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

+ **W.P.(C) 5565/2026**

**CHAUDHARY CONSTRUCTION
COMPANY PVT LTD.**

.....Petitioner

Through: Mr. Gagandeep Singh, Ms. Dikshika
Hoon & Mr. Devesh Sharma,
Advocates (Through *video-
conferencing*)

versus

**NORTHERN RAILWAYS
THROUGH DY. CHIEF ENGINEER**

.....Respondent

Through: Mr. Akhand Pratap Singh Chauhan,
SPC for Respondent.

**CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL**

**ORDER
18.05.2026**

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1. The present writ petition has been filed challenging the communication of the respondent/ Northern Railways dated 25th June, 2025, in terms of which the contract awarded to the petitioner has been terminated due to non-submission of the Performance Guarantee ("PG"). Further, in terms of the said communication, the Earnest Money Deposit ("EMD") deposited by the petitioner has been forfeited.
2. Earlier, the petitioner has sent a notice dated 26th June, 2025 to the respondent/ Northern Railways seeking to invoke the arbitration proceedings in terms of the General Conditions of Contract ("GCC").
3. On the last date of hearing, counsel for the respondent/Northern



Railways was directed to take instructions with regard to the present dispute being referred to arbitration.

4. The Contract between the parties is governed by the General Conditions of Contract (GCC, 2022), which contains clause 64(1), which is set out below:

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.

5. Counsel appearing on behalf of the respondent/Northern Railways does not dispute the fact that the respondent would be bound by the aforesaid arbitration clause.

6. In view thereof, the present writ petition is disposed of, while giving liberty to the petitioner to invoke the arbitration clause.

7. Accordingly, the present writ petition stands disposed of.

AMIT BANSAL, J

MAY 18, 2026

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