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IN THE HIGH COURT OF DELHI AT NEW DELHI

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FAO (COMM) 7/2025, CM APPL. 1697/2025 –Stay & CM APPL. 1698/2025 –Ex.

VELOCITY ENTERPRISES

.....Appellant

Through: Mr.Arjun Garg, Mr.Aakash Nandalia,
Ms.Kriti Gupta & Ms.Sagun
Srivastava, Advs.

versus

JAIPRAKASH ASSOCIATES LTD. & ANR.Respondents

Through: Dr.Farrukh Khan, Mr.Dinkar Tiwari,
Ms.Prachi Goel, Mr.Fauzan Khwqaja
& Mr.Aditya Tyagi, Advs. for R-1/
Resolution Professional
Mr.Sarfaraz Khan, Mr.Mirza Amir
Baig & Mr.Abdul Wahid Mashhal,
Advs. for R-2/UCO Bank.

CORAM:

HON'BLE MS. JUSTICE REKHA PALLI

HON'BLE MR. JUSTICE AJAY DIGPAUL

ORDER

13.01.2025

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1. The present appeal under Section 37(1)(b) of the Arbitration and Conciliation Act, 1996 (hereinafter “the Act”) seeks to assail the order dated 24.12.2024 passed by the learned District Judge (Commercial Court-03), Patiala House Courts, New Delhi, in OMP(I)(COMM.) 311/2024. Vide the impugned order the learned Trial Court has dismissed the petition preferred by the appellant under Section 9 of the Act, seeking an interim order restraining the respondents from



invoking the Advance Bank Guarantee furnished by the appellant, by holding that the petition itself was not maintainable. The learned Trial Court, consequently, granted liberty to the appellant to approach the National Company Law Tribunal (NCLT) for seeking relief(s) as sought in the said petition.

2. After some arguments, learned counsel for the appellant submits that instead of pressing the present appeal, the appellant would invoke arbitration and therefore, prays that it may be clarified that the impugned order will not come in the way of the appellant from invoking arbitration as per the arbitration clause contained in the contract entered into between the parties.
3. Learned counsel for the respondents, who appear on advance notice, have no objection to this limited request.
4. Further, taking into account that the appellant intends to invoke arbitration, learned counsel for the Resolution Professional of respondent no.1 assures the Court that since the Bank Guarantee is, in any event, valid till 31.03.2025, the said respondent, without prejudice to its rights and contentions, will not invoke the same till 19.01.2025.
5. In the light of the aforesaid, the appeal is dismissed as not pressed making it clear that the impugned order will not come in the way of the appellant invoking arbitration as per law. The aforesaid assurance given by respondent no.1 is taken on record, making it clear that the respondent no.1 will stand restrained from invoking the Bank Guarantee till 19.01.2025, whereafter, it will be open for the said respondent to take action in respect of the same as per law.
6. The appeal alongwith pending applications is, accordingly, dismissed



as not pressed.

REKHA PALLI, J

AJAY DIGPAUL, J

JANUARY 13, 2025

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