



Arbitration Application No.1296 of 2025 and Original Application Nos.907, 908 and 909 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.02.2026

CORAM

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Application No. 1296 of 2025

and

Original Application Nos.907, 908 and 909 of 2025

Brandavan Food Products,
Rep. by its Partner,
Sh.Rahul Agarwal
Having its Office at:
D-187, FF, B-Wing, Okhla Industrial Area,
Phase - I, New Delhi - 110 020.
Ph: 96503 93831
Email: brandavanfoodproducts@gmail.com Applicant in all
applications

Vs.

Southern Railway,
through its General Manager,
Having office at 37MG + 2VH,
Poonamallee High Road,
NGO Annexe, Park Town, Chennai,
Tamil Nadu 600 003.
Email: gm@sr.railnet.gov.in Respondent in all
applications

Prayer:

Arbitration Application No. 1296 of 2025

Arbitration Application filed under Order XIV Rule 8 of O.S. Rules and Section 9(2)(D) and (E) of Arbitration and Conciliation Act, 1996, seeking an order of ad-interim stay on the effect and operation of demand notice/letters dated 05.03.2025, 05.06.2025, 11.06.2025, 16.06.2025, 01.07.2025, 09.07.2025 and 13.08.2025, all bearing No.SR-HQ0COMM (YSA)/1/2023 (E.423915), issued by the respondent to the applicant.

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Arbitration Application No.1296 of 2025 and Original Application Nos.907, 908 and 909 of 2025

Original Application No.907 of 2025

Original Application filed under Order XIV Rule 8 of O.S. Rules and Section 9(2) (D) and (E) of Arbitration and Conciliation Act, 1996, seeking an order of ad-interim injunction restraining the respondent, its agent, representatives, or anyone acting through or under the respondent from taking any steps which would be prejudicial to the rights and interest of the applicant flowing from the Standard Bid Document of Tender No.SR/YSA/02/2024 for provision of Yatri Seva Anubandh (YSA) services for 6 pairs of Vande Bharat Trains of the Southern Railway, the YSA Model Agreement contained in such Standard Bid Document and the Letter of Award dated 15.04.2024 issued by the respondent in favour of the applicant.

Original Application No.908 of 2025

Original Application filed under Order XIV Rule 8 of O.S. Rules and Section 9(2) (D) and (E) of Arbitration and Conciliation Act, 1996, seeking an order of ad-interim injunction restraining the respondent, its agent, representatives, or anyone acting through or under the respondent from taking any adverse action against the rights and interests of the applicant, in furtherance of its demand notices dated 05.03.2025, 05.06.2025, 11.06.2025, 16.06.2025, 01.07.2025 and 09.07.2025, all bearing No.SR-HQ0COMM (YSA)/1/2023 (E.423915).

Original Application No.909 of 2025

Original Application filed under Order XIV Rule 8 of O.S. Rules and Section 9(2) (D) and (E) of Arbitration and Conciliation Act, 1996, seeking an order of ad-interim injunction restraining the respondent, its agent, representatives, or anyone acting through or under the respondent from taking any adverse action against the rights and interests of the applicant, in furtherance of its letter dated 13.08.2025 bearing No.SR-HQ0COMM (YSA)/1/2023 (E.423915).

For Applicant	: Mr.D.Jasmeet Singh
[in all applns.]	for Mr.T.N.C.Kaushik
For Respondent	: Mr.Ar.L.Sundaresan,
[in all applns.]	Additional Solicitor General of India
	assisted by Mr.V.Chandrasekaran
	Senior Panel Counsel – UOI
	& K.Aadhishankaran



COMMON ORDER

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When these applications came up for hearing on 20.08.2025, the following order came to be passed by this Court:

“These applications have been filed seeking for the following reliefs :

(a) seeking for an order of interim injunction to restrain the respondent from taking any adverse action against the applicant pursuant to the notice dated 30.05.2025 issued by the respondent;

(b) seeking for an order of interim injunction to restrain the respondent from taking any steps which would be prejudicial to the rights and interest of the applicant flowing from the Standard Bid Document of Tender No.SR/YSA/02/2024 for provision of Yatri Seva Anubanth (YSA) services for 6 pairs of Vande Bharat Trains of the Southern Railway pursuant to the letter of acceptance dated 15.04.2024 issued by the respondent in faovur of the applicant;

(c) seeking for an order of interim stay of operation of the impugned notice dated 30.05.2025 bearing No.SRHQ0COMM/32/2025 (E.544143) issued by the respondent.

