.

(2) A reading of the aforesaid arbitration clause clearly shows that M/s. Avn Tubes Limited alone has been given the right to go in for arbitration.

Not only this, the aforesaid course has to be followed only at the instance of the company by giving three months notice if the dispute is not

mutually settled between the parties; and thirdly, the right to appoint an arbitrator has been given only to M/s. Avn Tubes Limited and the decision

of the Arbitrator of M/s. Avn Tubes Ltd. is to be considered final and binding on both the parties.

(3) The cumulative effect of all the three clauses is that it is unilateral agreement. In case any one of the clauses alone had been there, that by itself

may not have made the agreement unilateral.

(4) We are in agreement with the learned Single Judge that the aforesaid agreement is clearly unilateral and not enforceable in a Court of law.

Dismissed. Petition allowed.