

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). OF 2026
(Arising from SLP(C) No(s). 16876/2025)

M/S SHRI SAI ASSOCIATES

APPELLANT(S)

VERSUS

THE STATE OF CHHATTISGARH & ORS.

RESPONDENT(S)

O R D E R

1. Leave granted.

2. Heard Mr. Abhishek Vikas, learned counsel for the appellant, Mr. Krishnan Venogopal, learned Senior Counsel for respondent no.6 and Mr. Bishwajit Dubey, learned Additional Advocate General (AAG) appearing for the State of Chhattisgarh.

3. On 09.02.2021, the respondent no.6 herein was awarded the contract/work order for construction of bridges under the Pradhan Mantri Gram Sadak Yojna [PMGSY] in District Jashpur, Chhattisgarh. One bridge across the Lawa River on Sogada to Manora Road at RD 3200M and another across the Lawa River on Jariya to

Kujari Road at RD 600M was to be constructed. There was also to be, routine maintenance for a period of five years following the completion of construction.

4. This award was pursuant to the Notice Inviting Tender (for short, 'NIT') issued earlier in the year 2020.

5. On 09.02.2021 a work order was issued and a contract was executed between the parties on 01.03.2021. After the work commenced, disputes arose between the State and the respondent no.6. While the State had a grievance that in spite of extensions, the work has not been completed, the respondent no.6 denied any blameworthiness. According to the respondent no.6, multiple unforeseen challenges were faced by it like Covid-19 restrictions, design changes, unseasonal rains, high material costs and interventions of elections and festivals.

6. Be that as it may, ultimately on 04.07.2024, on the ground that respondent no.6 has failed to complete the work order despite being granted extensions, the

respondent no.5 herein terminated the contract.

7. Mr. Krishnan Venogopal, learned Senior Counsel for respondent no.6, took us through the series of letters written by the said respondent as well as certain file notings, which according to learned Senior Counsel, lulled the respondent no.6 into believing that the termination of work order would be revoked and the respondent no.6 would be allowed to continue and complete the contract.

8. Mr. Krishnan Venugopal, learned Senior Counsel contended that on 05.11.2024, the respondent no.6 was slapped with a demand for liquidated damages to the tune of Rs. 112.80 lakhs, with a direction to deposit the amount as a condition, to be heard on the issue of revocation of termination.

9. Learned Senior counsel also submits that in the meantime, even though the State had issued a fresh tender on 25.11.2024 that was not proceeded which in turn, gave a hope that the termination would be revoked and respondent no.6 would be allowed to

complete the balance work, as originally awarded, by the contract on 01.03.2021.

10. However, as it transpires, on 25.11.2024, the State invited a fresh tender for the balance work which was left incomplete. In this tender, the appellant herein participated and was awarded the contract. A letter of acceptance was given on 27.12.2024. The work order was issued on 02.01.2025.

11. The site was handed over, after removal of the machinery of respondent no.6, to the appellant on 24.01.2025. When the matter stood thus, on 06.03.2025, a good eight months after the termination of the contract, respondent no.6 approached the High Court by filing a writ petition being W.P. (C) No.1403/2025, challenging the termination of 04.07.2024. Additionally, challenge was also thrown to the order dated 05.11.2024 which demanded liquidated damages. There was also a challenge to the notice inviting tender of 25.11.2024 and the acceptance of the appellant herein as the highest bidder. It is this writ petition which has come to be allowed by the High Court by virtue of the order impugned.

