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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Date of Decision: 01.07.2026+ **LPA 456/2026, CM APPLs. 39702/2026 & 39703/2026****CENTRAL TRANSMISSION UTILITY OF INDIA LTD**

.....Appellant

Through: Mr. S.B. Upadhyay, Sr. Adv. with
Ms. Amisha Upadhyay and Mr.
Sidharth Sharma, Advs.

versus

IDBI BANK LIMITED & ANR.

.....Respondents

Through: None.

CORAM:**HON'BLE THE CHIEF JUSTICE****HON'BLE MR. JUSTICE TEJAS KARIA****TEJAS KARIA, J. (Oral)****CM APPLs. 39702/2026 & 39703/2026 (Exemptions)**

1. Exemption is allowed, subject to all just exceptions.
2. The Applications stand disposed of.

CM APPL. 39701/2026 (Condonation of Delay)

3. The present Application has been filed under Section 5 of the Limitation Act, 1963 seeking condonation of delay in filing the present Appeal.
4. For the reasons stated in the Application, the same is allowed. Accordingly, the delay of 30 days in filing the present Appeal is condoned.
5. The Application stands disposed of.

**LPA 456/2026**

6. The present *intra-court* Appeal has been filed assailing the Order dated 19.03.2026 (“**Impugned Order**”) passed by the learned Single Judge in W.P.(C) No. 9305/2024 (“**Writ Petition**”), wherein the Appellant prayed for issuance of direction to Respondent No. 1 to release an amount of ₹8.7 crores to the Appellant under the bank guarantee dated 26.05.2016 bearing No. 1601331BGP00255 (“**Bank Guarantee**”). By way of the Impugned Order, the Writ Petition was disposed of with liberty to the Appellant to file a suit in accordance with law.

7. The brief facts of the case leading to the filing of the present Appeal are as under:

7.1. The Appellant, *Central Transmission Utility of India Limited*, and Respondent No. 2, *Lanco Vidarbha Thermal Power Limited*, entered into a Transmission Agreement dated 31.03.2016 (“**Transmission Agreement**”), whereby connectivity and a dedicated transmission system were to be provided for evacuation of power from the proposed generating station at Warora, Maharashtra, to the inter-State transmission system.

7.2. Pursuant to the Transmission Agreement, Respondent No. 2 furnished 22 bank guarantees in favour of the Appellant, aggregating to ₹66 crores. The Appellant invoked 11 bank guarantees amounting to approximately ₹32 crores, including the Bank Guarantee of ₹8.7 crores, *vide* letter dated 17.12.2020 (“**Invocation Letter**”).



- 7.3. Thereafter, the Appellant, by letter dated 12.01.2024, called upon Respondent No. 1 to remit the full guaranteed sum in terms of the Invocation Letter. Respondent No. 1, however, by letter dated 05.02.2024, declined the said request on the ground that the Bank Guarantee had not been invoked within the stipulated timelines.
- 7.4. Subsequently, by letter dated 12.02.2024, the Appellant once again called upon Respondent No. 1 to release the amount in terms of the Invocation Letter. Respondent No. 1, by letter dated 16.02.2024, reiterated its refusal, asserting that the Appellant had neither invoked the Bank Guarantee within the prescribed period nor requested extension thereof.
- 7.5. The Appellant asserts that the validity of the Invocation Letter issued by it had been upheld by both the National Company Law Tribunal (“NCLT”) and the National Company Law Appellate Tribunal (“NCLAT”). Despite the same, Respondent No. 1 failed to honour the Bank Guarantee issued in favour of the Appellant.
- 7.6. Consequently, the Appellant instituted the Writ Petition before this Court, which came to be disposed of by the Impugned Order, granting liberty to the Appellant to institute appropriate civil proceedings in accordance with law. Aggrieved thereby, the present Appeal has been preferred before this Court.
8. Learned Senior Counsel for the Appellant submitted that the Impugned Order does not proceed on the premise that Respondent No. 1 is wholly beyond the reach of writ jurisdiction. Rather, the learned Single



Judge declined to exercise writ jurisdiction on the ground that the controversy pertained to a private contractual dispute arising from the terms of the Bank Guarantee and the correspondence exchanged between the Parties, which required adjudication in civil proceedings.

