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

CNR No. DLHC010485922026

+ **O.M.P.(I) (COMM.) 471/2026 & I.A. 27961/2026**

MD YOUSUF ALI

.....Petitioner

Through: **Mr. S. Ram Babu, Mr. Angad
Mehta and Mr. Arsh, Advs.**

versus

NATIONAL HIGHWAYS AUTHORITY OF INDIA & ANR.

.....Respondents

Through: **Mr. Abhay Gupta and Mr.
Yugantar Singh Chauhan,
Advs.**

CORAM:

HON'BLE MR. JUSTICE VINOD KUMAR

ORDER (ORAL)

09.10.2026

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VINOD KUMAR, J.

1. The present petition under Section 9 of the Arbitration and Conciliation Act, 1996 has been preferred by the petitioner, seeking to restrain the respondents from taking any precipitative action pursuant to communication dated 02.09.2026, whereby toll collection contract was terminated.

2. The facts necessary for the disposal of the present petition are that the petitioner was engaged by NHAI as contractor for collection of User Fee at Kannegala Fee Plaza at km 144.130, K.N. Hundy Fee Plaza at km 200.400 & Yeddore Fee Plaza at km 236.550 on Kerala



Board-Kollegal Section of NH-766 in the State of Karnataka, under the Contract Agreement dated 18.09.2025 for the period from 04.10.2025 (08:00 hrs.) to 04.10.2026 (07:59 hrs).

3. As per allegations of respondents, petitioner was found to be involved in fraudulent activities at Yeddore Toll Plaza, i.e., collection of cash from road users by personnel engaged by petitioner at the toll plaza, while the corresponding vehicles were being entered in the Toll Management System under the exempted category instead of recording the actual fee transaction. As per the respondents, such collection defeats operational transparency and establishes non-compliance with the provisions of the contract agreement. Consequently, a Show Cause Notice dated 06.08.2026 was issued by PIU Mysuru to petitioner.

4. Petitioner submitted its reply dated 07.08.2026 wherein it admitted that there had been unauthorized cash collection at the Yeddore Fee Plaza. Thereafter, another Show Cause Notice dated 17.08.2026 was issued by NHAI HQ asking the petitioner to show cause as to why the actions mentioned therein, including termination of the Contract, levy of additional penalty, forfeiture of performance security and debarment from the list of pre-qualified bidders of NHAI, should not be taken against it. Petitioner was given the opportunity of personal hearing on 21.08.2026, who submitted its reply dated 23.08.2026 to the Show Cause Notice.

5. Subsequently, respondents vide order/communication dated 02.09.2026 issued notice for termination of the contract alongwith debarment of petitioner's agency for a period of one year as well as levy of penalty and forfeiture of Performance Security.



6. Petitioner moved a representation against the said communication and sought reconsideration of the termination of the user fee collection contract, forfeiture of performance security and debarment.

7. Learned Counsel for the respondents submits that against the communication dated 02.09.2026, petitioner filed a representation dated 07.10.2026 for reconsideration of the directions regarding termination of contract, forfeiture of performance security and debarment issued in the order dated 02.09.2026. He further submits a personal hearing was held before the competent Authority of NHAI on 15.09.2026.

8. Learned Counsel for respondents further submits that during the said hearing petitioner submitted that the alleged unauthorized cash collection was `confined only to the vehicle of the complainant. However, contrary to the said submission, RO-Bengaluru/PIU-Mysuru informed that cash had also been collected from vehicles other than the complainant's vehicle and such transactions were reflected in the Toll Management System under the category of "Exempted" vehicles. In view of the aforesaid proceedings, communication dated 02.09.2026 was confirmed vide letter no. NHAI/13013/547/CO/26-27/Yeddore,K.N.Hundy&Kannegala/E324132/953 dated 07.10.2026

9. Learned Counsel for the petitioner submits that the order is arbitrary and does not take in consideration all the facts.

10. Learned Counsel for the petitioner further submits that the respondents has encashed the bank guarantee yesterday. He further submits that now the only issue remaining for consideration is debarment of the petitioner.



11. I am of the opinion that once the debarment action had been taken on 02.09.2026 and upon the representation of the petitioner, the issue was again considered and the representation was dismissed, with the decision taken vide letter dated 02.09.2026 being reaffirmed, there remains nothing that requires protection under Section 9 of the Arbitration and Conciliation Act, 1996.

12. Accordingly, the petition is dismissed.

13. Pending application is also disposed of.

VINOD KUMAR, J

OCTOBER 9, 2026/ *dd*