



2025:DHC:9274



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ARB.P. 1342/2025**

Date of Decision: **10.10.2025****IN THE MATTER OF:**

M/S SGS INDIA PVT. LTD

.....Petitioner

Through: Ms. Veera Mathai, Adv.

versus

BUREAU OF INDIAN STANDARDS

.....Respondent

Through: Ms. Kajal S. Gupta and Mr. Varun
Singh, Advs.**CORAM:****HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****JUDGEMENT****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)**

The present petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 (the Act), seeking appointment of an Arbitrator, to adjudicate upon the disputes that have arisen between the parties.

2. The fact of the case reveals that the respondent appears to have issued a request of proposal for engagement of agents to conduct factory inspections and documentation review. The petitioner was a successful bidder and parties executed contract agreement dated 16.07.2024.

3. It is further stated that the respondent acknowledged the submissions of the performance bank guarantee by the petitioner. However, on 11.02.2025, the respondent issued a show cause notice for termination of the



contract. The petitioner appears to have furnished the reply to the said notice.

4. Furthermore, it is stated that eventually, the respondent issued a final termination notice dated 01.04.2025. The petitioner, while disputing the termination, informed the respondent that, despite impediments, 95% of the work had been completed within time. It is further alleged that the petitioner's outstanding amount against the invoices, approximately to the extent of Rs 1 crore, was not cleared.

5. Thereafter, as per the case set up by the petitioner, a legal notice demanding payment of Rs.57,69,156/- was issued. Subsequently, it is stated that the respondent had also issued a notice for forfeiture of the performance bank guarantee amounting to Rs.18,25,044/- .

6. Under the aforesaid circumstances, it is seen that dispute has arisen between the parties.

7. Learned counsel appearing for the respondent, at the outset, submits that she has no objection if an arbitrator is appointed by the Court, subject to reserving all her rights and contentions.

8. Clause 19.2 of the agreement provides for arbitration, which is extracted as under:

"19.2 In case of any dispute that cannot be resolved amicably, the same shall be referred to the sole arbitrator appointed by the Director General, Bureau of Indian Standards, whose decision shall be final and binding upon both the Bureau as well as the AGENT. The provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time, shall be applicable."

9. In view of the fact that disputes have arisen between the parties and there is an arbitration clause, this Court appoints Ms. Samiksha Godiyal,



2025:DHC:9274



Advocate, (Phone no: +91 9910005408, Email Id: samiksha.godiyal87@gmail.com) as the sole Arbitrator.

10. The Sole Arbitrator may proceed with the arbitration proceedings, subject to furnishing to the parties the requisite disclosures as required under Section 12 of the Act.

11. The Sole Arbitrator shall be entitled to fee in accordance with the IVth Schedule of the Act or as may otherwise be agreed to between the parties and the learned Sole Arbitrator.

12. The parties shall share the arbitrator's fee and arbitral cost, equally.

13. All rights and contentions of the parties in relation to the claims/counter claims are kept open, to be decided by the Sole Arbitrator on their merits, in accordance with law.

14. Needless to state, nothing in this order shall be construed as an expression of opinion of this Court on the merits of the controversy. All rights and contentions of the parties in this regard are reserved. Let the copy of the said order be sent to the Arbitrator through the electronic mode as well.

15. Accordingly, the instant petition stands disposed of.

PURUSHAINDRA KUMAR KAURAV, J

OCTOBER 10, 2025/p/mj