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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 5191/2026**

NKG INFRASTRUCTURE LIMITED

....Petitioner

Through: Mr. Manish Gupta, Ms. Ankit Gupta,
Ms. Payal Singh, Mr. Shaurya Aditya Singh, Ms.
Shipra Bhardwaj, Ms. Riya, Ms. Manaswee Gupta,
Advs.

versus

**STATE BANK OF INDIA THROUGH ITS ASST. GENERAL
MANAGER & ANR.**

.....Respondents

Through: Mr. Santosh Kumar Rout, SC, SBI
Mr. Digvijay Rai, SC, Mr. Archit Mishra, Mr.
Gagan Kochar, Sr. Manager (Law), Ms. Pragya
Bansal, (Law) JE, Ms. Kashish Singhal, JE (Law),
Advs. for R2

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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17.04.2026

1. This is a writ petition filed under Article 226 of the Constitution of India seeking the following prayers:-

“i. Issue an appropriate writ, order or direction quashing and setting aside the impugned demand letter dated 16.04.2026 issued by Respondent No. 2, seeking encashment of three Bank Guarantees of Rs. 1 Crore each (aggregating to Rs. 3 Crores) issued by Respondent No. 1 in favour of Respondent No. 2, and;

ii. Issue an appropriate writ, order or direction restraining Respondent No. 1 from acting upon, or giving effect to, the impugned demand letter dated 16.04.2026 and from encashing or paying out any amount under the aforesaid



Bank Guarantees to Respondent No. 2 during the pendency of the present proceedings, and;

iii. Issue an appropriate writ, order or direction restraining Respondent No. 2 from acting upon, or giving effect to, the impugned demand letter dated 16.04.2026 and from encashing or paying out any amount under the aforesaid Bank Guarantees to Respondent No. 2 during the pendency of the mediation proceedings, and;

iv. Issue an appropriate writ, order or direction directing Respondent No. 2 to act in accordance with the Final Completion Certificate dated 02.05.2025 and Clause 1 of the General Conditions of Contract, and to treat the performance guarantees as liable to be returned to the Petitioner without any levy of compensation or encashment, and;

v. Pending disposal of the present Writ Petition, grant an interim stay on operation and implementation of the impugned demand letter dated 16.04.2026 and restrain Respondent No. 1 from encashing or honouring any request for encashment of the Bank Guarantees in question ...”

2. For the reasons stated in the petition, issue notice.
3. Mr. Rout and Mr. Rai, learned standing counsels accept notice on behalf of the respondent Nos. 1 and 2 respectively.
4. In the present case, the petitioner is seeking setting aside of the impugned demand letter dated 16.04.2026 issued by the respondent No. 2, seeking encashment of three Bank Guarantees of Rs. 1 Crore each issued by



respondent No. 1 in favour of respondent No. 2.

5. Mr. Gupta states that the parties are undergoing mediation and it is the respondent No. 2 who has been seeking adjournment in the mediation proceeding and also the mediation was initiated at the behest of the respondent No. 2.

6. He further states that once the parties are undergoing mediation, the bank guarantees should not be encashed.

7. I have heard Mr. Gupta, learned counsel for the petitioner and Mr. Rai, learned standing counsel for the respondent No. 2 with regards to their respective contentions.

8. I am of the view that the bank guarantees were given pursuant to a contract executed between petitioner and respondent No. 2 being construction of combined operational offices for DGCA, BCAS, AAIB, AERA & AAI at Safdarjung Airport, New Delhi.

9. The contract provides a redressal mechanism under its Clause 25 for dispute resolution which is initiation of arbitration.

10. The petitioner has already filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996 (***“the Act”***) and all the reliefs sought in the present petition were available for the petitioner to seek under the said petition.

11. Even assuming for the sake of argument that the petitioner is aggrieved by the adjournments in mediation process, the petitioner could have filed another petition under Section 9 of the Act or could have filed an application seeking appropriate directions under the already instituted application under Section 9 of the Act.

12. Admittedly, till today, the petitioner has received no interim



protection in its favour.

13. For the said reasons, I am of the view that the present petition is misconceived as the petitioner is seeking adjudication of disputes arising out of a Contract which already provides a dispute resolution mechanism and cannot be adjudicated under writ jurisdiction of this Court.

14. The petitioner having invoked the said mechanism is barred from invoking the extra ordinary jurisdiction of this Court.

15. For the aforesaid reasons, the petition is dismissed and disposed of.

JASMEET SINGH, J

APRIL 17, 2026/AS