



WEB COPY

W.A.No.2487 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.08.2025

CORAM

THE HONOURABLE MRS. JUSTICE J.NISHA BANU

AND

THE HONOURABLE MR. JUSTICE M.JOTHIRAMAN

W.A.No.2487 of 2025

and

C.M.P.No.19258 of 2025

M/s. D.P.Jain & Co Infrastructure Private Limited,
Banbalore Chennai Express way Package 3,
Survey No.126/4 and 140/1, Govindvadi Village,
Kanchipuram Taluk, Kanchipuram,
Tamil Nadu - 631 502

..Appellant

Vs.

1. Chettinad Cement Corporation Private Limited
represented by its Company Secretary Mr.S.Hariharan
Having its registered Office at
Chettinad Towers, No.603,
Anna Salai,
Chennai - 600 006.

2. Bank of India,
Represented by its Assistant General Manager,
Nagpur Main Branch,
Ground Floor, Bank of India Building,
S.V.Patel Marg,
Nagpur - 440 001.

..Respondents

Prayer: Writ Appeal filed under Clause 15 of Letters Patent against the
order dated 30.07.2025 passed in W.P.No.22438 of 2025 by this Court.



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For Appellant

: Mr.N.Nithianandam

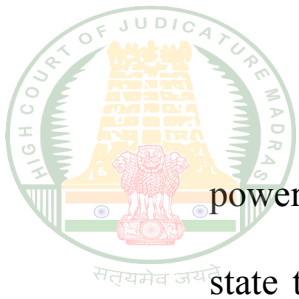
J U D G M E N T

(The judgment of the Court was delivered by J.Nisha Banu,J.)

The second respondent in the writ petition has filed this writ appeal against the order dated 30.07.2025 passed in W.P.No.22438 of 2025.

2. The writ petition has been filed by Chettinad Cement Corporation/1st respondent herein to direct the Bank of India/2nd respondent herein to release/pay a sum of Rs.6,00,000/- (Rupees Six Crores only) to the Chettinad Cement Corporation which is the amount guaranteed to be paid by the Bank of India to the Chettinad Cement Corporation under six Bank Guarantees. The writ petition was allowed directing the Bank to release the six bank guarantees within 36 hours.

3. Learned counsel for the appellant would state that there is an order in force passed by an Arbitrator in terms of the arbitration agreement under the provisions of Arbitration and Conciliation Act and overlooking the same, the Writ Court has passed the order. The learned Single Judge has passed the impugned order on misconceptions and misunderstanding of the materials on record and the relevant law. He would further state that the learned Single Judge has exceeded his jurisdiction while exercising the



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powers under Article 226 of the Constitution of India. He would further state that the learned Single Judge came to a wrong findings and issued erroneous directions which are impermissible and illogical, without any justification, reasoning or basis. Hence, the order passed in the writ petition has to be set aside.

4. Heard the learned counsel for the appellant and perused the materials available on records.

5. On perusal of the records it is seen that the Bank did not dispute the amount payable to the Chettinad Cement Corporation/1st respondent herein. The only grievance of the Bank is that they are facing financial crisis and that they will not be in a position to pay the entire amount in one go and requested for payment in instalments starting from 31.05.2025 to 10.07.2025. Moreover, the appellant herein had admitted their liability through e-mail communication dated 27.05.2025. Thus, the bank had admitted the liability.

6. Further, the sole arbitrator was unilaterally appointed by the appellant herein. The learned Single Judge, citing the decision reported in **2025 (1) MLJ 289 [Central Organisation for Railway Electrification vs. ECI SPIC SMO MCML(JV)]** has held that the interim order passed by the Arbitrator to the effect that the bank guarantee should not be invoked, cannot be accepted in the eye of law as the sole arbitrator was appointed



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unilaterally. Further, the order of not to invoke the bank guarantee shall be passed only if there is fraud or irreparable injury will be caused if bank guarantee is invoked. In the present case, there is no fraud or irreparable injury will be caused if the bank guarantees are invoked. Therefore, the Writ Court has rightly allowed the writ petition with a direction to the Bank to release the amount covered under six bank guarantees within 36 hours.

7. In view of the above, we find no infirmity or illegality in the order passed by the Writ Court and therefore, we are not inclined to interfere with the same. Accordingly, the Writ Appeal stands dismissed. No costs. Consequently, connected miscellaneous petition is closed.

[J.N.B.,J.][M.J.R.,J.]
07.08.2025

vsi
Speaking order/Non-speaking order
Neutral Citation: Yes/No



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J.NISHA BANU,J.
AND
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