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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
CNR No. DLHC010060932026

+ **ARB.P. 323/2026 & I.A. 4545/2026**

JAGRAN ENGAGE

.....Petitioner

Through: Mr. Ashish Verma, Mr. BR. Mishra
and Mr. Saksham Thareja, Advs.

versus

**NORTHERN RAILWAY SENIOR DIVISIONAL COMMERCIAL
MANAGER COACHING**

.....Respondent

Through: Mr. Ranjeev Khatana, Mr. Rohit
Kapoor, Ms. Divyanshi Bucha and
Mr. Arjav Sethi, Advs.

CORAM:

HON'BLE MR. JUSTICE AVNEESH JHINGAN

ORDER

% **12.08.2026**

1. This petition is filed under Section 11 of the Arbitration and Conciliation Act, 1996 (for short 'the Act') for appointment of an arbitrator.
2. Shorn of unnecessary details, the facts are that the respondent on 03.02.2017 invited tenders for grant of advertisement rights through vinyl wrapping on the exterior of Shatabdi Express train running on the New Delhi-Amritsar (Train Nos.12029/12030) and New Delhi-Kalka (Train Nos.12005/12006) routes. The petitioner was the successful bidder. The parties executed two license agreement dated 03.02.2017 (hereinafter 'the agreements') granting advertisement rights to the petitioner for a period of three years. The petitioner deposited the security amount of Rs.4,50,00/- and Rs.4,23,000/- and also paid license fees for the first half year amounting to



Rs.22,50,000/- and Rs.21,15,000/- along with applicable tax. After commencement of the contract, disputes arose between the parties regarding utilisation of the granted advertisement rights. On 11.05.2017, the petitioner invoked arbitration and expressed unwillingness to continue and requested surrender of the contract before completion of the agreed tenure.

3. Clause 27 of the agreements contain an arbitration clause which reads as under:

“27. Arbitration

In the event of any dispute, claim or difference of opinion arising out of this Agreement or any special condition of contract or in connection with this agreement, the same shall be referred to the arbitration of a Gazetted Railway officer not below the rank of J.A grade appointed by the General Manager/Northern Railway. The Gazetted officer appointed as arbitrator however will not be one of those who had an opportunity to deal with the matter to which the contract relates or who, in the course of their duties as Railway servants, have expressed views on all or any of the aspects of the matter under dispute or differences. The award of the arbitrator shall be final and binding on the parties to the contract.

Subject to aforesaid, The Arbitration & Conciliation Act, 1996 and the rules made there under or any statutory modification thereof for the time being in force shall be deemed to apply to the arbitration proceeding under this clause. The venue of arbitration shall be the place from which the acceptance note is issued.

"Where the arbitral award is for the payment of money, no interest shall be payable on whole or any part of the money for any period till the date on which the award is passed."



4. The respondent vide letter dated 09.10.2017 appointed the sole arbitrator to adjudicate the dispute. By award dated 28.02.2019 the arbitrator rejected the counter claim of the respondent and directed to refund the security deposit of Rs.8,73,000/- to the petitioner along with interest.

4.1 Aggrieved by the award, the respondent filed a petition bearing OMP (COMM) No.259/2024 under Section 34 of the Act impugning the award on the ground of unilateral appointment. This Court vide judgment dated 13.01.2026 set aside the award relying on the decision of the apex court in **Central Organisation for Railway Electrification v. ECI SPIC SMO MCML (JV), (2025) 4 SCC 641** and on Division Bench decision of this Court in **Mahavir Prasad Gupta & Sons v. Govt. of NCT of Delhi, 2025 SCC OnLine Del 4241** holding the unilateral appointment to be bad in law.

5. Learned Counsel for the petitioner submits that this is a second round of arbitration as earlier the award was set aside on the ground of unilateral appointment hence fresh arbitrator be appointed.

6. Learned counsel for the respondent raises a preliminary objection that *de novo* arbitration must be preceded by a fresh notice invoking arbitration under Section 21 of the Act and relies upon the decision of the Kerala High Court dated 18.12.2025 in **M/s Agro Industries Credits Ltd. vs. Mangalan & Ors. A.R. No.131/2025**.

7. In rebuttal, learned counsel for the petitioner contends that the judgment of **M/s Agro Industries Credits Ltd.** (supra) relied upon by the respondent has been dealt by this Court in **Cosmo Retail Solutions Private Limited Vs. Sumant Agarwal and Ors. 2026:DHC :5742**, and it was held that no fresh notice under Section 21 of the Act is required for second round



of arbitration.

8. Heard the learned counsel for the parties.

9. The award was set aside as it was a case of unilateral appointment of the arbitrator. Once the dispute proceedings has been validly commenced, there is no requirement to recommence the same proceedings again consequent to setting aside of the award. The purpose of a notice under Section 21 of the Act is to inform the other party that a disputes exists and the matter be referred to arbitration.

10. At the same time, the purpose of notice under Section 21 of the Act is also to stop the limitation clock. Once this purpose of Section 21 of the Act has been fulfilled, the issuance of a fresh is not necessary for the second round of arbitration.

11. This Court in ***Cosmo Retail*** (supra) noted the judgment of the Kerala High Court in ***M/s Agro Industries Credits Ltd.*** (supra) and held as under:

“21. The award has been set aside on the grounds of unilateral appointment of the arbitrator. In the opinion of this Court, once the disputes stands commenced, there is no need to recommence the same dispute again just because the Award has been set aside. The purport of notice under Section 21 is to intimate one party that there are disputes between the parties and the matter has been referred to arbitration. Simultaneously, the purport of notice under Section 21 of the A&C Act is also to freeze the period of limitation. Once this mandate of Section 21 has been achieved, in the opinion of this Court, the requirement of a fresh notice under Section 21 of the A&C Act is not necessary merely because the award has been set aside.”

12. In view of the above, this Court is not inclined to accept the objections raised by the learned counsel for the respondents.



13. The petition is allowed by appointing Justice Mr. Ali Mohammad Magrey (Retd.) (Mobile Nos.6005509928 and 9469810810) as the sole arbitrator.

14. Arbitral proceedings will be held under the aegis of Delhi International Arbitration Centre (DIAC). Fee of the Arbitrator shall be fixed as per fee schedule.

15. Before entering upon reference, the learned Arbitrator will comply with Section 12 of the Act.

16. It is made clear that since this Court has not expressed any opinion on the merits of the rival claims of the parties and it will be open for the parties to file their respective claims/counter claims and all contentions of the parties be kept alive before the learned Arbitrator which will be considered in accordance with law.

17. A copy of this order be forwarded to the learned Arbitrator for information.

AVNEESH JHINGAN, J

AUGUST 12, 2026/Pa