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

+ **ARB.P. 1655/2025**

M/S GOKUL AGRI INTERNATIONAL LIMITEDPetitioner

Through: **Mr. Ashish Khorana, Advocate**

versus

UNION OF INDIARespondent

Through: **Mr. Anshuman, SPC with Mr. Vidur Dwivedi, GP and Mr. Vaibhav Sood, Advocates**

CORAM:

HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

ORDER

19.11.2025

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1. This Petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator to adjudicate upon the disputes which have arisen between the parties under Acceptance of Tender (hereinafter referred to as 'A/T')/ Supply Orders, which are, A/T No.62801/24-25/RSO/APO/AT-16 Dt. 31/05/24, . A/T No. 62801/24-25/RSO/APO/AT- 10 Dt. 31/05/24 and A/T No. 62801/24-25/RSO/APO/AT- 7 Dt. 31/05/24.

2. Material on record indicates that the aforesaid A/Ts were awarded to the Petitioner for the supply of 1440 MT of refined sunflower oil. The Supply Orders stipulated the Petitioner to provide Bank Guarantees. Accordingly, the Petitioner furnished three Bank Guarantees aggregating to a sum of Rs. 82,96,398/- vide a Letter dated 04.06.2024. It is stated that all three A/Ts contain an Arbitration Clause for adjudication of disputes



between the parties. Disputes arose between the parties regarding release of one of the Bank Guarantee provided by the Petitioner to the Respondent, issuance of fresh tender in light of increased custom duty on raw materials, etc. A notice under Section 21 of the Arbitration and Conciliation Act, 1996 invoking arbitration was issued on 12.07.2025.

3. Notice in the present Petition was issued by this Court on 13.10.2025.

4. It is the contention of learned Counsel appearing for Union of India that as per the Dispute Resolution Mechanism in the A/Ts as specified in the Arbitration Clause, any dispute arising out of or in connection with the Contract - A/T shall be settled by bilateral discussions, failing which, arbitration can be invoked.

5. In the opinion of this Court, the parties are bound by the terms of the A/Ts. Therefore, in order to give some meaningful interpretation to the Arbitration Clause which talks about a dispute resolution mechanism before invoking arbitration, which is also encouraged by the Courts, this Court directs the Petitioner and the Competent Officer of the Respondent to hold meetings to mutually resolve the disputes as envisaged in the A/Ts.

6. In case the disputes are not resolved, it will be presumed that the Dispute Resolution Mechanism, pre-appointment of Arbitrator, has failed.

7. In view of the above, the present petition stands disposed of, along with pending application(s), if any.

SUBRAMONIUM PRASAD, J

NOVEMBER 19, 2025

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