12. The High Court, in the impugned order, after setting out the facts and the respective contentions, adopted a strange course to give relief to respondent no.6. We may do well to extract hereinbelow the portion of the High Court order which sets out the reason for granting the relief to the respondent no.6:-

“During the course of hearing on 17.03.2025, when the matter was taken up this Court had directed the petitioner to submit an affidavit with respect to his ability to complete the entire remaining work with respect to package no. CGLSB 7-2022 involving the construction of: (1) Bridge across Lawa River on Sogada to Manora Road at RD 3200 m, under Contract No. 124/11 dated 23.02.2021; and Bridge across Lawa River on Jariya at Kujari Road at RD 6000 m, under Working Order No. 275 dated 01.03.2021. In compliance of the order dated 17.03.2025; the petitioner had filed an affidavit, the relevant portion of which reads as under:

- (1) Bridge across Lawa River on Sogada to Manora Road at RD 3200 m, under Contract No. 24/11 dated 23:02:2021; the petitioner has already executed 95% of the work as of 17.03.2025 and only formal inspection with regard to the same remains, the petitioner duly states that, the petitioner will complete the same within any stipulated time granted by this Hon'ble Court and:
- (2) With respect to Bridge across Lawa River on Jariya at Kujari Road at RD 6000 m, under Working Order No. 275

dated 01.03.2021, the petitioner has completed the lay-out of the entire core work i.e. piles and foundation and the petitioner is in a position to complete the entire 100% work within 31st December 2025 subject to any interference by any act of god or except rainy season.

3. That, the petitioner also states that, the respondents have demanded liquidated damages in advance from the petitioner in the interest of public exchequer, to which the petitioner duly and willingly consents for the same: to be deducted from the running bills presented by the petitioner in execution of the entire work to a tune of 5% per Running bill from the pending and the upcoming running bills of the petitioner.

4. That, it is also stated that, the petitioner had previously already provided two affidavits dated 02.09.2024 and 02.12.2024 which is attached in the present affidavit Stating that, in case the petitioner is granted a final time extension, till 31 December 2025, the petitioner will duly bound to complete the work in its entirety.

5. That, the petitioner is ready and willing to complete the remaining work in the old rate which earlier quoted by the petitioner of 7.11% below as mentioned in the work order as per the guidelines and the conditions of the agreement."

12. The State has not come up with any return/response to the above affidavit as to whether the petitioner has completed the works as aforesaid and as nor the learned State counsel has made any submission in this regard. Though the learned counsel for the respondent No. 6 has tried to suggest that after cancellation of the agreement with the petitioner, the work order has been issued to

the respondent No. 6 for the remaining portion of work which he claims to have started and in this regard, some photographs have also been annexed alongwith a covering memo filed on 28.04.2025 and prayed that the work order awarded to the respondent No. 6 may not be disturbed as it may cause irreparable losses to him.

13. When the submission advanced by the learned counsel for the petitioner with respect to the percentage of work completed by it has not been controverted by the State/respondents, which had floated the NIT in question, the State/respondents ought to have taken a lenient view and ought to have granted some more time for completion of the balance work. The petitioner has further undertaken before this Court that by 31st December, 2025, he would complete the balance work.

14. In view of the above, we are inclined to allow this petition and set aside the impugned order dated 04.07.2024 (Annexure P/1) passed by the respondent No. 5 as well as the order dated 05.11.2024 (Annexure P/9). Further, the NIT dated 25.11.2024 by which the remaining work has been awarded to the respondent No. 6, is also set aside and the petitioner is permitted to complete the balance work as undertaken by him i.e. by 31 December, 2025.

15. So far as the grievance of the respondent No. 6 is concerned, since this petition is filed by the petitioner and not the respondent No. 6, if the respondent No. 6 has any grievance, he may take recourse to appropriate forum in accordance with law.

16. With the aforesaid observation and direction, this petition stands disposed of."

13. All that the High Court has done is to entertain an affidavit filed by respondent no.6 claiming their ability to complete the remaining work. Thereafter,

the High Court recorded that the State has not responded to the above affidavit, by stating that there is no response from the State as to whether the respondent no.6 has completed the aforesaid work as stated by them and as the State has not made any submission, the High Court thought it fit to grant relief to respondent no.6.

14. We totally disapprove of the method of disposal adopted by the High Court. Here was a challenge to the order of termination dated 04.07.2024, the NIT of 25.11.2024 and the grant of letter of acceptance to the appellant herein on 02.01.2025. There was also a challenge to the order of 05.11.2024 demanding liquidated damages from respondent no.6.

