

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS.2865-2866 OF 2015
(Arising out of SLP(C) Nos.36943-36944 of 2013)

U.O.I & ORS. APPELLANTS

VERSUS

GURDAYAL SINGH RESPONDENT

O R D E R

ANIL R. DAVE, J.

Leave granted.

Heard the learned counsel for the parties.

We have noted the fact that the learned counsel appearing for the appellants had given consent before the High Court for appointment of Mr. Justice O.N. Khandelwal, former Judge of Allahabad High Court as a sole Arbitrator. In view of the afore-stated consent given on behalf of the appellants, we see no reason to interfere with the appointment of the Arbitrator made by the High Court.

Upon hearing the learned counsel for the appellants, we also note that there was no issue with regard to interpretation of Clause 64 of the General Conditions of the Contract before the High Court. The High Court, in

the impugned order, has made the following observations with regard to the afore-stated Clause 64:

"In the present case, applicant has no faith/trust in the officers of the railways who were intended to be appointed as arbitrator. Justice need not only be done but appears that it has been done. To maintain the principle of impartiality, I am of the view that unreasonable term of the Standard Form of Contract is not binding on the applicant. Therefore, applicant is entitled to have an impartial and competent arbitrator to solve the dispute in hand."

As validity of the afore-stated clause was not one of the issues before the High Court, in our opinion, the High Court should not have made any observation on the said clause and therefore, the afore-stated observation made by the High Court in relation to Clause 64 is hereby quashed.

The appeals are, therefore, allowed to the above extent with no order as to costs.

.....J.
(ANIL R. DAVE)

JUDGMENT

.....J.
(AMITAVA ROY)

New Delhi
March 09, 2015.