9. Learned Senior Counsel for the Appellant further submitted that Respondent No. 1, while issuing and honouring bank guarantees, functions within a comprehensive statutory and regulatory framework. It was contended on behalf of the Appellant that the obligation sought to be enforced is, therefore, not merely contractual in nature, but relates to the discharge of obligations cast upon regulated banking institutions by binding regulatory norms, thereby rendering the present controversy amenable to judicial review under Article 226 of the Constitution of India, 1950 (“**Constitution**”).

10. It was further submitted by learned Senior Counsel for the Appellant that the Impugned Order fails to take into consideration the fact that the validity of the Invocation Letter issued by the Appellant had been upheld by the NCLT as well as the NCLAT.

11. Learned Senior Counsel for the Appellant also submitted that the letter dated 12.01.2024 addressed by the Appellant to Respondent No. 1 did not constitute a fresh invocation of the Bank Guarantee. It was further contended that, in the case of an unconditional bank guarantee, the issuing bank is ordinarily bound to honour a valid invocation thereof.

12. We have heard learned Senior Counsel for the Appellant and perused the material placed on record.



13. The principal issue which arises for consideration is whether the learned Single Judge erred in declining to entertain the Writ Petition on the ground that the issues raised therein involved disputed questions of fact and necessitated a detailed examination of evidence and contractual terms in appropriate civil proceedings.

14. In this respect, the Impugned Order refers to this Court's decision in **IDBI Bank Ltd. v. Power Finance Corpn. Ltd.**, 2023 SCC OnLine Del 2909, wherein it was observed that disputes concerning the interpretation of the terms of a bank guarantee, or the validity of its invocation and whether the demanded amount is payable upon such invocation of the bank guarantee, fall within the domain of civil proceedings and ought not to be agitated in the writ jurisdiction under Article 226 of the Constitution.

15. Accordingly, the Impugned Order holds that the controversy in the Writ Petition arose from the invocation of the Bank Guarantee and the adjudication of the relief sought in the Writ Petition would necessarily require interpretation of the terms of the Bank Guarantee, which constituted an independent contract governing the rights and obligations of the Parties. Accordingly, the learned Single Judge declined to entertain the Writ Petition while granting liberty to the Appellant to file a suit in accordance with law.

16. In light of the decision in **IDBI Bank Ltd. (supra)**, it stands well settled that disputes pertaining to the construction of the terms of a bank guarantee, the legality of its invocation, and the entitlement to the amount claimed thereunder, involve disputed questions of fact and are appropriately triable in civil proceedings. Such disputes, therefore, do not warrant adjudication in writ jurisdiction.



17. Accordingly, we are of the view that the learned Single Judge rightly observed that the issues raised in the Writ Petition were not pure questions of law, but were inextricably intertwined with disputed questions of fact requiring examination of evidence, correspondence exchanged between the parties, and the contractual terms governing the Bank Guarantee and its invocation by the Appellant.

18. Although the jurisdiction of this Court under Article 226 of the Constitution is undoubtedly wide, the same is ordinarily not exercised for adjudication of contractual disputes which involve a detailed factual inquiry and appreciation of evidence. The Appellant's endeavour to characterise the present dispute as one involving statutory and regulatory obligations of Respondent No. 1 was rightly not accepted by the learned Single Judge, who held that the dispute remained essentially contractual and private in nature and could not be treated as a public law dispute.

19. It is equally well settled that where an aggrieved party has an alternative and efficacious remedy available in law, the extraordinary writ jurisdiction of this Court ought not to be invoked. Since the issues raised in the Writ Petition require a detailed examination of evidence and interpretation of contractual terms, the appropriate remedy for the Appellant lies in instituting civil proceedings before a Court of competent jurisdiction. The Impugned Order, therefore, rightly granted liberty to the Appellant to avail such remedy in accordance with law.



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20. In view of the above, we concur with the findings recorded in the Impugned Order and find no ground warranting interference therewith. Consequently, the present Appeal, along with pending Applications, is dismissed. There shall be no order as to costs.

TEJAS KARIA, J

DEVENDRA KUMAR UPADHYAYA, CJ

JULY 01, 2026/ St