

**UNION OF INDIA V. PRADEEP VINOD CONSTRUCTION COMP-
NY 2019 SCC ONLINE SC 1467**

Supreme Court of India; 3-judge bench, **R. Banumathi**, A.S. Bopanna and
Hrishikesh Roy JJ; decided on 14 November 2019

Appointment of arbitrator must be following the terms of the agreement

This matter concerned a contract awarded by Railways in which a standard arbitration clause often found in Railways' contracts gave their General Manager power to appoint the arbitral tribunal. The Supreme Court had already considered such a clause in *Union of India v. Parmar Construction Company*, 2019 SCC OnLine SC 442.

In this case, when disputes arose, Pradeep Vinod invoked arbitration. The Railways claimed that there was no arbitrable dispute²³, and the General Manager made no appointment. Pradeep Vinod applied under Section 11 of the ACA. The Delhi High Court appointed an advocate as an arbitrator ruling that the arbitrator could examine all issues (whether settlement was under duress or the dispute fell within excepted-matters). The Railways took the matter to the Supreme Court.

Referring to *Parmar*, the court first held that pre-amended provisions applied since the request for an appointment was made before the 2015 Amendments (which were effective from 23 October 2015). It then cited to three other decisions in addition to *Parmar*, that is, *Union of India v. M.P. Gupta*, (2004) 10 SCC 504, *Union of India v. V.S. Engineering (P) Ltd.*, (2006) 13 SCC 240, *Union of India v. Singh Builders Syndicate*, (2009) 4 SCC 523 and held that when the agreement specifically provides for appointment of named arbitrators, the appointment should be in terms of the agreement.

²³ In one case because of the settlement, and in the other on the ground that the issue fell under 'excepted-matters'.