2. The applicant is a railway contractor and engaged in the business of providing YSA services for six Vande Bharat trains operated by the respondent. According to the applicant, arbitrarily and in violation of the terms and conditions of the contract, the respondent has issued notice dated 30.05.2025 to the applicant threatening to terminate the contract on the ground that services provided by the applicant to the six Vande Bharat trains are unsatisfactory. The applicant claims that only in accordance with the terms and conditions of the contract, they have been providing services to the six Vande Bharat trains and also claims that the passenger feedback given in respect of their services has been impeccable. In support of the applicant's contention, the learned Senior Counsel appearing for the applicant drew the attention of this Court to the passenger feedback recorded by the respondent with regard to the services rendered by the applicant for the six Vande Bharat trains and would submit that the applicant's performance has exceeded the threshold limit fixed by



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the respondent under the contract awarded to the applicant. The tabular column relied upon by the learned Senior Counsel for the applicant with regard to the applicant's performance is reproduced hereunder :

<i>Quotient</i>	<i>Quarter 1 Rating</i>	<i>Quarter 2 Rating</i>	<i>Quarter 3 Rating</i>
Passenger Feed Back (based on the Rail Madad Complaints)	2.01	2.06	2.09
IR Inspections	2.00	1.52	1.19

3. The threshold limit prescribed under the contract awarded to the applicant is 2.00. As seen from the tabular column, the applicant has exceeded the threshold limit. Relying upon the same, the applicant categorically contends that arbitrarily and in violation of the terms and conditions of the contract, the respondent issued the notice dated 30.05.2025 to the applicant threatening to terminate the contract. The learned Senior Counsel for the applicant also submits that earlier, the applicant had approached this Court by filing applications under Section 9 of the Arbitration and Conciliation Act, 1996, seeking to protect their interest pending arbitration when the respondent had threatened to terminate the contract on the ground that the applicant did not disclose the pending criminal cases while submitting their tender application to the respondent. In the said applications, earlier, this Court had granted an order of interim injunction in favour of the applicant restraining the respondent from blacklisting the applicant and subsequent to which, the parties have already gone for arbitration in accordance with the arbitration clause contained in the general conditions of the contract applicable to the railway and the arbitral Tribunal has already been constituted and the arbitration is in progress.

4. The learned Senior Counsel for the applicant would submit that since the respondent may contend that the cause of action for filing these applications are different from the cause of action in the earlier applications, in which interim injunction was granted by this Court in favour of the applicant with regard to the blacklisting, the applicant has been constrained to file these applications seeking for interim protection pending arbitration.



5. The learned Senior Counsel for the applicant would also submit that in case, the respondent agrees for this dispute as well to be adjudicated by the very same arbitral Tribunal, the applicant is willing to go before the very same arbitral Tribunal. The said undertaking given by the applicant is recorded.

6. Since a prima face case has been made out by the applicant for grant of interim injunction in O.A.No.833 of 2025 and the balance of convenience and irreparable hardship have also been established by the applicant, this Court is inclined to grant an order of interim injunction as prayed for in O.A.No.833 of 2025. Accordingly, there shall be an order of interim injunction restraining the respondent from taking any adverse action against the applicant, in furtherance of the impugned termination notice dated 30.05.2025 bearing No.SRHQ0COMM/32/2025 (E.544143), until further orders.

7. Mr.V.Chandrasekaran, learned Senior Panel Counsel, undertakes to file Vakalat on behalf of the respondent.

8. Post these matters for counter and disposal on 10.09.2025.”

2. After service of notice, these applications were taken up for hearing on 10.09.2025 and the following order came to be passed by this Court:

“The applicant is a Railway contractor and engaged in the business of YSA services for six pairs of trains operated by the respondent.

2. The grievance of the applicant is that all of a sudden in the month of January, 2025, the respondent augmented from 8 cars to 16 cars unilaterally and started making demand from the applicant. It is submitted that even as per the terms and conditions of the agreement, if there is any change of scope as contemplated under clause 9(1), the same will be carried out with the mutual consent of both parties. According to the applicant, there was not even a discussion with the applicant and unilaterally the respondent had directed the applicant to provide additional service by augmenting 8 car to 16 cars trains.



