

**DUGAR HYDRO POWER LTD Versus STATE
OF HP WITH CONNECTED MATTER**

EX.P-34 of 2020 & CARBC-4 of 2020

18.06.2025 Present: **EX.P-34 of 2020** Mr. Jaffar Alam, Advocate, (through video conferencing) and Mr. Janesh Gupta, Advocate, for the Decree Holder.

Mr. Anup Rattan, Advocate General, with Mr. Rajan Kahol and Mr. B.C. Verma, Additional Advocates General, with Mr. Ravi Chauhan, Deputy Advocate General, for Judgment Debtor.

CARBC-4 of 2020

Mr. Vinay Kuthiala, Senior Advocate, with Mr. Diwan Singh Negi, Advocate, for the petitioner.

Mr. Jaffar Alam, Advocate, (through video conferencing) and Mr. Janesh Gupta, Advocate, for the respondent.

EX.P-34 of 2020 & CARBC-4 of 2020

Since pleadings are complete and parties are duly represented, let both the cases be listed for hearing on 14.07.2025 at 2:00 p.m.

CARAP-7 of 2023 in CARBC-4 of 2020

2. By way of instant application, prayer has been made on behalf of applicant/respondent for release of award amount, lying deposited with the Registry of this Court.

3. By way of reply to the application, prayer made on behalf of applicant/respondent has been opposed on the ground that in the event of appeal being allowed, it

may be difficult for non-applicant/petitioner to recover the amount.

4. Having taken note of the fact that commercial arbitration case is pending adjudication for almost four years, coupled with the fact that award stands passed in favour of applicant/respondent, this Court vide order dated 25.04.2025 specifically called upon learned Additional Advocate General to have instructions ***“whether prayer made on behalf of the Decree Holder for release of award amount can be allowed, subject to furnishing bank guarantees?”***

5. Pursuant to afore direction, learned Additional Advocate General has placed on record communication dated 17.06.2025, issued under the signatures of Chief Engineer (Energy), Director of Energy, Government of Himachal Pradesh, wherein similar plea, as has been taken in the reply, has been again taken.

6. Since applicant/respondent is ready and willing to furnish Bank guarantee qua the amount, if any, ordered to be released, this Court is not persuaded to agree with Mr. Rajan Kahol, learned Additional Advocate General, that in the event of appeal being allowed, it may be difficult for non-applicant/petitioner to recover the amount. Needless to say, Bank guarantee, if any, furnished pursuant to orders passed by this Court, is as good as money and it can only be

encashed with the orders of the Court. Moreover, this Court cannot lose sight of the fact that applicant/respondent is into the business of construction of hydro-power projects and it may be in the need of money, either for construction purposes or repayment of loans, if any, availed from the financial institutions.

7. Consequently, in view of the above, present application is allowed and Registry is directed to release 50% of the award amount in favour of applicant-respondent, subject to its furnishing Bank guarantee to the satisfaction of learned Registrar General of this Court. Needless to say, till the time, Bank guarantee proposed to be furnished by applicant/respondent in terms of instant order is not accepted by learned Registrar General, amount shall not be released and remaining amount shall be kept in FDR, till further orders.

Application stands disposed of in afore terms.

June 18, 2025

(Rajeev Raturi)

**(Sandeep Sharma),
Judge**