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

CNR No. DLHC010391042026

+ **ARB.P. 1496/2026**

SHREE KARNI LIGHT HOUSE

.....Petitioner

Through: Mr. Rajender Khatter, Mr.
Sukhdev Singh and Mr. Tarun
Sai, Advs.

versus

UNION OF INDIA

.....Respondent

Through: Ms. Radhika Bishwajit Dubey,
CGSC with Ms. Disha
Choudhary, Ms. Gurleen Kaur,
Mr. Kritarth Upadhyay and Mr.
Prateek Gautam, Advs.

CORAM:

HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT(ORAL)

% **24.08.2026**

1. By way of the present petition, the Petitioner seeks appointment of learned Sole Arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996 for resolution of disputes arising between the parties herein.

2. The Petitioner purports that it is a supplier of electrical items for Indian Railways since 2019. Its bid against an E-Tender floated by the Respondent came to be accepted in September 2025 for a total value of Rs. 2.62 crores.

3. In furtherance thereof, the Petitioner furnished earnest money



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towards security deposit and performance bank guarantee.

4. According to the Petitioner, in December 2025, it placed purchase orders for the execution of the work. However, on 02.02.2026, the Respondent issued a general correspondence for termination stating that there was a discrepancy in the name of the Petitioner firm while participating in the e-Tender as compared to its Electrical Contractor's license.

5. Thereafter, on 26.02.2026, the Respondent issued a Termination Notice citing reasons that the Petitioner did not undertake any action to commence work or show adequate progress within 48 hours of the notice dated 02.02.2026 and since the 48 hours stood expired, the contract stood rescinded in terms of Clause 62 of the Standard General Conditions of Contract¹.

6. Aggrieved by the unilateral termination, the Petitioner invoked arbitration as provided under Clause 64 (1) of the SGCC. The relevant portion is extracted hereinbelow:

“64.(1): Demand for Arbitration:

64.(1)(i): In the event of any dispute or difference between the parties hereto as to the construction or operation of this contract, or the respective rights and liabilities of the parties on any matter in question, dispute or difference on any account or as to the withholding by the Railway of any certificate to which the Contractor may claim to be entitled to, or if the Railway fails to make a decision within 120 days, then and in any such case, but except in any of the "excepted matters" referred to in Clause 63.1 of these Conditions, the Contractor, after 120 days but within 180 days of his presenting his final claim on disputed matters shall

¹ “SGCC” hereinafter





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demand in writing that the dispute or difference be referred to arbitration.

64.(1)(ii)(a): The demand for arbitration shall specify the matters which are in question, or subject of the dispute or difference as also the amount of claim item-wise. Only such dispute or difference, in respect of which the demand has been made, together with counter claims or set off, given by the Railway, shall be referred to arbitration and other matters shall not be included in the reference.

64.(1)(ii)(b): The parties may waive off the applicability of Sub-Section 12(5) of Arbitration and Conciliation (Amendment) Act 2015, if they agree for such waiver in writing, after dispute having arisen between them, in the format given under Annexure XV of these conditions.

64.(1)(iii)(a): The Arbitration proceedings shall be assumed to have commenced from the day, a written and valid demand for arbitration is received by the Railway.

64.(1)(iii)(b): The claimant shall submit his claims stating the facts supporting the claims alongwith all the relevant documents and the relief or remedy sought against each claim within a period of 30 days from the date of appointment of the Arbitral Tribunal.

64.(1)(iii)(c): The Railway shall submit its defence statement and counter claim(s), if any, within a period of 60 days of receipt of copy of claims from Tribunal, unless otherwise extension has been granted by Tribunal.

64.(1)(iii)(d): Place of Arbitration: The place of arbitration would be within the geographical limits of the Division of the Railway where the cause of action arose or the Headquarters of the concerned Railway or any other place with the written consent of both the parties.

64.(1)(iv): No new claim shall be added during proceedings by either party. However, a party may amend or supplement the original claim or defense thereof during the course of arbitration proceedings subject to acceptance by Tribunal having due regard to the delay in making it.

64.(1)(v): If the Contractor(s) does/do not prefer his/their specific and final claims in writing, within a period of 90 days of receiving the intimation from the Railways that the final bill is ready for





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payment, he/they will be deemed to have waived his/their claim(s) and the Railway shall be discharged and released of all liabilities under the contract in respect of these claims.”

7. It also emerges from the record that the petitioner served Notice dated 13.03.2026 to the Respondent in accordance with Section 21 of the Act.

8. Issue Notice.

9. Ms. Radhika Bishwajit Dubey, learned CGSC appearing on behalf of the Respondent accepts Notice.

10. Learned Counsel appearing for the Respondents on instructions submits that she has no objection for the appointment of the learned Sole Arbitrator.

11. Therefore, the parties are *ad idem* with respect to reference of the disputes to arbitration.

12. The inquiry of this Court is limited to the existence of a valid arbitration agreement² at the referral stage under Section 11 of the Act.

13. Therefore, in view of Clause 64(1) of the SGCC, this Court finds no impediment in appointing a Sole Arbitrator.

14. The claim amount is stated to be Rs. 16,14,030/-.

² *SBI General Insurance Co. Ltd. v. Krish Spinning*, 2024 SCC OnLine SC 1754





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15. Accordingly, Ms. Anamika Tiwari, Advocate (Mobile No. 9821127838), is appointed as the Sole Arbitrator to adjudicate the disputes arising between the parties.

16. The learned Sole Arbitrator will proceed to the arbitration proceedings subject to furnishing requisite disclosures as required under Section 12(2) of the Act within three weeks of entering reference.

17. The arbitration shall be carried under the rules and aegis of Delhi International Arbitration Centre ("DIAC"). The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

18. It shall be open to the parties to raise all pleas, including objection as to arbitrability and jurisdiction, before the learned Sole Arbitrator who shall decide the same in accordance with law.

19. It is clarified that the observations made herein are only for the purpose of deciding the present petition under Section 11(6) of the Act. The learned Sole Arbitrator shall adjudicate the disputes with claims and counter claims independently and on their own merits, uninfluenced by any observations contained in the present order.

20. The Registry is directed to send a receipt of this order to Ms. Anamika Tiwari, learned Arbitrator through all permissible modes





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including email.

21. Accordingly, the present petitions are disposed of in the above terms.

OM PRAKASH SHUKLA, J

AUGUST 24, 2026/at

