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

% ***Date of Decision: October 29th, 2026***

\# **CNR No. DLHC010443422026**

\+ **W.P.(C) 13681/2026 & CM APPL. 74638/2026**

M/S INNOVISION LIMITED .....Petitioner

Through: Ms. Shagun Shahi Chugh, Mr. Varun Chugh & Ms. Ayushi Bansal, Advs.

versus

NATIONAL HIGHWAYS AUTHORITY OF INDIA .....Respondent

Through: Mr. Santosh Kumar, Sr. Adv. with Mr. Manav Gill, Mr. Prashant, Mr. Avesh Harshan, Ms. Sesa Gill & Mr. Akash Kishore, Advs.

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

**AMIT MAHAJAN, J. *(Oral)***

1. With the consent of the learned counsel for the parties, the matter is taken up for final hearing today.

2. By way of the present petition, the petitioner seeks the following reliefs: -

> *"a. issue an appropriate writ, order or direction, more particularly a Writ of Certiorari, quashing and setting aside the impugned letter dated 10.09.2026 issued by the Respondent, insofar as it approves and/or directs the forfeiture of the Petitioner's Performance Security of Rs. 1,60,00,000/- (Ruj5ees One Crore Sixty Lakh only) under Clause-18(a) of the Contract Agreement dated 10.06.2022;*

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*b. issue an appropriate writ, order or direction quashing paragraph 13 of the impugned order dated 10.09.2026, insofar as it purports to reserve .of confer upon the Respondents a right to recover, adjust, appropriate or otherwise realise the said sum of Rs. 1,60,00,000/- from any other ongoing contract of the Petitioner and/or from the Common Bank Guarantee available with the Respondent;*

*c. declare that the condition precedent stipulated in Clause 18(a) of the . Contract Agreement, namely, that the forfeiture of the Performance Security of Rs. 1,60,00,000/- can arise only "after three such incidents of levy of penalty for exeess charging", has not been satisfied in the facts of the present case, there.being no finding or identification in" the impugned order of three separate incidents of levy of penalty under Clause 18(a);*

*d. issue an appropriate writ, order or direction declaring that the Respondents could not have invoked the forfeiture contemplated under Clause 18(a) without first establishing the contractual condition precedent for such forfeiture, and consequently restrain the Respondents from giving effect to or acting upon the purported " forfeiture of Rs. 1,60,00,000/-;*

*e. issue an appropriate-writ, order, or direction restraining the Respondents, their officers, agents and/or authorities from inyoking, encashing, appropriating or adjusting any Performance Security, Bank Guarantee, Common Bank Guarantee, receivable or other amount furnished or payable-in relation to any contract other than the Contract Agreement dated 10.06.2022, towards the purported forfeiture of Rs. 1,60,00,000/- arising from the impugned order dated 10.09.2026."*

3. The case set up by the Petitioner is that it had entered into a Contract Agreement dated 10.06.2022 with the Respondent for collection of user fee at Diengpasoh Fee Plaza, Meghalaya, for a period of one year, commencing from 11.06.2022 and ending on 11.06.2023 against an annual remittance of Rs. 19,19,89,635/- and Performance Security of Rs. 1,60,00,000/-.

4. It is stated that, pursuant to a forensic audit undertaken by the

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Respondent, certain aggregate excess Fee collection was flagged and consequently, the Respondent, *vide* letter dated 14.07.2026, imposed a penalty of ₹1,00,000/- in relation to alleged under-reporting of cash transactions under Clause 18(a) of the Contract Agreement. The said amount was allegedly paid by the Petitioner on 20.05.2025. Thereafter, the Respondent issued a show-cause notice dated 24.08.2026, proposing forfeiture of a sum of ₹1,60,00,000/- from the Performance Security furnished by the Petitioner, purportedly in exercise of the powers conferred under Clause 18(a) of the Contract Agreement. The Petitioner submitted its response dated 31.08.2026. However, the Respondent, *vide* the impugned letter dated 10.09.2026, approved the forfeiture of the aforesaid amount.

5. The principal contention of the Petitioner is that the action of the Respondent is contrary to the terms of Clause 18(a) of the Contract Agreement. The Petitioner further disputes the allegation of excess collection and asserts that the alleged discrepancies arose in the course of technical and operational issues and questions the Respondent's decision to forfeit a sum of ₹1,60,00,000/-. The Petitioner has also assailed the Respondent's asserted entitlement to recover the amount in question from securities furnished in respect of other contracts.

6. Per contra, the Respondent has raised a preliminary objection to the entertainment of the present petition, contending that the controversy arises entirely out of the contractual relationship between the parties and involves disputed questions of fact as well as interpretation of the contractual stipulations.

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7. In support of its action, the Respondent has placed reliance upon the forensic audit conducted by M/s Deloitte Touche Tohmatsu India LLP, the final report whereof is stated to have been submitted on 14.02.2025. As per the Respondent, the audit identified several discrepancies at the Diengpasoh Fee Plaza, including instances of alleged under-reporting of cash transactions, excess collection of user fee, deficiencies in the functioning of the AVCC system and incorrect or missing vehicle numbers in cash and exempt transactions. Insofar as the allegation of excess collection is concerned, the Respondent asserts that the audit identified distinct instances of excess collection of user fee. The Respondent also disputes the Petitioner's assertion that the excess amounts had been refunded to the concerned users.

8. According to the Respondent, the threshold contemplated under Clause 18(a) stood satisfied. The Respondent maintains that the forfeiture of ₹1,60,00,000/- was consequently in accordance with the contractual stipulations.

9. At the outset, it is necessary to observe that it is well-settled merely because a dispute arises out of a contractual relationship, the jurisdiction of this Court under Article 226 of the Constitution of India is not excluded. However, the existence of such jurisdiction does not imply that every dispute arising out of a contractual relationship must necessarily be adjudicated in writ proceedings.

10. The nature of the dispute and the availability of an alternate remedy are also parameters which have to be considered by this Court.

11. Evidently, the rival submissions disclose a substantial contest

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not only with regard to the interpretation of Clause 18(a) of the Contract Agreement, but also with regard to the factual foundation upon which the Respondent has proceeded to invoke the forfeiture mechanism.

12. The determination of this contractual dispute would necessarily require an examination of the underlying transactional records, the findings and methodology of the forensic audit, the individual transactions and the circumstances in which the alleged excess collections took place. It would also require consideration of the material relied upon by the parties in relation to the alleged refunds.

13. The Court is, therefore, of the view that the controversy is not confined to a straightforward interpretation of a contractual provision. It involves mixed questions of fact and contractual interpretation, the determination of which would require a detailed examination of the relevant records and appreciation of evidence.

14. This Court cannot undertake a detailed fact-finding exercise in order to determine the correctness of these rival positions in the exercise of its extraordinary writ jurisdiction, particularly when the controversy is capable of being examined in appropriate proceedings.

15. In view of the nature of the controversy and the disputed questions requiring examination, the petition is dismissed, with liberty to the Petitioner to avail of appropriate remedies in accordance with law.

16. Needless to state that this Court has not opined upon the merits of the case and all the issues are left open for consideration by the

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appropriate forum.

17. The date already fixed, that is, 02.12.2026 stands cancelled.

**AMIT MAHAJAN, J**

**OCTOBER 29, 2026**
*"SS"*

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