3. It is seen from the records that this is the third round of litigation as between the parties, of-course for a different cause of action. Insofar as the first dispute is concerned, the matter is pending before the Arbitral Tribunal. Insofar as the second dispute is concerned, an interim order was passed by this Court in O.A.Nos.833 and 834 of 2025 on 28.08.2025 and the said order has been put to challenge before the Division Bench. This is the third dispute, which has ended in filing a fresh set of applications under Section 9 of the Arbitration and Conciliation Act, 1996.

4. In view of the above, this Court wants to await the decision to be taken by the Division Bench in the OSA. This Court has already listed the other applications in O.A.Nos.833 and 834 of 2025 on 16.09.2025. Since a *prima facie* case has been made out in this case, there shall be a direction to the respondent to keep demand notices/letters in abeyance till 16.09.2025.

5. Post these applications along with O.A.Nos.833 and 834 of 2025 on 16.09.2025.”

3. When these applications were again listed for hearing on 08.10.2025, based on the submission made by learned senior counsel appeared on behalf of the applicant, the following order came to be passed by this Court:

“The learned Senior Counsel appearing on behalf of the applicant in all these application submitted that in spite of the interim order passed by this Court, the respondent/Southern Railway has proceeded to deduct the additional demand of Rs.4.50 Crores. Counter affidavit has also been filed in this case.

2. In view of the above submission, post this application for hearing on 10.10.2025.”



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4. These applications were again listed for hearing on 08.12.2025

and on hearing the learned counsel for applicant, the following order came to be passed by this Court:

“Mr.T.N.C.Kaushik, learned counsel appearing on behalf of the applicant, submitted that despite the interim order passed by this Court, the Southern Railway proceeded to deduct the additional demand of Rs.4,58,99,495/- and which was recorded by this Court in the earlier order passed on 08.10.2025. Learned counsel further submitted that in the connected case, which went before the Division Bench in O.S.A (CAD) No.108 of 2025, a sole arbitrator has been appointed by the Division Bench by order dated 18.11.2025. Therefore, since the applicant has already issued the trigger notice under Section 21 of the Arbitration and Conciliation Act, 1996, if the Southern Railway consents for appointment of the same Arbitrator, the matter can be referred to the sole Arbitrator. In the mean time, the Southern Railway must be directed to refund the amount deducted towards additional demand in spite of the interim orders passed by this Court.

2. Learned Standing Counsel appearing on behalf of the Southern Railway submitted that he is led by learned Additional Solicitor General and insofar as the claim made by the petitioner seeking refund of the additional demand is concerned, he seeks some time to enable the learned Additional Solicitor General to make his submissions. Insofar as the suggestion made by the petitioner/applicant for appointment of sole Arbitrator also, learned counsel is seeking some time to take instructions.

3. During the course of hearing, additional typed set of papers was filed on the side of petitioner/applicant and a copy has been served on learned standing counsel for the respondent.

Post these cases for hearing on 12.01.2026.”

5. These applications were again listed for hearing on 12.01.2026

and the following order came to be passed by this Court:

“Counter affidavit has been filed in the main O.P. and the counter has been served on the counsel for the petitioner.



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2. The Registry is directed to print the name of Mr.V.Chandrasekaran, Senior Panel Counsel for the respondent.

3. When the matter was taken up for hearing today, the learned Senior panel Counsel appearing on behalf of the Southern Railways produced a brief note explaining the stand of the Southern Railways with respect to the allegation made by the petitioner to the effect that the interim order passed by this Court was not complied with and that the Southern Railways had proceeded to deduct additional payment of Rs.4,68,98,495. The particulars that have been placed before this Court shall be filed by way of an affidavit and an advance copy shall be served on the counsel for the petitioner.

4. In order to give an opportunity to the petitioner, to meet the stand taken by the Southern Railways, post this matter on 27.01.2026.”

6. Heard Mr.D.Jasmeet Singh, learned counsel for applicant and Mr.Ar.L.Sundaresan, learned Additional Solicitor General of India appearing for respondent.

7. Learned counsel appearing on behalf of the applicant submitted that the affidavit filed by the Southern Railway shows as if the entire amount of Rs.4,58,99,495/- had been recovered for the period from 07.08.2025 to 09.09.2025 much before the interim order was passed on 10.09.2025. However, the materials available on record speaks otherwise.



8. To substantiate the above submission, learned counsel brought to the notice of this Court the communication received from the respondent dated 09.07.2025 wherein the applicant was informed that the balance licence fee of Rs.4,58,99,495/- has to be paid along with interest for the delayed period. The next communication relied upon by learned counsel for applicant is the communication received from the Southern Railway dated 13.08.2025 wherein once again it was reiterated that the balance amount payable is Rs.4,58,99,495/- along with interest. In view of the same, it was contended that if the entire amount was payable as on 13.08.2025, the stand taken by the Southern Railway as if amounts were recovered on 07.08.2025 and 08.08.2025 is, on the face of it, a false representation made before the Court.