15. What baffles us is there is not even a reference to the condition in the NIT, which dealt with the mode of termination of contract. There is no discussion as to whether, the termination was in accordance with the said clause(s) or was in violation thereof. There is absolutely no discussion on the aspect of the respondent no.6, approaching the High Court after a

delay of approximately seven months in challenging the termination order. Only based on the self-serving affidavit dated 17.03.2025 of the respondent no.6, the relief has been fashioned and the order of termination of contract has been quashed. The order of levying the liquidated damages dated 05.11.2024 was also set aside and further the NIT of 25.11.2024 has also been set aside. Not only this, the High Court has permitted the respondent no.6 to complete the balance work on or before 31.12.2025.

16. Dealing with the case of the appellant herein-respondent no.6 therein, all that the High Court said was that they be allowed to take recourse to appropriate *fora* in accordance with law to ventilate their grievances. There is no discussion on the validity of the NIT of 25.11.2024; no discussion on the correctness of the evaluation of bids pursuant to the NIT of 25.11.2024 and nothing at all on the investment that the appellant herein had made after entering into the contract.

17. Aggrieved, the appellant has filed this appeal.

When the matter came up on 23.06.2025, this Court, while issuing notice, stayed the operation of the impugned order.

18. Today, a period of one year and 10 months has elapsed. When the matter was taken up for hearing, learned counsel for the appellant informed us that as on today, the appellant has completed one of the two bridges and more than half of the work has been completed on the second bridge. On being asked learned AAG, appearing for the State, as to what is the correct position, learned AAG stated that the first bridge is completed and handed over, and approximately 54% of the work on the second bridge is also over. We must, however, record that Mr. Krishnan Venugopal, learned Senior Counsel for the respondent no.6 vehemently refuted this submission. Learned Senior Counsel has also handed over photographs to show that the work on the second bridge has barely begun.

19. We do not propose to comment on these aspects, lest it prejudice the respondent no.6 in any civil

action that they may propose to initiate.

20. We are, however, of the opinion that the High Court was not justified in granting relief to respondent no. 6. First of all, the challenge to the termination was grossly delayed under the circumstances and on the facts of this case. Though the termination was of 04.07.2024, the writ petition challenging the termination order has only been filed in the first week of March 2025.

21. Between 04.07.2024 and 06.03.2025, when the writ petition was filed, several events had transpired. On 25.11.2024 fresh bids were invited. After evaluation, on 27.12.2024, letter of acceptance was granted to the appellant and work order was issued on 02.11.2024 and on 24.01.2025, the appellant had commenced work.

22. Mr. Krishnan Venugopal, learned Senior Counsel appearing for respondent no.6, when repeatedly asked as to why there was a delay of eight months in challenging the termination, submitted that the conduct of the authorities led respondent no.6 to

believe that the termination order would be revoked. We have set out this part of the explanation of respondent no.6 in detail in the earlier part of the judgment. We are not satisfied that the respondent has acted with the required promptitude in challenging the termination in judicial review proceedings.

23. Considering the nature of the dispute, any party faced with the termination of contract, when according to them they have substantially completed the work, would immediately rush to a Writ Court and seek protective orders. Here is a case where for a period of seven months, no writ petition was filed. Even after the new tender was issued on 25.11.2024 and the letter of acceptance was given on 02.01.2025, the writ came to be filed only in March, 2025. Secondly, the High Court has, in a very cursory manner, dealt with the matter, purely based on a self-serving affidavit of the respondent no.6 (petitioner therein).

24. The question now before us is whether at this distance of time, we should remit the matter to the High Court for any fresh adjudication, Since the

impugned order is totally devoid of legally tenable reasons. We are of the opinion that such a course of action will not be appropriate and will also be contrary to public interest. No useful purpose will be served in remitting the matter. Much water has literally and figuratively flown under the bridge.

