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

\+ O.M.P.(I) (COMM.) 92/2026 & I.A. 6232/2026

SEPC LIMITED EARLIER KNOWN AS SHIRARM EPC LIMITED INDIA .....Petitioner

Through: Ms. Pooja Mehra Saigal, Sr.Adv. with Mr. Mohit Negi and Mr. Nivesh Dixit, Advs.
Mob: 9179085553
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versus

STEEL AUTHORITY OF INDIA LIMITED & ANR. .....Respondents

Through: Mr. Syed Jafar Alam, Mr. Akshay Bhatia and Mr. Rushan Salim Suri, Advs. for R-1
Mob: 9818366389
Email: akshay.bhatia@trilegal.com
Mr. Siddharth Sangal, Ms. Richa Mishra, Ms. Mrinalini Tandon and Ms. Kashish Tewada, Advs.
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CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER

% **12.03.2026**

1. The present petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), on behalf of the petitioner. The petition has been filed at the post-award stage challenging the actions of respondent no. 1, i.e., Steel Authority of India Limited, whereby, the

respondent no. 1 has invoked the Performance Bank Guarantee of Rs. 5,40,00,000/- (Rupees Five Crores Forty Lacs Only) furnished by the petitioner, in favour of the respondent no. 1, in connection with the Contract Agreement dated 11th May, 2010, for installation of a Medium Structural Mill at the *Durgapur Steel Plant, Durgapur, West Bengal, India*.

2. Learned Senior Counsel appearing for the petitioner has drawn the attention of this Court to the Arbitral Award dated 20th February, 2026, wherein, the respondent no. 1 is the Steel Authority of India, and respondent no. 3 is Shriram EPC Limited India, i.e., the petitioner herein.

3. Learned Senior Counsel appearing for the petitioner has brought the attention of this Court to the relevant paragraphs from the said Award, which are reproduced as under:

> *"xxx xxx xxx*
>
> 803. In light of the foregoing considerations and determinations, and following our review of all submissions, the evidence, and the relevant legal principles, and for all the reasons set out in full above, the Tribunal hereby ADJUDGES, DECLARES, AWARDS and ORDERS as follows:
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> *xxx xxx xxx*
>
> h. In respect of Respondent 3's claim under the price-adjustment mechanism:
>
> i. Respondent 3's claim under the price-adjustment mechansims in respect of the time period from the base date of 19 September 2008 until the contractually agreed scheduled completion period for the respective items of work is upheld;
>
> *xxx xxx xxx*
>
> iii. Respondent 1 is to pay damages to Respondent 3 of INR 100,915,580.
>
> *xxx xxx xxx*
>
> k. In respect of the Performance Bank Guarantees, within 14 days of this Award:
>
> *xxx xxx xxx*

iii. Respondent 1 is to release and return to Respondent 3 the Performance Performance Bank Guarantee provided by Respondent 3 (for INR 54 million, bearing No. 0734 716BG 1000024 issued on 3 March 2016 by State Bank of India, Commercial Branch, Chennai) and any extensions thereto.

xxx xxx xxx

vi. Respondent 1 is to pay Respondent 3 INR 15,93,178 in respect of the costs of extension of the Performance Bank Guarantees.

vii. Respondent 1 is to pay Respondent 3 simple interest at 15% per annum on:

1. INR 796,589, from 22 February 2024 until date of payment; and
2. on INR 796,589, from 21 February 2025 until date of payment.

xxx xxx xxx

m. Respondent 1 is to pay Respondent 3 the sum of INR 834,000 in respect of Respondent 3's legal costs and expenses. If such amount is not paid by 23 March 2026, Respondent 1 to pay Respondent 3 simple interest at 15% per annum on INR 834,000 or such amount as remains outstanding, until date of payment in full.

xxx xxx xxx

n. Insofar as concerns costs of the arbitration as fixed by the ICC:

xxx xxx xxx

ii. To give effect to this decision, the Tribunal orders Respondent 3 to pay:

xxx xxx xxx

2. to Respondent 1 the sum of US$71 470.

xxx xxx xxx"

4. By referring to the aforesaid Award, learned Senior Counsel appearing for the petitioner submits that as per the Award, the respondent no. 1 herein was to return the Performance Bank Guarantee to the petitioner herein.

