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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% **Date of Decision: 17.07.2026**

+ **ARB.P. 907/2026**

M/S DAULAT RAM BRAKE MFG CO

.....Petitioner

Through: Mr. Pranav Goswami, Advocate
(through VC)

versus

NORTHERN RAILWAYS

.....Respondent

Through: Mr. Piyush Gupta, CGSC along with
Mr. Atishay Jain, Ms. Himanshi Soni
and Mr. Devansh Sewalia, Advocates.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

SACHIN DATTA, J (Oral)

1. The present petition has been filed under Section 11 (6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "A&C Act") seeking constitution of an independent Arbitral Tribunal comprising of three arbitrators in terms of Clause 2900 of the Indian Railways Standard General Conditions of Contract, 2018 (hereinafter referred to as "GCC"), which forms part of the contract executed between the parties.
2. The petitioner is a proprietorship concern engaged in the business of manufacturing brake blocks used in passenger coaches and has its registered office at Mandideep, Bhopal, Madhya Pradesh. The respondent is represented through the Deputy Chief Materials Manager, Northern Railways, Baroda House, New Delhi.
3. It is submitted that the respondent floated a tender dated 16.08.2018



for the supply of “non-asbestos based 'K' Type High Friction Composite Brake Block for coaches with bogie mounted brake system as per RDSO’s Drawing No. RDSO/SK-98066 alt (6), Specification No. C9809 (Rev.-4) with amendment – 1”. The petitioner, in response thereto, submitted its bid, which was duly accepted by the respondent and, pursuant thereto, the parties entered into a contract governed by the Indian Railways Standard General Conditions of Contract, 2018. The arbitration clause between the parties is contained in Clause 2900 of the GCC, which reads as under:

2900. Arbitration.

(a) In the event of any question, dispute or difference arising under these conditions or any special conditions of contract, or in connection with this contract (except as to any matters the decision of which is specially provided for by these or the special conditions) the same shall be referred to the sole arbitration of a Gazetted Railway Officer appointed to be the arbitrator, by the General Manager in the case of contracts entered into by the Zonal Railways and Production Units; by any Member of the Railway Board, in the case of contracts entered into by the Railway Board and by the Head of the Organisation in respect of contracts entered into by the other Organisations under the Ministry of Railways. The Gazetted Railway Officer to be appointed as arbitrator however will not be one of those who had an opportunity to deal with the matters to which the contract relates or who in the course of their duties as railway servant have expressed views on all or any of the matters under dispute or difference. The award of the arbitrator shall be final and binding on the parties to this contract.

(b) In the event of the arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason, or his award being set aside by the court for any reason, it shall be lawful for the authority appointing the arbitrator to appoint another arbitrator in place of the outgoing arbitrator in the manner aforesaid.



- (c)** It is further a term of this contract that no person other than the person appointed by the authority as aforesaid should act as arbitrator and that if for any reason that is not possible, the matter is not to be referred to 'arbitration at all.
- (d)** The arbitrator may from time-to-time with the consent of all the parties to the contract enlarge the time for making the award.
- (e)** Upon every and any such reference, the assessment of the cost incidental to the reference and award respectively shall be in the discretion of the arbitrator.
- (f)** Subject as aforesaid, the Arbitration Act, 1940 and the rules thereunder and any statutory modifications thereof for the time being in force shall be deemed to apply to the arbitration proceedings under this clause.
- (g)** The venue of arbitration shall be the place from which the acceptance note is issued or such other place as the arbitrator at his discretion may determine.
- (h)** In this clause the authority, to appoint the arbitrator includes, if there be no such authority, the officer who is for the time being discharging the functions of that authority, whether in addition to other functions or otherwise.

4. It is the case of the petitioner that disputes subsequently arose between the parties in relation to the quality of the material supplied by the petitioner, wherein the respondent rejected the supplied goods. Aggrieved thereby, the petitioner invoked arbitration by issuing a notice dated 26.03.2022 under section 21 of the A&C Act requesting the respondent to nominate an independent arbitrator, while objecting to the appointment of serving or retired Railway Officers as arbitrators in view of Section 12(5) of the A&C Act.

5. It is submitted that, despite the aforesaid objection, the respondent furnished a restricted panel comprising four retired Railway officers and called upon the petitioner to suggest two names therefrom for appointment. Thereafter, the respondent unilaterally constituted a three-member Arbitral



Tribunal consisting exclusively of retired Railway officers. The Tribunal entered upon the reference and ultimately rendered the impugned Award dated 16.11.2023 against the petitioner.

6. Aggrieved by the said Award, the petitioner preferred a petition under Section 34 of the A&C Act being O.M.P. (COMM.) 151/2024 before this Court. *Vide* judgment dated 31.07.2025, this Court set aside the Award on the ground that the constitution of the Arbitral Tribunal was contrary to the provisions of the A&C Act and the settled principles governing the independence and impartiality of arbitrators. While doing so, liberty was reserved in favour of the petitioner to seek constitution of a fresh Arbitral Tribunal in accordance with law.

7. Pursuant to the aforesaid liberty, the petitioner issued a fresh notice dated 15.09.2025 invoking arbitration under Section 21 of the A&C Act and nominated its nominee arbitrator. The respondent was called upon to nominate its arbitrator within thirty days.

8. It is submitted that despite service of the said notice and a reminder dated 09.04.2026, the respondent neither nominated its arbitrator nor responded to the petitioner's request for constitution of the Arbitral Tribunal, thereby necessitating the filing of the present petition.

9. While the arbitration clause envisages constitution of a three-member Arbitral Tribunal, learned counsel appearing for both parties fairly submit that they have no objection to the disputes being referred to a Sole Arbitrator.

10. In ***Gr Green Life Energy Pvt. Ltd. v. Leitwind Shriram Manufacturing Pvt. Ltd.***, 2021 SCC OnLine SC 133, the Supreme Court has recognised that, where parties agree before the Court to have their



disputes adjudicated by a Sole Arbitrator, the contractual stipulation providing for a three-member tribunal stands superseded to that extent.

11. Accordingly, at joint request, Mr. Upendra Malik (Retd. SDG, CPWD) (Mob. No. + 91 9891318773) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties.

12. The learned Sole Arbitrator may proceed with the arbitration proceedings subject to furnishing to the parties requisite disclosures as required under Section 12 of the A&C Act.

13. The Arbitration shall take place under the aegis of, and as per the rules of Delhi International Arbitration Centre (DIAC).

14. All rights and contentions of the parties in relation to the claims/ counter-claims are kept open, to be decided by the learned Arbitrator on their merits, in accordance with law.

15. Needless to say, the learned Sole Arbitrator would consider the same in accordance with law and take an appropriate decision.

16. The respondent shall be entitled to raise preliminary objections as regards jurisdiction/ arbitrability, which shall be decided by the learned arbitrator, in accordance with law.

17. Needless to say, nothing in this order shall be construed as an expression of this Court on the merits of the case.

18. The petition stands disposed of in the above terms.

JULY 17, 2026/ka

SACHIN DATTA, J