



2026:CGHC:14999-DB

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 1364 of 2026

Punia Construction Co. A Partnership Firm Having Its Registered Office At-
House No. 30, Sector-13, Part-2, Hissar- 125001, Haryana (Through Its
Authorized Signatory)

... Petitioner

versus

South East Central Railway Through Divisional Engineer Bilaspur,
Chhattisgarh

... Respondent

(Cause title taken from Case Information System)

For Petitioner	:	Mr. Himanshu Upadhyaya, Advocate (through virtual mode) along with Mr. Shubham Dwivedi, Advocate
For Respondent	:	Mr. Ramakant Mishra, DSGI

Hon'ble Shri Ramesh Sinha, Chief Justice
Hon'ble Shri Ravindra Kumar Agrawal, Judge

Order on Board

Per Ramesh Sinha, Chief Justice

01/04/2026

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1. The present writ petition has been filed under Article 226 of the
Constitution of India calling in question the legality, validity and propriety
of the impugned order dated 16.03.2026, whereby the respondent–
South East Central Railway has terminated the contract awarded to the

petitioner, as also the preceding 7-days notice dated 27.02.2026 and 48-hours notice dated 09.03.2026 issued under Clause 62 of the General Conditions of Contract, primarily on the ground that the same are arbitrary, violative of principles of natural justice and Article 14 of the Constitution of India, and have been passed without due consideration of the replies submitted by the petitioner.

2. The present petition has been filed by the petitioner seeking the following reliefs:-

“In view of the facts and circumstances stated above, it is most respectfully prayed that this Hon’ble Court may graciously be pleased to:

10.1 Issue a writ in the nature of Certiorari or any other appropriate writ, order, or direction quashing and set aside the impugned termination order dated 16.3.2026, 7 days notice dated 27.2.2026, 48 hrs notice (17) dated 9.3.2026 passed by the Respondent Authorities, in the interest of justice.

10.2 Issue a writ of mandamus directing the respondent for restoration of contract or to consider the petitioner’s reply afresh;

10.3 Direct the Respondents to release all pending payments and compensate the Petitioner for the financial losses incurred due to idling of machinery and manpower caused by the delays attributable to the Railway.

10.4 Pass any other or further order(s) which this Hon’ble Court may deem fit and proper in the facts and circumstances of the case, in the interest of justice.”

3. The brief facts of the case as emerges from the pleadings of the petition are that, the petitioner, a partnership firm engaged in civil construction works, was awarded a contract by the respondent—South East Central Railway for construction of Road Under Bridges (RUBs) at various level crossings in the Bilaspur Division after being declared the lowest bidder. It is the case of the petitioner that from the very inception of the contract, execution of the work was seriously hampered due to continuous and substantial hindrances attributable to the respondent authorities, including non-handing over of clear sites, non-shifting of electrical lines and water pipelines, delay in providing drawings and approvals, and failure to arrange requisite traffic blocks. Despite repeated communications by the petitioner highlighting these obstacles and the idling of machinery and manpower at site, the respondent failed to remove the hindrances. The respondent itself acknowledged such delays and granted extension of time for completion of the work with Price Variation Clause (PVC) and without penalty, thereby admitting that the delay was not attributable to the petitioner. It is further pleaded that by the time of the dispute, the petitioner had completed approximately 90–92% of the work.

It is further the case of the petitioner that the respondent, in a mechanical and arbitrary manner, issued a 7-days notice dated 27.02.2026 under Clause 62 of the General Conditions of Contract, to which the petitioner submitted a detailed reply on 05.03.2026 through the official portal. However, without considering the said reply, the respondent proceeded to issue a 48-hours notice dated 09.03.2026 on the erroneous premise that no reply had been received. The petitioner

again submitted a detailed reply on 11.03.2026 explaining the factual position and the hindrances at site, yet the respondent, without application of mind and without dealing with the replies, passed the impugned order dated 16.03.2026 terminating the contract. Aggrieved by the said action, which is alleged to be violative of principles of natural justice and Article 14 of the Constitution of India, the petitioner has approached this Court seeking quashment of the termination order and consequential reliefs.

4. Learned counsel for the petitioner would submit that the impugned action of the respondent in terminating the contract is wholly arbitrary, mechanical and in blatant violation of the principles of natural justice as well as Article 14 of the Constitution of India. It is contended that the mandatory procedure prescribed under Clause 62 of the General Conditions of Contract has not been followed in its true spirit, inasmuch as the petitioner had duly submitted a detailed reply to the 7-days notice dated 27.02.2026 on 05.03.2026 through the official portal, however, without considering the same, the respondent proceeded to issue a 48-hours notice on the erroneous ground that no reply was received. It is further submitted that even the reply to the 48-hours notice dated 11.03.2026, wherein the petitioner had specifically pointed out the site hindrances and delays attributable solely to the respondent, has not been considered, and the impugned termination order dated 16.03.2026 has been passed in a pre-determined and non-speaking manner.

