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

+ **W.P.(C) 12332/2025**

M/S GVR INFRA PROJECTS LIMITED & ANR.Petitioners

Through: Mr. Avi Singh, Sr. Advocate along
with Mr. Shreyas Dharmadhikari and
Ms. Nishtha Kaura Monga,
Advocates.

versus

UNION OF INDIA & ANR.Respondents

Through: Mr. Ankur Mittal, CGSC along with
Mr. Aviraj Pandey and Mr. Atul,
Advocates for UOI.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

% **14.08.2025**

**CM APPL. 50254/2025 (Exemption from filing certified/ true - typed
copies of dim annx.)**

1. Allowed, subject to all just exceptions.
2. The application stands disposed of.

W.P.(C) 12332/2025 & CM APPL. 50253/2025 (Stay)

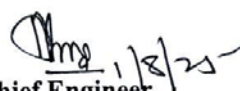
3. The present petition, *inter alia*, assails the notice dated 01.08.2025 issued by the respondents through the concerned authority, viz., the Chief Engineer, National Highway Zone, PWD, Raipur (CG).
4. The said notice has been issued pursuant to a contract dated 13.04.2016 between the parties for survey, investigation, design, engineering, procurement, construction, and maintenance of NH-78 (New NH-43) from KM 468+600 to KM 531+250 (Patthalgaon –Kunkuri Section)
5. The caption of the notice reveals that the same purports to be “Intention to Termination Notice as per Article 23.1 of EPC Agreement on



failure in achievement of Commitment”. The notice, *inter alia*, states as under:-

- 20) In-spite of full co-operation from State and Central Governments, both the contractors have never tried to execute the works as per various Schedules of EPC Contract Agreement. The failure to complete the works in time due to huge deficit of resources like deployment of skilled manpower, machineries, arrangement of materials and fuel etc.
- 21) It is clearly visible that no serious efforts have been made from both the contractors for complying their own commitment and targets, which were promised by them in various Review Meetings taken by the MoRTH, and Chief Engineer, NH Zone, PWD, Raipur (the Authority). Further, no 4th EOT proposal with any factual work programme has still been submitted by the EPC contractor to propose a deadline for completion of the work, which further shows the casual approach and unprofessional behavior of the contractors towards the project.
- 22) In this regard as per Clause 23.1.1 (e), both the contractors failed to proceed with the works in accordance with Clause 10.1, it will be deemed to be in default and necessary action including the termination of contract Agreement as per Article 23.
- 23) In view of the continued defaults of the EPC Contractor under various provisions of the Contract Agreement as above, the Authority hereby issues the **Intention to Termination Notice** as per Clause 23.1.2 of EPC Contract Agreement thereby terminating the EPC Agreement forthwith. The Contractor is hereby directed to undertake all acts and deeds as are required to be undertaken post termination in terms of the EPC Agreement, including the actions specified in Clause 23.4 thereof.
- 24) In-light of the above the EPC Contractor and sub-contractor are hereby, requested to take immediate remedial measures and actions to fulfill the obligations as specified as per provisions of Clause 23.1.1 of the Contract Agreement, failing which the Authority would be bound to take strong action against the contractor as per Clause 23.1.2 of the Contract Agreement for termination of Contract within **15 days from issuance of this Intention to termination notice.**
- 25) This is without prejudice to Authority's right to claim damages for the Contractor's failure to comply with the obligations upon the Contractors vested under the EPC Contract Agreement and/or to realize any dues, losses and damages whatsoever under EPC Contract Agreement and/or to exercise any other remedy thereunder or under Applicable Laws, as the case may be.

Encl:- As above


Chief Engineer,
National Highway Zone,
PWD, Raipur (C.G.)

6. A reply to the said show cause notice was submitted by the petitioners on 11.08.2025.
7. It is the case of the petitioners that their reply brings out that the purported action sought to be taken against the petitioners is factually and contractually unjustified and untenable.
8. Concededly, the show cause notice remains to be adjudicated by the



concerned Chief Engineer who issued the same.

