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

+ **OMP (ENF.) (COMM.) 266/2025**

ERA INFRA ENGINEERING LIMITED

.....Decree Holder

Through: Ms. Suvangna Agarwal, Ms. Mrinal
Dave & Mr. Rishabh Bafna, Advs.

versus

BHARAT HEAVY ELECTRICALS LIMITEDJudgement Debtor

Through: Mr. Aditya Verma & Ms. Parkhi Rai,
Advs.

CORAM:

HON'BLE MR. JUSTICE AVNEESH JHINGAN

ORDER

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24.03.2026

EX.APPL.(OS) 394/2026

1. This is a joint application on behalf of the decree holder and the judgement debtor for disposal of the petition in terms of settlement agreement dated 13.03.2026.

2. The settlement agreement is taken on record.

3. The terms of the settlement agreement are reproduced below:

“1. Settlement Amount

1.1 The Parties agree that PROCURING ENTITY/BHEL shall pay to CONTRACTOR/EIEL a total settlement amount of Rs. 15.23 Crores (Rupees fifteen Crores and twenty-three lakhs only) in full and final settlement of all claims arising out of the above arbitral award.

1.2 PROCURING ENTITY/BHEL shall return to CONTRACTOR/EIEL the live Bank Guarantee amounting to



Rs. 2.31 Crores pertaining to the North Chennai project, upon execution of this Agreement and completion of settlement formalities.

The above amount shall be treated as full and final settlement of all claims, interest, costs, and any other monetary claims arising out of the said arbitral award and related disputes.

2. Withdrawal of Court Proceedings

2.1 Upon execution of this Agreement, the Parties shall take necessary steps before the respective courts for disposal/withdrawal/closure of the following proceedings:

- Arb. OP (Com. Div) No. 255 of 2021- Madras High Court (BHEL Vs EIEL)
- Arb. OP (Com. Div) No. 432 of 2023- Madras High Court (BHEL Vs EIEL)
- OMP (ENF.) (COMM) No. 266/2025- Delhi High Court (EIEL Vs BHEL)

2.2 The Parties shall cooperate in filing appropriate memo of compromise in terms of the settlement/withdrawal applications/petitions before the respective courts for recording settlement within seven (7) days from the date of signing of Settlement Agreement.

2.3 Upon filing of the settlement agreement before respective Hon'ble High Courts in section 34 & 36 cases & recording the settlement. The said disposal order/web copy of order of the court in terms of the settlement shall be treated as final order for disbursement of the settlement amount within the time lines agreed by both the parties.

3. Payment Terms

3.1 PROCURING ENTITY/BHEL shall pay the settlement amount of Rs. 15.23 Crores (Rupees Fifteen Crores and Twenty-Three Lakhs only) to CONTRACTOR/EIEL within fifteen (15) days of receipt of the web copy of disposal order passed by the Hon'ble High Courts or on or before 15.04.2026



whichever is later.

3.2 PROCURING ENTITY/BHEL shall return to CONTRACTOR/EIEL the live Bank Guarantee amounting to Rs. 2.31 Crores pertaining to the North Chennai project, upon execution of this Agreement and completion of settlement formalities.

3.3 The payment shall be made through bank transfer/ RTGS to the bank account designated by CONTRACTOR/EIEL. The details of the bank account attached as **Annexure-1**.

3.4 Upon receipt of the settlement amount, CONTRACTOR/EIEL shall issue an acknowledgment confirming that the payment constitutes full and final satisfaction of the arbitral award and related claims.

4. Full and Final Settlement

4.1 Upon receipt of the settlement amount CONTRACTOR/EIEL agrees that:

- All claims arising out of the said contract and arbitration proceedings stand fully and finally settled.
- No further claims, demands, or proceedings shall be initiated against PROCURING ENTITY/BHEL in respect of the above matter.

4.2 The Parties mutually release and discharge each other from all liabilities, claims, and disputes related to the said contract and arbitral proceedings.

5. The settlement amount agreed between the parties is inclusive of all applicable taxes, duties, levies, or statutory charges of any nature whatsoever (If applicable on EIEL), and PROCURING ENTITY/BHEL shall not deduct or withhold any amount from the settlement amount. In the event that any statutory payment becomes payable under the prevailing tax



laws, the same shall be borne and paid by M/s. EIEL, if applicable on EIEL.

6. Both parties hereby agree that all differences arisen out of the disputes mentioned hereinabove now stand resolved and fully settled upon payment of the settlement amount and no dispute of any nature whatsoever shall survive. Accordingly, the PROCURING ENTITY and the CONTRACTOR agree that they shall neither raise any further dispute nor they shall initiate any proceedings, legal or otherwise against each other with reference to the aforesaid dispute.

7. This Settlement Agreement shall continue perpetually and shall be binding upon the parties, their successors and assignees.

8. This Settlement Agreement constitutes the entire agreement and supersedes all prior understandings and writings between PROCURING ENTITY and CONTRACTOR hereto concerning the disputes and/or subject matter of this Settlement Agreement.

9. The PROCURING ENTITY and CONTRACTOR hereby agree and undertake they shall keep confidential all matter relating to the proceedings. They also agree that the confidentiality shall extend also to the Settlement Agreement, except where its disclosure is necessary for purposes of implementation and enforcement.

10. The two identical counterparts of the Settlement Agreement are hereby executed by and between the PROCURING ENTITY and CONTRACTOR through their authorised signatories and with understanding that each shall be deemed original for all purposes.

11. Each of the persons signing this settlement agreement is fully authorized to do so, has fully understood the contents of the same and is signing on the same out of complete free will and consent, without any pressure and undue influence.



12. The parties shall file a joint Memo/ Memo of Compromise, containing the terms set out herein above, before the Hon'ble Madras High Court in the pending Sec. 34 Petitions and have the Petitions disposed of in terms of the settlement/compromise.”

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4. Learned counsel for the decree holder seeks permission to withdraw the petition in terms of the settlement.
5. The petition is dismissed as withdrawn.
6. The next date of hearing stands cancelled.

AVNEESH JHINGAN, J

MARCH 24, 2026

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