Learned counsel would further submit that the delay in execution of the work was entirely attributable to the respondent authorities, who failed to provide clear site, shift utilities, supply approved drawings and arrange necessary traffic blocks, despite repeated requests and communications from the petitioner. It is argued that the respondent itself had admitted such delays by granting extension of time with Price Variation Clause (PVC) and without penalty, thereby acknowledging that there was no default on the part of the petitioner. It is also contended that the petitioner has already completed about 92% of the work, and the abrupt termination at such an advanced stage is not only disproportionate but also against public interest, as it would result in wastage of public funds and delay in completion of the project. Therefore, it is prayed that the impugned termination order, being arbitrary, unreasonable and violative of settled legal principles, deserves to be quashed and appropriate directions be issued to the respondent.

5. Learned counsel for the respondent would submit that the present writ petition is not maintainable in view of the specific and efficacious alternative remedy available to the petitioner under Clause 64.1 of the Standard General Conditions of Contract, which provides a comprehensive mechanism for resolution of disputes through arbitration. It is contended that Clause 64.1 clearly stipulates that in the event of any dispute or difference between the parties regarding the construction, operation, or respective rights and liabilities under the contract, the contractor is required to raise a demand for arbitration in writing within the prescribed time frame after presenting its final claims.

The said clause further mandates detailed procedural requirements including specification of claims, submission of supporting documents, timelines for pleadings, and conduct of proceedings before the Arbitral Tribunal. In view of such an elaborate dispute resolution mechanism contractually agreed between the parties, the petitioner ought to have invoked arbitration instead of approaching this Hon'ble Court under Article 226 of the Constitution of India.

Learned counsel would further submit that the dispute raised by the petitioner involves highly disputed questions of fact relating to delay, hindrances at site, execution of work, and compliance of contractual obligations, which cannot be effectively adjudicated in writ jurisdiction. It is argued that the respondent has acted strictly in accordance with Clause 62 of the contract by issuing 7-days and 48-hours notices and thereafter terminating the contract upon failure of the petitioner to cure the defaults. The arbitration clause also provides that only those disputes specifically raised in the demand shall be adjudicated, along with any counter claims of the Railway, and prescribes the place and procedure of arbitration, thereby ensuring a complete adjudicatory framework. Hence, in view of the availability of an efficacious alternative remedy and the contractual nature of the dispute, the present writ petition deserves to be dismissed, relegating the petitioner to avail remedy under Clause 64.1 of the General Conditions of Contract.

6. We have heard learned counsel for the parties and perused the material available on record.

7. Having heard learned counsel for the parties and upon perusal of the pleadings and documents placed on record, this Court finds that the dispute in the present case squarely arises out of a contractual relationship between the petitioner and the respondent–Railway and pertains to termination of contract, attribution of delay, and compliance of contractual obligations. The agreement executed between the parties admittedly contains a detailed dispute resolution mechanism under **Clause 64.1 of the General Conditions of Contract**, which reads as under:

“64.(1): Demand for Arbitration:

64.(1)(i): In the event of any dispute or difference between the parties hereto as to the construction or operation of this contract, or the respective rights and liabilities of the parties on any matter in question, dispute or difference on any account or as to the withholding by the Railway of any certificate to which the Contractor may claim to be entitled to, or if the Railway fails to make a decision within 120 days, then and in any such case, but except in any of the “excepted matters” referred to in Clause 63.1 of these Conditions, the Contractor, after 120 days but within 180 days of his presenting his final claim on disputed matters shall demand in writing that the dispute or difference be referred to arbitration.

64.(1)(ii)(a): The demand for arbitration shall specify the matters which are in question, or subject of the dispute or difference as also the amount of claim item-wise. Only such dispute or difference, in respect of which the demand has been made, together with counter claims or set off, given by the Railway, shall be referred

to arbitration and other matters shall not be included in the reference.

64.(1)(ii)(b): The parties may waive off the applicability of Sub-Section 12(5) of Arbitration and Conciliation (Amendment) Act 2015, if they agree for such waiver in writing, after dispute having arisen between them, in the format given under Annexure XV of these conditions.

64.(1)(iii)(a): The Arbitration proceedings shall be assumed to have commenced from the day, a written and valid demand for arbitration is received by the Railway.

