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IN THE HIGH COURT OF DELHI AT NEW DELHI

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RFA 583/2017 & CM APPL. 22794/2017

DELHI TRANSPORT CORPORATION & ORSAppellants

Through: Mrs. Avnish Ahlawat, SC for DTC
with Ms. Laavanya Kaushik, Ms.
Aliza Alam and Mr. Amitj Chadha,
Advocates

versus

M/S GREEN TECH FUEL SYSTEM LTD & ANR.....Respondents

Through: Mr. Santosh Kumar Rout, SC for
R-2

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

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06.11.2024

1. This appeal is directed against a judgment and decree dated 06.02.2017 passed by the learned Trial Court in Civil Suit No. 248/2016 filed by respondent No. 1 herein.

2. The respondent No.1/plaintiff and the appellant entered into a contract in the year 2003 for supply of Electronic Speed Control Governors ["ESCG"]. Disputes arose between the parties, which were taken to arbitration. The learned Arbitrator, by award dated 31.10.2006, partly allowed the claims of respondent No.1 and dismissed the counterclaim filed by the appellant – Delhi Transport Corporation ["DTC"]. The matter was carried to the Court in OMP No. 74/2007. By



an order dated 16.11.2012, the Court upheld the award, insofar as dismissal of DTC's counterclaim was concerned, but set aside the award on the claims of respondent No.1.

3. During the pendency of the arbitral proceedings, respondent No. 1 filed suit in the District Court seeking injunction in respect of three bank guarantees, which it had furnished to DTC in connection with the above contract. The Bank which had issued the Bank Guarantee (Allahabad Bank, since merged with Indian Bank, respondent No.2 herein), was sought to be enjoined from releasing the payments under the Bank Guarantees.

4. By way of the impugned judgment, the learned District Court came to a conclusion that the disputes between the parties stood finally adjudicated by virtue of the judgment of this Court dated 16.11.2012, which was rendered during the pendency of the suit. It was specifically noted that the parties were no more in litigation for any of their respective claims against each other. The suit was, therefore, decreed under Order XII, Rule 6 the Code of Civil Procedure, 1908 ["CPC"], i.e. an injunction was granted against encashment of the bank guarantees.

5. Although a question arises as to whether the suit for these reliefs was maintainable during the pendency of the arbitral proceedings, the subsequent events narrated above have rendered adjudication of any contested issue unnecessary. The judgment of this Court dated 16.11.2012 has been accepted by both the parties. No further arbitral proceedings have been instituted. Mr. Rout, learned counsel for the respondent No.2 - Bank, states that the bank guarantees have also since lapsed. The appellant has no subsisting claims against the respondent



No.1 in respect of the contract for which the bank guarantees were furnished.

6. No further orders are, therefore, required in this appeal. The appeal, along with pending application, stands disposed of.

PRATEEK JALAN, J

NOVEMBER 6, 2024
“SV”/