9. During the course of the hearing, the limited grievance canvassed by the learned senior counsel for the petitioners is that there is a genuine apprehension that the Chief Engineer, instead of independently deciding whether any further action is warranted pursuant to the said show cause notice in light of the reply submitted by the petitioners, may act on the dictates of other officer/s.

10. This apprehension is articulated on the basis of the communication dated 11.08.2025, addressed by Mr. Ramveer Yadav, Executive Engineer (for Regional Officer, MoRTH, Raipur), to the same Chief Engineer who issued the said show cause notice. The said communication reads as under:-

File No: RO/CG/2021-22/NH-43/Pathalgaon-Kunkuri/COS/ 602 Date: 11.08.2025
[E-office file Computer No.- 203153]

To,
The Chief Engineer (NH),
Public Works Department,
NH Zone, Raipur, Chhattisgarh-492001.

Subject: Rehabilitation and Up-gradation of NH-78(New NH-43) from Km. 468.600 to Km. 531.250 (Pathalgaon to kunkuri Section) to two-lanes with paved shoulder in the State of Chhattisgarh under NHDP-IV through Engineering Procurement & Construction (EPC) Basis-
Contract Termination Proposal as per Article 23.1 of EPC Agreement on failure in achievement of Commitment/progress-reg.

Ref.: (i) Your office letter no. 1079/NHDP-Cell /CE/NH/5-21/2009 dated 11.12.2023
(ii) Your office letter no 533/NHDP-Cell /CE/NH/5-21/2009 dated 04.07.2024
(iii) Your office letter no 774/NHDP-Cell /CE/NH/5-21/2009 dated 23.09.2024
(iv) Your office letter no. 954/NHDP-Cell/CE/NH/5-21/2009 dated 10.12.2024
(v) Your office letter no 785/NHDP-Cell/CE/NH/5-21/2019 dated 28.07.2025.

Sir,

Please refer to your office letter cited under references vide the proposal of termination of Contract Agreement with Contractor and Sub-Contractor as per clause 23.1 of the EPC Agreement for the subject cited work, was submitted for approval of the Competent Authority in the Ministry.

2. The proposal has been examined in light of submission of State PWD and accordingly, Competent Authority in the Ministry has approved the proposal of termination of Contract Agreement with Contractor and Sub-Contractor as per clause 23.1 of the EPC Agreement for the subject cited work.

2.1 Further, Competent Authority has also directed to encash PBG/Addnl PBG and forfeit retention money and other recoverable amount at the earliest. Further, State PWD is also directed to file caveat in relevant high courts to protect interest of MoRTH immediately.

2.2 Simultaneously, State PWD may invite tender/bid for balance work immediately on item rate basis after approval of MoRTH.



3. In view of above, it is requested to take early action in this regard, so that balance work may be completed at the earliest.

Encl.: As stated above.

Yours faithfully,

(Ramveer Yadav)

Executive Engineer

For Regional Officer, MoRTH, Raipur

Copy to:

- (i) SE(NH), PWD, NH Circle, Bilaspur- for necessary action.
- (ii) EE(NH), PWD, NH Division, Ambikapur -for necessary action.
- (iii) M/s Redecon(India) pvt. Ltd. (Authority's Engineer)

Copy for information to: -

- (i) PPS to Secretary, PWD, Chhattisgarh;
- (ii) PPS to ADG, Central Zone, MoRTH, New Delhi.

11. During the course of hearing, it is the common case of the respective counsel that the concerned authority which issued the show cause notice is required to decide the same independently, by applying his own mind, after considering the reply furnished on behalf of the petitioners.

12. In the circumstances, it is clarified that the Chief Engineer shall independently decide the matter without being in any way influenced by the communication dated 11.08.2025 addressed by the Executive Engineer, as reproduced above.

13. With the aforesaid limited clarification, the present petition is disposed of.

14. It is made clear that this order shall not be construed as an expression of opinion of this Court on the merits or demerits of the action proposed to be taken against the petitioners.

15. All rights and remedies of the parties are reserved.

SACHIN DATTA, J

AUGUST 14, 2025/r