

**ORDER ON I.A.NO.II**

Heard arguments of learned counsel for plaintiff on I.A.No.II.

2. I.A.No.II is filed U/O.39 Rule 1 & 2 of CPC and U/Sec. 9 r/w Sec. 36(3) of the Arbitration and Conciliation Act, 1996 r/w Sec. 151 of CPC praying for grant of status-quo order pertaining to bank guarantee given by defendant to the plaintiff.

3. On perusal of records, it is noticed that there was contract between plaintiff and defendant pertaining to construction of underground drainages in Harihara Taluk. In that regard, dispute arose between them and the matter was referred to Arbitral Tribunal consisting of 3 Arbitrators and they have passed the award on 24-1-2020. Plaintiff has challenged the said award in the main suit.

4. In the affidavit annexed to I.A.No.II, the Commissioner, City Municipal Council, Harihara i.e., plaintiff

stated that defendant has issued 3 bank guarantees through HDFC Bank, Begumpet, Hyderabad totally amounting to Rs. 1,34,12,457/- and they would expire by 30-6-2020. Those bank guarantees were issued considering the pecuniary value of the project. If status-quo order is not passed, the defendant may withdraw the amount which involves public money and interest. Hence, prayed for allowing the annexed application.

5. On perusal of records, it is noticed that the plaintiff is not satisfied with the award passed by the Arbitral tribunal consisting of 3 Arbitrators. The tribunal passed the award directing the present plaintiff to pay Rs. 1,36,21,043/- to present defendant within 2 months by deducting only partial amount claimed by present plaintiff towards counter claim. It also speaks about return of bank guarantees. As the plaintiff challenged the entire award and as he had already challenged the constitution of Arbitral tribunal in earlier suit, this Court opines that if defendant is allowed to withdraw the bank guarantee, that would affect the plaintiff's claim and plaintiff's claim involves but public money, because the plaintiff is City Municipal Council, Harihara and he is doing his duties on behalf of and for the welfare of the whole community. Hence, if at all till

next date of hearing, status-quo order is granted, no hardship would be caused to the respondent. Hence, this Court proceeds to pass the following;

**ORDER**

Status-quo order is passed in respect of bank guarantees executed by defendant in favour of plaintiff pertaining to;

a) Bank guarantee bearing No. 021GT02123170005 dated 12-11-2012 for a sum of Rs. 93,45,634/- valid up to 30-6-2020.

b) Bank guarantee bearing No. 021GT02123170002 dated 12-11-2012 for a sum of Rs. 13,95,007/- valid up to 30-6-2020.

c) Bank guarantee bearing No. 021GT021130040003 dated 4-1-2013 for a sum of Rs. 26,71,816/- valid up to 30-6-2020.

Both parties are hereby directed not to withdraw or encash the above bank guarantees till next date of hearing.

Plaintiff shall comply with Order 39 Rule 3(a) of CPC.

Com A.S.6/2020

Issue summons, notice of I.A.NO.I to III and status-quo order to defendant through RPAD.

Defendant is hereby directed to appear only through his counsel and his personal presence is not required.

Call on 16-7-2020.

Prl.District & Sessions Judge,  
Davanagere.