9. Learned counsel for applicant submitted that in the event, the recovery of the amount pursuant to the demand made by the Southern Railway has been kept in abeyance on the orders passed by this Court, the consequence of the same would be to direct the Southern Railway to pay the entire amount recovered from the applicant to the tune of Rs.4,58,99,495/-.

10. *Per contra*, learned Additional Solicitor General of India



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submitted that when the interim order was passed by this Court on 10.09.2025, learned Senior Panel Counsel appearing for the Southern Railway was not aware of the fact that the entire amount had been recovered even before the order was passed. Therefore, there was no occasion for the learned Senior Panel Counsel to inform this Court about the recovery made.

11. Learned Additional Solicitor General of India further submitted that as per the communication dated 13.08.2025, what was informed to the applicant was that the applicant has not made any payment towards the licence fee of Rs.4,58,99,495/- and the said letter does not specifically deal with the recovery already made by the Southern Railway on 07.08.2025 and 08.08.2025. Learned Additional Solicitor General of India submitted that the details furnished at paragraph No.13 of the affidavit filed by the Southern Railway is perfectly in order and in order to substantiate the same, learned Additional Solicitor General of India placed the details of the bills adjusted against the licence fee for the period from 07.08.2025 to 09.09.2025. By pointing out to the said bills furnished before this Court, learned Additional Solicitor General of India submitted that it contains the bill amount and it also shows the amount adjusted against the licence fee during the relevant point of time and as a



result of the said adjustment, there was no amount payable to the applicant by the respondent. Thus, it was contended that the Southern Railway has taken the stand with all responsibility and with the support of sufficient materials and there is no falsehood as alleged by learned counsel for applicant.

12. In the considered view of this Court, the main dispute between the parties pertaining to the termination of the agreement has already been referred to the Sole Arbitrator by the Division Bench by order dated 18.11.2025 in OSA (CAD) No.108 of 2025. The Division Bench while relegating the parties to the Sole Arbitrator had also granted liberty to the applicant to move an application under Section 17 of the Arbitration and Conciliation Act, 1996 [for brevity 'the Act'] and it was brought to the notice of this Court that such application was moved and it is being heard by the Sole Arbitrator and it is now at the stage of filing counter.

13. In the light of the above development, no useful purpose will be served in dealing with these applications independently and since the dispute is between the same parties, it can be referred to the same Sole Arbitrator. When this Court sought consent of both sides, both sides consented for referring the dispute to the same Sole Arbitrator appointed



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by the Division Bench of this Court.

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14. In the light of the consent given, the dispute is referred to the same Sole Arbitrator and the present applications can be placed before the Sole Arbitrator, which can be dealt with under Section 17 of the Act after affording opportunity to both sides. This process will enable the parties to deal with all the issues consummately before the same Sole Arbitrator.

15. In the light of the above discussion, with the consent of both sides, Justice Mr.F.M.Ibrahim Kalifulla, Former Judge, Supreme Court of India, is appointed as the Sole Arbitrator for resolving the dispute between the parties with respect to Letter of Award dated 15.04.2024, Demand Notices dated 05.03.2025, 05.06.2025, 11.06.2025, 16.06.2025, 01.07.2025 and 09.07.2025 issued by Southern Railways and Letter of Deduction dated 13.08.2025 issued by the Southern Railways.

16. It is made clear that these applications would be placed before the Sole Arbitrator, which shall be dealt with under Section 17 of the Act by affording opportunity to both sides. Pending the final order passed under Section 17 of the Act, the present interim order shall continue.

17. It is brought to the notice of this Court that pursuant to the

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order passed by the Division Bench, the statement of claim is yet to be filed by the applicant before the Sole Arbitrator. Hence, a consolidated statement of claim can be filed by the applicant by combining all the disputes and seek for the reliefs before the Sole Arbitrator so that the entire dispute can be dealt with consummately and it can also be defended by the respondent effectively.

These applications are disposed of in the above terms.

10.02.2026

Index: yes/no
Speaking order/Non-speaking order
NCC:yes/no
gm



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N.ANAND VENKATESH, J.

gm

**Arbitration Application No. 1296 of 2025 and
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