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IN THE HIGH COURT OF DELHI AT NEW DELHI

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O.M.P.(I) (COMM.) 254/2023

AGS TRANSACT TECHNOLOGIES LIMITED Petitioner

Through: Mr. Abhishek Kaushik, Mr. Kumar
Mihir, Mr. Manu Sekhar Sharma,
Advs. (M. 9953937934)

versus

PUNJAB NATIONAL BANK

..... Respondent

Through: Mr. Mahesh K. Chaudhary, Adv.

CORAM:

JUSTICE PRATHIBA M. SINGH

ORDER

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09.02.2024

1. This hearing has been done through hybrid mode.
2. The present petition has been preferred by the Petitioner-AGS Transact Technologies Ltd. under Section 9 of the Arbitration and Conciliation Act, 1996 seeking the following reliefs:

"a) Restrain Respondent from acting upon and in furtherance to the Termination Notice dated 07.07.2023 read with notice 02.08.2023;

b) Restrain Respondent from taking any coercive action or precipitative steps in respect of any asset of and any security provided by the Petitioner under the Agreement dated 31.03.2021;

c) Pass any other order(s) as this Hon'ble Court may deem fit."

3. On 9th August, 2023, this Court noted the Petitioner was unable to deliver the agreed services to the Respondent- Punjab National Bank due to the Respondent's failure to obtain necessary clearances from various certification providers. The said issue was communicated to the Respondent on 7th July, 2022, but no corrective actions were taken, leaving the Petitioner



unable to fulfil the terms of the contract. Thus, the Court observed as follows:

“5. Issue notice. Mr. Mahesh K. Chaudhary- accepts notice on behalf of the respondent. He prays for and is granted two weeks time to file a counter affidavit. Rejoinder thereto, if any, be filed before the next date. 6. Having perused the correspondence exchanged between the parties I am of the prima facie view that the petitioner is justified in urging that it cannot be faulted for not being able to commence the functioning of the services in terms of the contract dated 31.03.2021. The balance of convenience is also in favour of the petitioner. Grave and irreparable prejudice will be caused to the petitioner in case, the respondent despite being prima facie at fault, take coercive steps against the petitioner. Consequently, till the next date, the respondent will stand restrained from taking any coercive steps against the petitioner.”

4. It is submitted on behalf of the parties that the Petitioner has now made the payment to the Respondent-Punjab National Bank. As per the parties, the only outstanding issue is the return of the bank guarantee. Ld. Counsel for the Bank submits that the bank guarantee would be returned. Accordingly, let the bank guarantee be returned by Punjab National Bank within two weeks.

5. If the bank guarantee is not received, the Petitioner is permitted to approach the Court.

6. Thus, the present petition is disposed of as settled in the above terms.

PRATHIBA M. SINGH, J.

FEBRUARY 09, 2024

mr/dn