



\$~5

*

IN THE HIGH COURT OF DELHI AT NEW DELHI

+

W.P.(C) 3641/2025, CM APPL. 17011/2025

T SURYANARAYANA REDDY

.....Petitioner

Through: Mr. Angad Mehta, Mr. S. Ram Babu
and Mr. Arsh, Advs.

versus

NATIONAL HIGHWAYS AUTHORITY OF INDIARespondent

Through: Mr. Apoorv Kurup, Sr. Adv., Mr.
Namit Saxena and Ms. Isha Nagpal,
Advs.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

28.03.2025

%

1. The present petition has been filed assailing the impugned letter/communication dated 18.03.2025 bearing no. CODIV-11036/2/2025-CO Division/Debar/11 issued by the National Highway Authority of India [NHAI / respondent] in regard to Maharajpur Fee Plaza (Annexure-P1).

2. *Vide* the above impugned letter / communication, the following action has been taken against the petitioner –

(i) the ongoing contract agreement dated 12.06.2024 between the parties, pursuant to which the petitioner operates the Maharajpur Fee Plaza as the user fee collection agency, has been terminated in terms of Clause 35(3) of the Contract Agreement between the parties;

(ii) the petitioner has been debarred from participating in future tender/s issued by the respondent no.1 for a period of two years in terms of Clause 21(i) of the Contract Agreement and Clause 3.1 & 3.2 of the Request for Qualification (RFQ) between the petitioner and the respondent;



(iii) on the basis of the above, the performance security/bank guarantee as stated therein with respect to the contract agreement for operating the aforesaid fee plaza, has been sought to be encashed.

3. Learned counsel for the petitioner submits that the impugned action has been taken on the basis of a show cause notice issued on 25.01.2025 where, apart from a cryptic reference to an investigation by the Uttar Pradesh Special Task Force (UPSTF) resulting in an FIR No. 0017 filed on 22.01.2025 at P.S. Lalganj, Distt Mirzapur, Uttar Pradesh, no specific attribution/ lapse against the petitioner has been pointed out.

4. Further, it is submitted that a response to the said show cause notice was submitted *vide* communication dated 27.01.2025 wherein it has been stated that the petitioner has never engaged in any fraudulent activity in operating the aforesaid fee plaza since the time it has been engaged as the user fee collection agency for the aforesaid fee plaza.

It is submitted that the impugned letter/s fails to even notice much less deal with the elaborate submissions made by the petitioners in response to the show cause notice.

5. Further, it is brought to the attention of this Court that whereas the show cause notice sought to debar the petitioner only for a period of one year, the impugned letter purports to terminate the contract and also debar the petitioner for a period of two years.

6. It is further submitted that the show cause notice made no reference to any termination action by the respondent.

7. Lastly, it is submitted that the impugned communications have been passed in utter violation of the principles of natural justice inasmuch as no hearing whatsoever was afforded to the petitioner. This is not refuted by



learned counsel for the respondent.

8. Respective counsel for the parties have been heard at some length.

9. It is noticed that communications / letters issued by the NHAI which are similar to the impugned communication/s in the present case and were issued in an identical factual matrix, have been set aside by this Court vide order dated 21.03.2025 in W.P.(C) 3513/2025 and W.P.(C) 3515/2025.

10. In the circumstances, considering the aforementioned discrepancies in the impugned communication, and particularly considering that no opportunity for personal hearing was afforded to the petitioner prior to issuance thereof, the same is clearly unsustainable in law. Accordingly, the impugned communication is set aside.

11. However, it is clarified that the same shall not preclude the respondent from issuing a fresh show cause notice, followed by an opportunity of hearing to the petitioner, and thereafter pass a speaking order. Let the said exercise be done as expeditiously as possible.

12. In case the bank guarantee/s furnished by the petitioner have been encashed pursuant to the impugned letter/communication, the amount so realized shall be refunded to the petitioner subject to the petitioner furnishing fresh bank guarantee/s in lieu of the encashed bank guarantee/s. The same shall be subject to the outcome of any further show cause notice/s and/or any further action taken by the respondent pursuant to the aforesaid directions.

13. The present petition is disposed of in terms of the above. Pending application also stands disposed of.

SACHIN DATTA, J

MARCH 28, 2025/dn