25. The appellant and the official respondents have contended that the termination was strictly in accordance with the tender conditions, though this is seriously disputed by learned Senior Counsel for respondent no.6. Finding that the High Court order did not consider any issue whatsoever and merely went on the basis of the self-serving affidavit of respondent no.6, on 23.06.2025, when the matter came up for admission, we stayed the impugned order at site. The appellant has continued its work and it is not disputed that he is still working on the site, though there is dispute on the extent of work done between the appellant and official respondents on the one hand and the respondent no.6 on the other.

26. The respondent no.6 has not offered any

convincing reason for the delay in approaching the High Court under its writ jurisdiction. We are of the opinion that this is a case where the respondent no.6 should be left to workout his civil remedies, if any, that may be available to him under law to seek recompense.

27. For the reasons stated above, we set aside the impugned order. We, however, reserve liberty for respondent no.6 to initiate such proceedings as are available to them in law to seek recompense.

28. Needless to observe that, all contentions would left open including the contentions on the legality of the termination. Such proceedings should be decided uninfluenced by the observations made by us in this order. We have only declined the right of the respondent no.6 to claim relief under the writ jurisdiction. We also direct that any proceedings, if initiated, will be decided uninfluenced by any of the observations made in this order.

29. At this stage, Mr. Krishnan Venugopal, learned

Senior Counsel for the respondent no.6 raised a grievance that the new contractor has not completed the work in the time stipulated.

30. While we do not propose to comment on the same, we leave it to the State to look into the matter. Since it is a matter which involves public interest, if there is any delay on the part of the new contractor in completing the project, the official respondents should not hesitate to take such steps that are available to them under the NIT.

31. For the reasons afore stated, the appeal is allowed. The impugned order dated 29.04.2025 is set aside. The consequence will be that the Writ Petition (Civil) No. 1403/2025, filed by respondent no.6 before the High Court, would stand dismissed. No order as to costs.

32. Pending application(s), if any, shall stand disposed of.

..... J .

[K.V. VISWANATHAN]

..... J.
[ARUN PALLI]

NEW DELHI;
JULY 28, 2026.

ITEM NO.30

COURT NO.14

SECTION IV-C

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 16876/2025

[Arising out of impugned judgment and order dated 29-04-2025 in WP(C) No. 1403/2025 passed by the High Court of Chhattisgarh at Bilaspur]

M/S SHRI SAI ASSOCIATES

Petitioner(s)

VERSUS

THE STATE OF CHHATTISGARH & ORS.

Respondent(s)

IA No. 280380/2025 - EXEMPTION FROM APPOINTMENT OF OFFICIAL TRANSLATOR, IA No. 147211/2025 - EXEMPTION FROM FILING O.T., IA No. 7834/2026 - EXEMPTION FROM FILING O.T., IA No. 280379/2025 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES, IA No. 147212/2025 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES, IA No. 120534/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES

Date : 28-07-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE K.V. VISWANATHAN
HON'BLE MR. JUSTICE ARUN PALLI

For Petitioner(s) Mr. Abhishek Vikas, AOR
Mr. Anshuman Shrivastava, Adv.
Mr. Abhijeet Shrivastava, Adv.
Ms. Ananya Sahu, Adv.
Mr. Shashank Dwivedi, Adv.

For Respondent(s) Mr. Krishnan Venogopal, Sr. Adv.
Mr. Kaustubh Shukla, AOR
Ms. Pushpanjali Singh, Adv.
Mr. Vipul Kumar, Adv.
Ms. Gursimrat Kaur, Adv.
Ms. Shruti Tripathi, Adv.
Ms. Nandini Kaushik, Adv.
Mr. Umang Motiyani, Adv.

Mr. Bishwajit Dubey, A.A.G.
Mr. Vinayak Sharma, Standing Counsel, Adv.
Mr. Ravinder Kumar Yadav, AOR
Mr. Akshit Awasthi, Adv.
Mr. Vivek Sharma, Adv.
Mr. Yashvardhan Shah, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.
2. The appeal is allowed in terms of the signed order, which is placed on the file.
3. All pending application(s), shall stand disposed of.

(NIRMALA NEGI)
ASTT. REGISTRAR-cum-PS

(MANOJ KUMAR)
COURT MASTER (NSH)