

IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CARBC No. 126 of 2025
Date of Decision: 24.12.2025

Prozeal Green Energy Ltd.

.....Petitioner

Versus

The HPPCL

.....Respondent

Coram

Hon'ble Mr. Justice Sandeep Sharma, Judge.
Whether approved for reporting?

For the Petitioner: Mr. R.K. Gautam, Senior Advocate with Ms. Radhika Gautam, Mr. Sahil Dixit and Mr. J. R. Sharma, Advocates.

For the respondents: Mr. Vinay Kuthiala, Senior Advocate with Mr. Hamender Singh Chandel, Advocate.

Sandeep Sharma, J.

By way of instant petition filed under Section 9 of the Arbitration and Conciliation Act, 1996, petitioner has prayed for following directions:

(a) Pass ex parte ad interim order restraining the Respondents from disbursing the amount encashed by the respondent by invoking the two Performance Bank Guarantees having HDFC Bank BG No. 006GT02231780009 of Rs.11,01,23,599.95 amount and ICICI Bank BG No.0024NDLG00102524 of Rs.11,01,23,599.95 amount during the pendency of the present petition.

(b) Pass ex parte ad interim order staying the implementation of the Termination Letter dated 18.08.2025 (received by Petitioner only on 19.8.2025 by an email) Annexure P-24 till the matter is

finally adjudicated by the competent authority including Ld. Arbitrator.

(c) Pass ex parte ad interim order restraining the respondent from taking further steps pursuant to the Termination Letter dated 18.08.2025 (received by Petitioner only on 19.8.2025 by an email).”

2. During proceedings of the case, this court at the first instance, made an endeavour for amicable settlement inter-se parties and as such, on the joint request of learned Senior Counsel for the parties, vide order dated 5.9.2025 appointed Mr. Justice A.K. Goel (Retd.) to act as Presiding Conciliator. Besides above, this court also appointed Mr. N.K. Sood, Senior Advocate and Mr. Raj Kumar, Sharma, Senior AGM (Retd.) as Conciliators.

3. It is heartening to note that parties to the lis have been able to resolve their dispute through conciliation.

4. Today, during proceedings of the case, Reader of this court has placed on record communication dated 13.12.2025, received by the Registrar General of this Court issued under the signature of Presiding Conciliator and above two Conciliators, enclosing therewith copies of agreements dated 13.12.2025, which are taken on record. Perusal of aforesaid agreements, clearly reveals that parties have decided to resolve their dispute amicably in terms of terms and conditions contained in the agreement.

5. At this stage, it would be apt to take note of Clause 45-3 of the contract agreement executed inter-se parties, which reads as under:

“45.3 Settlement Agreement

If the parties reach agreement on a settlement of the dispute and the parties sign a written settlement agreement, authenticated by the Conciliator, then the settlement agreement shall be final and binding on the parties and persons claiming under them respectively. The settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral Tribunal under Indian Arbitration and Conciliation Act 1996 as amended from time to time. If the parties do not reach agreement on a settlement of the disputes, then either party may give a 28 days' notice to the other Party of its dissatisfaction and intention to commence arbitration.”

6. Careful perusal of aforesaid provision contained in the agreement suggests that if parties reach agreement on a settlement of the dispute and the parties sign a written settlement agreement, authenticated by the Conciliator, then the settlement agreement shall be final and binding on the parties and persons claiming under them respectively. Most importantly, it has been provided in the aforesaid provision that settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral Tribunal under Indian Arbitration and Conciliation Act 1996 as amended from time to time.

7. Since parties have resolved to settle their dispute amicably through Conciliators as has been detailed herein above, settlement agreement dated 13.12.2025, placed on record shall be considered as arbitral award in terms of clause 45.3 of contract agreement and both the parties shall abide by the same.

8. Consequently, in view of the above, nothing remains to be adjudicated in the instant proceedings and accordingly, presnet petition is disposed of. However, before parting this court wishes to place on record word of appreciation for sincere efforts put in by the afore Conciliators.

December 24, 2025
(manjit)

(Sandeep Sharma),
Judge