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

Date of decision: 09th July, 2026

+ **FAO (COMM) 153/2026 & CM APPL. 36468/2026**

M/S K LW WHEEL CO. SAAppellant
Through: Mr. Hemant Manjani, Advocate.

versus

MINISTRY OF RAILWAYSRespondent
Through: None.

CORAM:

HON'BLE MR. JUSTICE DINESH MEHTA

HON'BLE MR. JUSTICE RAJNEESH KUMAR GUPTA

J U D G M E N T

Per DINESH MEHTA, J. (Oral)

1. The present appeal is directed against the order dated 16.03.2026 passed by the learned District Judge (Commercial Court)-01, Patiala House Court, New Delhi, whereby the appellant's application under Section 34 of the Arbitration and Conciliation Act, 1996 (*hereinafter refer to as 'the Act of 1996'*) for setting aside the Arbitral Award was rejected.
2. Learned counsel for the appellant argued that the court below has seriously erred in treating the contract to be concluded and considering the appellant's letter of acceptance dated 23.06.2011 to be an unconditional acceptance, whereas the same was clearly a conditional acceptance.
3. Learned counsel in this regard invited court's attention towards the finding of the court below and took the court through the letter of acceptance dated 23.06.2011 (Marked as 'Annexure C-3' enclosed with the Statement



of Claims), and highlighted that the letter of acceptance was stringed with expression 'however with some comments for clarified contract'. He, thereafter, took the court through the letter dated 01.03.2012 (Marked as 'Annexure C-14' enclosed with Statement of Claims) which was sent by the Railway to the appellant, whereby the delivery schedule was amended.

4. Learned counsel argued that pursuant to the aforesaid letter dated 01.03.2012, the appellant had disclosed his inability to carry out the contract and since the delivery schedule was changed, the contract did not conclude, as the acceptance was conditional. In support of his contention, learned counsel has relied upon judgment ***M/s Padia Timber Company (P) Ltd. v. The Board of Trustees of Visakhapatnam Port Trust*** reported in (2021) 3 SCC 24 and submitted that the aforesaid judgment squarely favours the argument which the appellant had advanced.

5. Heard learned counsel for the appellant. Needless to state that the scope of an application for setting aside an Arbitral Award under Section 34 of the Act of 1996 is very limited, and when it comes to an appeal against such an order, the scope becomes all the more narrow.

6. Having that principle in mind, if we consider the appellant's arguments, we find that the same is fallacious so also, the appellant's letter of acceptance is unequivocal and unconditional.

7. The reliance placed upon ***M/s Padia Timber Company (P) Ltd. (Supra)*** by the learned counsel for the appellant is misplaced, as the factual background of the case in hand is strikingly different. In ***M/s Padia Timber Company (P) Ltd. (Supra)***, the supplier objected to the original clause pertaining to the inspection of goods. The supplier communicated its acceptance subject to change in the inspection clause, the change which was



never accepted by the purchaser. Hon'ble the Supreme Court, in this factual backdrop, held that the acceptance was conditional and that the contract was not a concluded contract.

8. However, in the case in hand, the appellant duly communicated its acceptance not once but twice, which can be ascertained from the letter of acceptance dated 23.06.2011 and the letter dated 31.08.2011, which leaves no ambiguity as to the acceptance of the contract.

9. It would not be out of place to reproduce the Letter of Acceptance herein:

“KHYATI/458/33/11/1130

23rd JUNE' 11

THE PRESIDENT OF INDIA

Acting through

Executive Director, Railway Stores (P)

Ministry of Railways,

Railway Board, Rail Bhawan,

New Delhi

*Subject: Your LOI (counter offer) dated 27th April 11
against Global Tender No. WTA-458 for supply of Misc.
Wheels opened on 22.09.2010.*

Dear Sir,

This letter is to confirm the acceptance of the LOI with counter offer conditions as set by your goodself to our principal for their offer against the subject tender of yours. We are pleased and honored to confirm the acceptance of the offer unconditionally, however with some comments for clarified-contract.

It is confirmed that the delivery period is 4 Months (August excluded) on inspection offer basis. Our principals would be getting the payments of the supplies made through confirmed letter of credit opened to their account as indicated in the attached letter of confirmation. The technical deviations as



quoted are taken as accepted and we request that the same is clearly mentioned in the formal contract.

The PBG against the offer has been ordered by our principals and the same shall be submitted immediately upon receipt at our end and in the mean time, we request your goodself to kindly issue the formal contract.

This letter may be treated as a part of the offer.

Thanking you,

Yours faithfully,
for KHYATI NILUM ASSOCIATES PRIVATE LIMITED

SANJAY DOULAT MANCHANDANI

(emphasis supplied)

10. The expression '*however with some comments for clarified contract*' cannot be said to be a conditional acceptance by any stretch of imagination. Use of these words shows appellant's intention to give comments for clarified contract. Neither the contract was clarified nor was there any ambiguity in terms of the contract. Whether the delivery schedule could be changed or not is an entirely different aspect, which does not render the acceptance conditional.

11. A perusal of the letter of acceptance reveals that the appellant had confirmed the acceptance of the offer unconditionally. The expression '*however with some comments for clarified contract*' is an open-ended qualification of acceptance. As no letter or supplementary communication was sent by the appellant to show that which condition of the contract it concerned. The letter which the learned counsel for the appellant has heavily relied upon was issued by the Railway on 01.03.2012 and had been issued



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about eight (08) months subsequent to the issuance of the letter of acceptance.

12. Pertinently, the appellant intimated the respondent that it was running into some difficulties with respect to the supply of locomotives due to over haul in its Ukranian manufacturing plant *vide* letter dated 18.10.2011 and consequently sought extension of time *vide* letter dated 11.02.2012.

13. The appellant, therefore cannot claim that his acceptance of the contract was unconditional and once the Railway changed the schedule of delivery, he could wiggle out of the contract.

14. We do not find any force and substance in the arguments of the appellant. No other argument was advanced before us.

15. The appeal is therefore, rejected. Pending application also stand disposed of.

DINESH MEHTA
(JUDGE)

RAJNEESH KUMAR GUPTA
(JUDGE)

JULY 9, 2026

v