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

\+ **<u>O.M.P.(I) (COMM.) 528/2025 and I.A. 32328-32331/2025</u>**

JOINT STOCK COMPANY IA VOZROZHDENIE .....Petitioner

Through: Mr. Parag Tripathi Sr. Advocate, Mr.Ankit Jain Sr. Advocate with Mr.Mohit Goel Adv, Mr. Sidhant Goel, Mr. Aditya Maheshwari, Mr. Shashwat Mukharjee Mr. Ishaan Pratap Singh, Ms.Rini Mehra, Ms. Urvashi Singh Advocates.

versus

GOVERNMENT OF ARUNACHAL PRADESH AND ORS & ORS. .....Respondents

Through: Ms. Tanu Priya Gupta and Ms.Khushi Sharma, Advocates.
Ms. Nidhi Raman, (CGSC) with Mr.Arnav Mittal, Adv. (Govt. Pleader) and Mr. Akash Mishra, Advocate for R-2.

CORAM:
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

<u>O R D E R</u>

% **22.12.2025**

1. Heard Mr. Parag Tripathi, learned Senior Counsel appearing for the petitioner.

2. Issue notice.

3. Ms. Tanu Priya Gupta and Mr. Arnav Mittal, learned counsel, accept notice on behalf of respondent Nos. 1 and 2.

4. Having regard to the nature of the directions proposed to be passed, issuance of notice to the remaining respondents is dispensed with at this

stage.

5. Briefly stated, the petitioner was awarded a project by respondent No. 2 on 09.07.2020 for a total contract value of ₹334,98,51,050/- (Rupees Three Hundred Thirty-Four Crore Ninety-Eight Lakh Fifty-One Thousand Fifty only). Pursuant thereto, an Engineering, Procurement and Construction Agreement dated 09.10.2020 ("EPC Contract") came to be executed between the parties. In terms of Clause 7.1 of the EPC Contract, the petitioner was required to furnish a performance security/bank guarantee of approximately ₹12,00,00,000/- (Rupees Twelve Crore only). Article 7.3 of the EPC Contract stipulated that the right of respondent No. 1 to appropriate the performance security would arise only upon the occurrence of a "Contractor's Default" resulting in damages to respondent No. 1.

6. It is the case of respondent No. 1 that it subsequently came to its notice that the bank guarantees furnished by the petitioner were fake and fabricated. The petitioner, on the other hand, contends that the said bank guarantees were furnished by its sub-contractor and that it had no role in the alleged misconduct. It is further stated that upon becoming aware of the sub-contractor's actions, the petitioner substituted the bank guarantees, and consequently, no prejudice has been caused to the respondents.

7. The petitioner is primarily aggrieved by notice dated 11.12.2025 issued by respondent No. 1, whereby the aforesaid misconduct has been attributed to the petitioner and an explanation has been sought, failing which the petitioner has been put to notice of possible forfeiture of the substituted bank guarantees as well as initiation of blacklisting proceedings.

8. During the course of hearing, it transpired that the petitioner had sought certain documents and had also, without prejudice to its rights and

contentions, submitted a reply to the notice dated 11.12.2025.

9. At this stage, respondent No. 1 is required to apply its mind to the explanation furnished by the petitioner. In the facts and circumstances of the case, this Court is of the view that instead of entertaining the present petition, it would be appropriate to permit respondent No. 1 to consider the petitioner's representation in an objective manner and in accordance with law. The documents sought by the petitioner have also been supplied during the course of hearing.

10. Accordingly, the petitioner is granted liberty to submit a comprehensive representation, enclosing therewith a copy of the present petition filed under Section 9 of the Arbitration and Conciliation Act, 1996, before respondent No. 1 within a period of seven (7) days from today.

11. Upon receipt of the said representation, respondent No. 1 shall consider the same and pass a reasoned and speaking order within a period of fifteen (15) days therefrom. In the event the petitioner seeks a personal hearing in its representation, the same shall also be afforded within the aforesaid period.

12. In the event the order so passed is adverse to the petitioner, it shall be open to the petitioner to avail appropriate remedies in accordance with law. However, in the interest of justice, such order shall not be given effect to for a period of seven (7) days from the date of its passing.

13. The petition is disposed of in the aforesaid terms, along with all pending applications.

PURUSHAINDRA KUMAR KAURAV, J

DECEMBER 22, 2025
Nc/amg