



Original Application No.298 of 2022

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M.SUNDAR.J

Ms.R.Sruthi, learned counsel for applicant and Mr.P.T.Ramkumar, learned Standing Counsel for Southern Railways (respondent) are before this Court.

2. A contract dated 13.10.2018 was terminated by Southern Railways in and by a notice dated 23.05.2022 pursuant to which the applicant-contractor was under imminent threat of bank guarantee being invoked. In such circumstances, the applicant-contractor moved the Vacation Court and Hon'ble Vacation Court on 01.06.2022 granted an interim order qua invoking of bank guarantee by Southern Railways.

3.Today, on instructions, learned counsel for applicant-contractor submits that the trigger notice qua arbitration agreement has been signed and the date of the trigger notice is 10.06.2022. Therefore, constitution of Arbitral Tribunal is in the anvil. Learned counsel for the applicant-contractor submits on instructions that the bank guarantee will be kept alive throughout and till the logical end of the arbitral proceedings, which has now been triggered.



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4. In the light of this fair submission, learned counsel for Southern Railways submits that the application itself can be disposed of by recording the submission and he further states on instruction that Southern Railways will not invoke the bank guarantee till the logical end/conclusion of arbitral proceedings.

5. Therefore, by consent of both sides, captioned application is disposed of saying that the bank guarantee for a sum of Rs.3,33,794/- issued by the Punjab National Bank, Overseas Branch, Chennai and given by the applicant-contractor to Southern Railways will continue to be kept alive till the disposal of the arbitral proceedings which have been triggered and Southern Railway shall not invoke the same till the arbitral proceedings are concluded.

6. Captioned application disposed of in the aforementioned manner by the consent order. There shall be no order as to costs.

14.06.2022

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