5. She further submits that in *lieu* of the Award, the amount payable to the petitioner is approximately to the tune of Rs. 10,00,00,000/- (Rupees Ten

Crores), plus interest, along with return of the Performance Bank Guarantee to the petitioner by respondent no. 1.

6. She further submits that the only liability saddled upon the petitioner as per the Award is approximately Rs. 70,00,000 /- (Rupees Seventy Lacs Only), which is payable by the petitioner to respondent no. 1 as costs of the arbitration.

7. She, thus, submits that the amount payable by the petitioner to respondent no. 1, is much less than the amount which is payable by respondent no. 1 to the petitioner, and therefore, the said amounts could have been set off.

8. She draws the attention of this Court to the letter dated 24th February, 2026, written by the petitioner to respondent no. 1, as well as the letter dated 24th February, 2026, written to the State Bank of India ("SBI"), wherein, the petitioner had clearly informed the SBI that as per the Award dated 20th February, 2026, the Performance Bank Guarantee in question is to be returned to the petitioner. Further, the petitioner requested the SBI to not proceed with any further extension of the Performance Bank Guarantee in question.

9. She submits that despite the letters written by the petitioner, the petitioner was subsequently informed by an E-mail dated 10th March, 2026 that the money had already been released to respondent no. 1.

10. She, thus, submits that the amount of Performance Bank Guarantee, i.e., Rs. 5,40,00,000/- (Rupees Five Crores Forty Lacs Only) has been unlawfully encashed by respondent no. 1, and consequently seeks that the said money ought to be returned to the petitioner.

11. *Per contra*, learned counsel appearing for respondent no. 1, i.e., Steel

Authority of India submits that there are certain rights which have accrued in favour of respondent no. 1. He submits that the petitioner was required to keep the Performance Bank Guarantee alive, since the said Performance Bank Guarantee was to remain valid only till 28th February, 2026.

12. He further submits that the Award was passed on 20th February, 2026, and was notified only on 24th February, 2026. Therefore, the respondent no. 1 has the statutory right to file objections under Section 34 of the Arbitration Act, within a period of ninety (90) days. He, thus, submits that the petitioner was required to keep the Performance Bank Guarantee in question alive.

13. In response, learned Senior Counsel appearing for the petitioner submits that merely because the respondent no. 1 has a statutory right under Section 34 of the Arbitration Act to file objections against the Award, the same is no ground for encashing the Performance Bank Guarantee in question.

14. Having heard learned counsels for the parties, on a pointed query by this Court, learned counsel appearing for respondent no. 1 submits that they shall be filing a petition under Section 34 of the Arbitration Act against the Award in question, within the statutory period.

15. Keeping in view the directions in the Award, it is clear that as per the Award, the respondent no. 1 had to return the Performance Bank Guarantee to the petitioner.

16. At the same time, this Court takes note of the submission made on behalf of respondent no. 1 that their interest also has to be secured.

17. Considering the fact that as per the Award, the Performance Bank Guarantee was required to be returned to the petitioner by respondent no. 1, as an interim measure, it is directed that the amount of Rs. 5,40,00,000/-

(Rupees Five Crores Forty Lacs Only), as encashed towards the Performance Bank Guarantee, shall be deposited by respondent no. 1 with this Court.

18. At request of learned counsel appearing for respondent no. 1, let the needful be done, within a period of six (06) weeks, from today.

19. Upon deposit of the said amount with the Registrar General of this Court by respondent no. 1, the said amount shall be kept in an interest bearing account.

20. Directions with regard to release of the said amount shall be subject to any further directions by this Court, in appropriate proceedings.

21. With the aforesaid directions, the present petition, along with the pending application, is accordingly disposed of.

MINI PUSHKARNA, J

MARCH 12, 2026/SK