



2026:DHC:5952



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

% **Date of Decision: 24th July, 2026**

+ CONT.CAS(C) 1213/2026 & CM APPL. 45099/2026

M/S KAMLADITYYA CONSTRUCTION PVT. LTD.Petitioner

Through: Mr. Avinash Trivedi, Adv.

Mob: 9874414764

versus

CENTRAL PUBLIC WORKS DEPARTMENTRespondent

Through: Ms. Avshreya Pratap Singh Rudy,
CGSC and Mr. Rahul Kumar Sharma,
GP with Ms. Usha Jamnal, Ms. Nyasa
Sharma, Mr. Ankit Khatri and Mr.
Ojas Pandey, Advs.

Mob: 9810001315

Email: avshreyarudy@outlook.com

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

MINI PUSHKARNA, J (ORAL):

1. When the present matter was listed on 20th July, 2026, the following order came to be passed:

“xxx xxx xxx

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4. The present petition has been filed on the ground that the Arbitral Tribunal *vide* order dated 11th June, 2025 has referred a contempt to this



Court under Section 27(5) of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), for violation of the order dated 11th April, 2026, by way of which the Arbitral Tribunal, in exercise of the powers under Section 17 of the Arbitration Act had restrained the respondent from enforcing the Office Memorandum ("OM") dated 13th October, 2025, subject to the petitioner furnishing a Bank Guarantee of Rs. 32 lacs to the respondent.

5. Learned counsel appearing for the petitioner draws the attention of this Court to the order passed by the Arbitral Tribunal dated 28th October, 2025, wherein, it had been directed as follows:

"xxx xxx xxx"

18. Application u/s 17 of the Act: Application filed by the claimant u/s 17 of the Act seeks injunction from this AT on the OM dated 13.10.2025 issued by the respondent. The said OM proposes recovery of Rs. 11,32,25,233/- from the claimant on account of non-extension of BG (bank guarantee) towards PG (Performance guarantee), SD (Security Deposit) and withheld Milestones, after the contract stood determined under clause 3 of the agreement. Per claimant, the said OM relates to the matters in issue before this AT.

xxx xxx xxx

In view of the above, we decide and order that till we hear both the parties on the application made u/s 17 of the Act and dispose it off, the respondent is directed not to take any coercive action against the claimant on OM dated 13.10.2025.

xxx xxx xxx"

6. By referring to the aforesaid, learned counsel appearing for the petitioner submits that by way of the order dated 28th October, 2025, the Arbitral Tribunal categorically directed the respondent not to take any coercive action against the petitioner herein in terms of the OM dated 13th October, 2025.

7. Attention of this Court has also been drawn to the order dated 29th November, 2025, passed by the Arbitral Tribunal, wherein, the following directions were issued:

"xxx xxx xxx"

11. In all fairness, in order to see that the claimant does not face any disadvantage in getting payment released from other divisions for the work being executed by him, we feel that some clarification is required to our direction issued on 28.10.2025. We accordingly add at the end the following to our earlier Order dated 28.10.2025: -

"In other words, operation of OM dated 13.10.2025 is kept in abeyance till the issue involved is decided by the AT."

xxx xxx xxx"



8. Learned counsel appearing for the petitioner further draws the attention of this Court to the order dated 11th April, 2026, passed by the Arbitral Tribunal, wherein, the following directions were issued:

“xxx xxx xxx

99 We decide and order as below: -

- (i) The respondent is restrained, pending further orders and subject to compliance of the condition below, from recovering amounts equivalent to the lapsed Performance Guarantee, Security Deposit, Milestones BGs from the claimant's other ongoing contracts.
- (ii) The above restraint order shall be subject to the condition that the claimant shall, within a period of four weeks from the date of this order, furnish a BG amounting to Rs. 32 lacs (Rupees thirty-two lacs) to the respondent. This validity of this BG shall be for a period of one year. It may be extended further as per direction of the AT, if needed. It is made clear that the respondent will not encash the said BG till the publication of the Award.
- (iii) In the event of failure to comply with the aforesaid condition within the stipulated period, the interim protection granted herein shall stand vacated automatically without further reference to the AT.
- (iv) It is clarified that all observations made herein are prima facie, tentative in nature, and shall not influence the final adjudication of disputes, including issues relating to validity of termination, entitlement to recovery, or claims and counterclaims of the parties.

