

**M/s Mayanagri Himachal Pradesh Limited v. State of Himachal Pradesh****CARBC No. 9 of 2026**

12.3.2026 Present: Mr. Anuj Gupta, Mr. Rohit Sharma, Shiva Katoch and Surjeet Kumar, Advocates, for the petitioner.
Mr. Sanjay Dutt Vasudeva, Deputy Advocate General, for the respondent.

Notice. Mr. Sanjay Dutt Vasudeva, learned Deputy Advocate General, appears and waives service of notice on behalf of the respondent. He prays for and is granted four weeks' time to file reply.

2 Petitioner herein participated as consortium in the bidding process conducted by Himachal Pradesh Infrastructure Development Board in respect of up-gradation, operation and maintenance of Hotel-cum-cultural Centre at Badagran, Manali, District Kullu, Himachal Pradesh and ultimately, it being lowest bidder came to be awarded contract in respect of afore work. Concession Agreement was signed by Director, Tourism and Civil Aviation and petitioner-M/s Mayanagri Himachal Private Limited i.e. Special Purpose Utility established by bidder for implementation of the subject cited above.

3 Since petitioner herein was unable to complete the work within the specified time, Department issued show cause notice dated 31.7.2025 (Annexure P-4), thereby calling upon the petitioner to explain that why action be not taken against it in terms of clause 2.7.4 of Request for Proposal (RFP) document. Though petitioner herein filed detailed reply to the show cause notice (Annexure P-5), but till date, no further order has been passed by the respondent.



4 Since pursuant to issuance of show cause notice, petitioner herein is under apprehension that bank guarantee of Rs. 1.00 crore, furnished at the time of execution of contract agreement, may be invoked, it has approached this court in the instant proceedings filed under Section 9 of the Arbitration and Conciliation Act (in short the “Act”), for interim relief.

5 Though petitioner herein has already invoked arbitration clause and has approached this court by way of petition under Section 11 of the Act, for appointment of Arbitrator, but since same is pending and in terms of clause-28.4 of the Concession Agreement, it is still continuing to work on the spot, it has approached this Court in the instant proceedings for passing interim order to the effect that till the time dispute is resolved by the Arbitrator appointed in terms of Concession Agreement, respondent shall not invoke the bank guarantee as detailed herein above.

6 Though having carefully perused Show Cause Notice dated 31.7.2025 (Annexure P-4), this court is persuaded to agree with learned Deputy Advocate General that petitioner has approached this Court merely on apprehension because no order till date has been passed with regard to invocation of bank guarantee, but having taken note of the fact that petitioner has already instituted proceedings under Section 11 of the Act for appointment of Arbitrator, coupled with the fact that it has also filed reply to the show cause notice, but till date, no further order has been passed, this Court is persuaded to agree with learned counsel for the petitioner that in the event



2026:HHC:13266

of invocation of bank guarantee of Rs.1.00 crore, great prejudice shall be caused to the petitioner, which otherwise in terms of Concession Agreement has already invoked arbitration clause.

7 True it is that final order pursuant to reply filed by the petitioner to show cause notice is yet to be passed, but once final order is passed, thereby ordering invocation of bank guarantee, petitioner herein would be left in lurch and as such, pending reply, prayer for interim made in the instant petition deserves to be allowed.

8 Accordingly, in interim, it is ordered that till further orders, respondents are restrained from invoking, encashing or otherwise dealing with the performance Bank Guarantee bearing No. PBG100702200130 dated 02.03.2022 for a sum of Rs. 1,00,00,000/- furnished by the petitioner in terms of Concession Agreement dated 29.3.2022.

March 12, 2026
manjit

(Sandeep Sharma),
Judge