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

+ W.P.(C) 12750/2025

M/S GVR INFRA PROJECTS LIMITED & ANR.Petitioners

Through: Mr. Avi Singh, Sr. Adv., Mr. Shreyas
Dharamdhikari, Ms. Nishtha Kaura
and Mr. Kirtiraj, Advs.

versus

UNION OF INDIA & ANR.

.....Respondents

Through: Mr. Jagdish Chandra, CGSC and Mr.
Sujeet Kumar, Adv. for R-1 and 2.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

% **27.08.2025**

CM APPL.52105/2025 (Exemption)

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

W.P.(C) 12750/2025 and CM APPL.52104/2025 (Stay)

3. The present petition assails a letter bearing memo no.885/NHDP-Cell/CE/NH/5-21/2009 dated 18.08.2025, issued by the Chief Engineer, National Highway Zone, Public Works Department, Raipur, whereby the contract between the petitioner and the respondent no.2 has been sought to be terminated.

4. The termination letter *inter-alia* reads as under:

“23. In view of the continued defaults of the EPC Contractor under various provisions of the Contract Agreement, the Authority vide letter under reference no.31 again issued the Intention to Termination Notice as per Clause 23.1.2 of EPC Contract Agreement.

24. In reply to the Intention to Termination Notice dated 01.08.2025,



the contractor vide letter under reference no.32 and sub-contractor vide letter under reference no.33 have submitted their response and mentioned about non-availability of ROW, revision in Schedule-H, unreasonable financial strain etc. as reasons for delay in completion of the work. The replies submitted by both the contractors have been reviewed and found to be incorrect and malicious act to hide the contractor's failure in fulfillment of contractual obligation and completion of the work. Whereas, the work was awarded in the year 2016, the progress of the contractor upto Scheduled Completion date of 14.07.2018 was only 3.70o/o, which itself shows the nonprofessional and non-serious behavior of the contractor towards the project completion. Both the contractors, in their reply agreed that targeted progress committed at various platforms could not be achieved. The contractor has again committed new target date of completion of 31.12.2025 in his letter under reference no. 32 & 33. It is pertinent to mention that the land for the construction of 03 nos. Major Bridges 11 Nos. Minor Bridges and 105 Nos. culverts was always available for the construction but the contractor failed to complete the construction and execution of several structures. Moreover, the approaches & protection works to the constructed structures are still incomplete. All these balance structure work and balance 8.93 Km. of Pavement Construction clearly shows the incompetency of the contractor to complete the work by newly committed target of 31.12.2025.

25. Whereas, Hon'ble High Court of Delhi vide order dated 14.08.2025 for WP No. 12332 of 2025 has directed the undersigned (the Authority) to decide the matter of termination independently after considering the reply furnished by both the contractors. Upon careful examination of the reply furnished by the contractors vide letter dated 11.08.2025, it is evident that the submissions made therein do not provide any substantive justification for the inordinate delays and repeated defaults for execution of work in available ROW. Rather, the reply appears to be merely an attempt by the contractors to conceal their inability to properly execute the work within the agreed timelines. It is further observed that the contractor has consistently failed to mobilize adequate resources manpower & machinery commensurate with the requirement of the project, resulting in extremely slow progress and non-adherence to the committed schedules. The contractor also remained default in most of the obligations as brought in various cure period notices as well as intention to termination notices issued to them, leading to a major Material Adverse Effect on the contract.



26. Whereas, the contractor has breached the contract agreement, inter-alia, with the defaults in terms of the clause 23 .1 of EPC Agreement.

27. Whereas, the Authority is left with no other option but to terminate the contract in accordance with the provisions of clause 23. 1.2 of EPC Agreement considering the contractors continued non-compliance with the terms & conditions of the contract agreement.

28. In the light of aforesaid, non-exhaustive fundamental breaches to the contract and in view of the contractor's persistent and sustained gross defaults, the Authority hereby terminates the contract for the subjected work on account of contractor's default under the provisions of the clause 23.1 of EPC Agreement with immediate effect.

29. The Authority under clause 23 .6 of the contract agreement shall also encash and appropriate the Performance Security retention money and other recoverable amount, for its losses including but not limited to damages in accordance to clause I 0.3.2 & I 0.3.3 of Contract Agreement and recovery of expenditure incurred against maintenance executed at your risk and cost for failure to maintain the project highway as per clause I 0.4 of agreement.

30. The contractor is hereby directed to restrain any person claiming through or under agreement from entering upon the site or in part of the project except for taking possession of materials, stores, implements, construction plants and equipments, which do not vest in the Authority as per the contract agreement with the prior permission of the Authority.

31. This is issued without prejudice to any other right or remedy available to the Authority under the contract agreement and/or applicable laws.”

5. It is noticed that the contract between the parties contains a dispute resolution clause which is in the following terms:

“26.1 Dispute Resolution

26.1.1 Any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement



(including its interpretation) between the Parties, and so notified in writing by either Party to the other Party (the “Dispute”) shall, in the first instance, be attempted to be resolved amicably in accordance with the conciliation procedure set forth in Clause 26.2.

26.1.2 The Parties agree to use their best efforts for resolving all Disputes arising under or in respect of this Agreement promptly, equitably and in good faith, and further agree to provide each other with reasonable access during normal business hours to all non-privileged records, information and data pertaining to any Dispute.”

6. Needless to say, the petitioner is at liberty to invoke the aforesaid dispute resolution clause for ventilating any contractual grievances, *inter-alia*, with regard to the impugned termination letter dated 18.08.2025. In these proceedings under Article 226 of Constitution of India, this Court does not consider it apposite to enter into the thicket of the intricate factual controversy between the parties, and the contractual interpretation of the relevant contract provisions.

7. In the circumstances, the present petition is disposed of, with liberty to the parties to avail appropriate remedies as contractually prescribed.

8. At this stage, learned counsel for the petitioner submits that the respondent no.2 be directed to comply with the contractually prescribed procedure of ‘conciliation’. This Court does not consider it apposite to issue any peremptory directions to the respondents in these proceedings. Needless to say, the parties are expected to adhere to the relevant contractual terms, failing which the parties would be at liberty to avail appropriate legal remedies.

AUGUST 27, 2025/cl

SACHIN DATTA, J