”

9. Learned counsel appearing for the petitioner submits that despite the aforesaid orders passed by the Arbitral Tribunal, the petitioner received two letters, both dated 04th May, 2026, which have been attached as *Annexures P-4* and *P-5* to the present petition, wherein, the respondent has sought to take action against the petitioner on the basis of the OM dated 13th October, 2025, which already stands stayed by the Arbitral Tribunal.

10. Issue notice. Notice is accepted by learned counsel appearing for the respondent.

11. Learned counsel for the respondent has handed over to this Court a compilation of letters to show that the correspondences, as issued by the respondent in regard of the execution of the OM dated 13th October, 2025, have already been directed to be kept in abeyance, till further orders by the competent authority.

12. The aforesaid letters are taken on record.

13. At this stage, learned counsel appearing for the petitioner draws the attention of this Court to the letter attached as *Annexure P-25*, i.e., the letter dated 16th May, 2026, to submit that as per the compilation given by learned counsel appearing for the respondent, the aforesaid letter dated 16th May, 2026, has not been kept in abeyance.

14. Learned counsel appearing for the respondent submits that she shall take instructions in this regard.

xxx xxx xxx”

2. Today, learned counsel appearing for the respondent has handed over to this Court, a letter dated 23rd July, 2026, to submit that the letter dated



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16th May, 2026, has also been kept in abeyance, till further notice.

3. The letter issued by the Central Public Works Department, Government of India, dated 23rd July, 2026, with regards to keeping the letter dated 16th May, 2026, in abeyance, is reproduced as under:

भारत सरकार
GOVERNMENT OF INDIA
केन्द्रीय लोक निर्माण विभाग
CENTRAL PUBLIC WORKS DEPARTMENT
कार्यपालक अभियन्ता निर्माण मंडल-III, के.लो.नि.वि. बी-510, आई.पी.भवन, नई दिल्ली-110002
Executive Engineer, Construction Division-III, CPWD, B-510, I.P. Bhawan, New Delhi-110002
दूरभाष : 011-23378966, फ़ैक्स : 011-23378978, ईमेल : deleecd3.cpwd@nic.in
पत्र संख्या: 54(NICF-DRC)/ले.शा./नि0मं-3/2026-27/1066/En दिनांक: 23-07-2

सेवा में,
The Chief Manager,
Punjab National Bank, Sector-IV,
Bokaro Steel City Branch, D/1210,
Bokaro Jharkhand State,
Pin Code-827001.

विषय: Regarding putting letter for remittance against Bank Guarantee No. 12100ILG002921
Issued on dated 16.05.2026 in abeyance till further notice.

महोदय,
In view of the subsequent developments in the matter, it has been decided that the communication issued by this office dated 16.05.2026 seeking remittance under the aforesaid Bank Guarantee shall, for the present, be treated as kept in abeyance until further instructions.

This communication is being issued purely as an interim administrative measure and shall not be construed as affecting the rights and obligations of the parties under the Bank Guarantee or the legal effect of the correspondence already exchanged between this office and the Bank.

Without prejudice to any other rights and remedies available to CPWD, it reserves the right to pursue such remedies as may be available to it in accordance with law.

धन्यवाद,
भवदीया,
कार्यपालक अभियन्ता
निर्माण मंडल-3

4. Learned counsel appearing for the petitioner submits that he is satisfied with the action taken by the respondent.



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5. Accordingly, no further orders are required to be passed in the present petition.
6. The present petition is accordingly disposed of.

MINI PUSHKARNA, J

JULY 24, 2026/SK