



2026:DHC:6068



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**+ O.M.P.(I) (COMM.) 204/2025
BHUTAN VENTURES FERRO
ALLOYS PVT. LTD.

.....Petitioner

Through: Ms. Malvika Kapila Kalra, Ms.
Ilarbani Shinh, Mr. Kanishk
Sachdeva and Ms. Apoorva
Jain, Advs.

versus

SHYAM EPC PVT. LTD

.....Respondent

Through: None.

CORAM:**HON'BLE MR. JUSTICE OM PRAKASH SHUKLA****ORDER (ORAL)**

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29.07.2026

1. The present petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996¹ seeking interim measures pending constitution of the Arbitral Tribunal.

2. Learned Counsel for the Petitioner has informed that Section 11 petition is pending before the Hon'ble Supreme Court and is listed on 31.07.2026.

3. Learned Counsel for the Petitioner submits that the Petitioner entered into three Engineering, Procurement and Construction (EPC) Contracts with the Respondent for the design, engineering, procurement, supply, construction, testing and commissioning of a 2 × 33 MVA Ferro Silicon Plant at Jigmeling Industrial Park, Gelephu, Bhutan. It is submitted that, pursuant to the said contracts, the Petitioner released an aggregate sum of Rs.38.61 crores to the

¹ "the Act" hereinafter



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Respondent towards the first tranche of contractual advances.

4. It is Petitioner's case that despite receipt of the aforesaid amount, the Respondent failed to perform its contractual obligations. It is submitted that no supplies are made under the supply contract, no work is executed under the erection contract and only limited civil works are undertaking. The Petitioner further submits that despite repeated requests the Respondent fails to furnish particulars regarding equalisation of the advances, sub-contract agreements, invoices, ledger extracts and other financial records, thereby giving rise to an apprehension that the funds disbursed by the Petitioner had been mis-utilized or diverted.

5. The Petitioner further submits that the contract stands terminated and arbitration also stands invoked.

6. Notice was issued in the present petition. Since the Respondent could not be served through the ordinary mode, this Court directed substituted service by way of publication. Pursuant thereto, publication has been duly affected. In addition, the Respondent was also served through e-mail. The e-mail sent to the Respondent has not been returned undelivered or bounced back. Despite sufficient opportunity, none has entered appearance on behalf of the Respondent and no reply has been filed. This Court is satisfied that the Respondent stands duly served. Accordingly, the Respondent is proceeded *ex parte*.



7. The Petitioner seeks following reliefs:

“a. Direct the Respondent to deposit an amount of Rs. 32, 21, 85,000/- being the 15% advance given under the “Supply of Equipment and Materials” contract under which no materials have been supplied;

b. Direct the Respondent to deposit an amount of Rs. 4,26,90,000/- being the 15% advance given under the “Erection, Installation, Testing and Commissioning” contract under which no works have been done;”

c. Direct the Respondent to disclose a complete and verifiable break-up of utilization of the amount of 2,12, 25,000/- (Two Crores Twelve Lakhs and Twenty Five Thousand) disbursed by the Petitioner under the Subject Contract for Civil Construction, along with supporting documents, including but not limited to:

(i) All sub-contractor agreements entered into between the Respondent and the sub-contractors for the execution of the Project works, including any addendums or amendments thereto;

(ii) All invoices and payment receipts pertaining to the Subject Contract for Civil Construction as well as sub-contracts entered into between the Respondent and various vendors;

(iii) Ledger extracts pertaining to the Project under the subject EPC

Contracts as well as the various sub-contractor agreements;

(iv) Bank statements with respect to utilization and disbursal of funds received for the execution of Project Works; and

(v) Purchase orders / Invoices alongwith documents confirming delivery of equipment / material under the subject Contract for Civil Construction as well as the various sub-contractor agreements.

ci. Direct the Respondent to provide a solvent security in the form of bank guarantee or unencumbered immovable assets equivalent to the value of the unutilized funds till the time the arbitral tribunal enters into reference and adjudicates upon the disputes between the Parties;

cii. Pass an order of injunction restraining the Respondent, its directors, employees, agents, and any person claiming through or



under it, from transferring, alienating, disposing of, or in any manner dealing with or dissipating any assets funded through the Petitioner's disbursed payments, creating any encumbrance on any movable or immovable properties acquired through the said funds and undertaking any further contractual obligations in relation to the Project that may prejudice the Petitioner's claim;

f. Appoint a Receiver / Independent Chartered Accountant to inspect, secure and take the physical possession of the financial records pertaining to the Project which are in the power, possession, custody and control of the Respondent and carry out a forensic audit of the books of accounts of Respondent to ascertain the actual utilization of funds disbursed by the Petitioner;

g. Direct the Respondent to forthwith return all physical and digital records, documentation, and design material concerning the Project to the Petitioner, including but not limited to Engineering drawings and structural layouts, Project schedules, Load data and performance specifications and Correspondence with vendors and third parties;

h. Direct the Respondent to preserve the documents sought in prayers (c), (e) & (g) during the pendency of the present Petition and until the arbitral tribunal enters into reference and adjudicates upon the disputes between the Parties;

i. Grant ex parte ad interim reliefs in terms of prayers (a) to (g) above; and

j. Pass any other order(s), which this Hon'ble Court may deem fit and proper in the facts and circumstances of the case, in favour of the Petitioner and against the Respondents."

8. *Prime facie* the material placed on record indicates that the Petitioner has released substantial contractual advances to the Respondent under the subject EPC Contracts. It is further the Petitioner's case that, despite repeated requests, the Respondent has neither furnished a satisfactory account of the utilisation of the said amounts nor disclosed the relevant supporting documents, including sub-contract agreements, invoices, ledger extracts and other financial records.



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9. Having regard to the material placed on record, this Court is satisfied that limited interim protection is warranted for preserving the efficacy of the arbitral proceeding.

10. Accordingly, the following directions are issued:

- (i) The Respondent shall preserve all books of accounts, ledgers, invoices, vouchers, bank statements, sub-contract agreements and all records pertaining to the subject contracts.
- (ii) The Respondent shall not destroy, alter or part with the aforesaid records, pending the arbitral proceedings.
- (iii) Insofar as the prayer seeking deposit of amounts claimed by the Respondent is concerned, this Court is not inclined to grant the said relief at this stage, as the same substantially overlaps with the monetary claims which would fall for adjudication before the arbitral tribunal.

11. Accordingly, the petition stands disposed of in the aforesaid terms.

12. Liberty is reserved with the Petitioner to seek further relief before the learned Arbitral Tribunal under Section 17 of the Act.

OM PRAKASH SHUKLA, J

JULY 29, 2026/ss