64.(1)(iii)(b): The claimant shall submit his claims stating the facts supporting the claims alongwith all the relevant documents and the relief or remedy sought against each claim within a period of 30 days from the date of appointment of the Arbitral Tribunal.

64.(1)(iii)(c): The Railway shall submit its defence statement and counter claim(s), if any, within a period of 60 days of receipt of copy of claims from Tribunal, unless otherwise extension has been granted by Tribunal.

64.(1)(iii)(d): Place of Arbitration: The place of arbitration would be within the geographical limits of the Division of the Railway where the cause of action arose or the Headquarters of the concerned Railway or any other place with the written consent of both the parties.

64.(1)(iv): No new claim shall be added during proceedings by either party. However, a party may amend or supplement the original claim or defense thereof during the course of arbitration proceedings subject to acceptance by

Tribunal having due regard to the delay in making it.

64.(1)(v): If the Contractor(s) does/do not prefer his/their specific and final claims in writing, within a period of 90 days of receiving the intimation from the Railways that the final bill is ready for payment, he/they will be deemed to have waived his/their claim(s) and the Railway shall be discharged and released of all liabilities under the contract in respect of these claims."

8. A bare perusal of the aforesaid clause demonstrates that a complete and efficacious adjudicatory mechanism has been contractually agreed between the parties, governing not only invocation of arbitration but also the procedure, timelines and scope of adjudication. In such circumstances, it is well settled that writ jurisdiction under Article 226 ought not to be invoked in contractual disputes, particularly where disputed questions of fact arise. The Hon'ble Supreme Court in ***Kerala State Electricity Board v. Kurien E. Kalathil*, (2000) 6 SCC 293** has categorically held:

"10. We find that there is a merit in the first contention of Mr. Raval. Learned Counsel has rightly questioned the maintainability of the writ petition. The interpretation and implementation of a clause in a contract cannot be the subject matter of a writ petition. Whether the contract envisages actual payment or not is a question of construction of contract. If a term of a contract is violated, ordinarily the remedy is not the writ petition under [Article 226](#). We are also unable to agree with the observations of the High Court that the contractor was seeking enforcement of a statutory contract. A contract would not become statutory simply because it is for construction of a public utility and it has been awarded by a

statutory body. We are also unable to agree with the observation of the High Court that since the obligations imposed by the contract on the contracting parties come within the purview of the [Contract Act](#), that would not make the contract statutory. Clearly, the High Court fell into an error in coming to the conclusion that the contract in question was statutory in nature.

11. A statute may expressly or impliedly confer power on a statutory body to enter into contracts in order to enable it to discharge its functions. Dispute arising out of the terms of such contracts or alleged breaches have to be settled by the ordinary principles of law of contract. The fact that one of the parties to the agreement is a statutory or public body will not of itself affect the principles to be applied. The disputes about the meaning of a covenant in a contract or its enforceability have to be determined according to the usual principles of the [Contract Act](#). Every act of a statutory body need not necessarily involve an exercise of statutory power. Statutory bodies, like private parties, have power to contract or deal with property. Such activities may not raise any issue of public law. In the present case, it has not been shown how the contract is statutory. The contract between the parties is in the realm of private law. It is not a statutory contract. The disputes relating to interpretation of the terms and conditions of such a contract could not have been agitated in a petition under [Article 226](#) of the Constitution of India. That is a matter for adjudication by a civil court or in arbitration if provided for in the contract. Whether any amount is due and if so, how much and refusal of the appellant to pay it is justified or not, are not the matters which could have been agitated and decided in a writ petition. The contractor should have been relegated to other remedies.”

9. In the present case, the issues raised by the petitioner, including attribution of delay, alleged hindrances at site, compliance with Clause 62, and legality of termination, are all matters requiring detailed

examination of evidence and contractual interpretation, which cannot be undertaken in summary proceedings under Article 226 of the Constitution of India.

10. In view of the aforesaid legal position and considering that (i) the dispute is purely contractual in nature, (ii) disputed questions of fact are involved, and (iii) an efficacious and comprehensive alternative remedy of arbitration is available under Clause 64.1 of the General Conditions of Contract, this Court is not inclined to entertain the present writ petition. The law is well settled that writ jurisdiction is not intended to supplant agreed contractual remedies, particularly in commercial contracts involving arbitration clauses.
11. Accordingly, the writ petition being devoid of merits is hereby **dismissed**. No order as to costs.

Sd/-
(Ravindra Kumar Agrawal)
Judge

Sd/-
(Ramesh Sinha)
Chief Justice

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