



2026:CGHC:459

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

CR No. 132 of 2017

- M/s Singhania Enterprises A Partnership Firm Having Its Registered Office At Manjusha, 15/480, Rajbhawan Road, Civil Lines, Raipur, District Raipur, Chhattisgarh Through Its Partner Rohit Singhania Aged About 40 Years R/o Manjusha, 15/480, Rajbhawan Road, Civil Lines, Raipur, District Raipur, Chhattisgarh.

... Applicant

versus

1. Chhattisgarh Housing Board A State Public Undertaking, Having its head office at Shankar Nagar, Raipur, Chhattisgarh.
2. The Chariman, Chhattisgarh Housing Board, Shankar Nagar, Raipur, District Raipur, Chhattisgarh.
3. Deputy Housing Commissioner, Chhattisgarh Housing Board, Shankar Nagar, Raipur, District Raipur, Chhattisgarh., District : Raipur, Chhattisgarh
4. The Executive Engineer, Chhattisgarh Housing Board, Division No. I I, Shankar Nagar, Raipur, District Raipur, Chhattisgarh.

... Non-Applicant(s)

For Appellant	: Mr. Ashish Surana, Advocate
For Non-Applicants	: Mr. Sanjay Patel, Advocate

Hon'ble Shri Justice Rakesh Mohan Pandey

Order on Board

05.01.2026

1. The applicant has challenged an award passed by the Chhattisgarh Madhyastham Adhikaran, Raipur in Reference Case No. 17/2013 dated 20.04.2017, whereby, the petition filed by the applicant herein under Section 7 of the Chhattisgarh Madhyastham Adhikaran Act, 1983 (hereinafter referred as "Act, 1983") was dismissed.
2. The facts in brief are that NIT was floated on 16.09.2008 for construction of

Administrative Building for C.G. VYAPAM (Chhattisgarh Vyavsayik Pariksha Mandal) at Math Purena, Raipur and cost of said work was Rs. 8,62,46,662.74/-. The applicant herein participated in the bid and his bid was accepted on 03.10.2008. A work order was issued in his favour on 08.10.2008. On 16.12.2008, the non-applicant directed the applicant not to start the work on account of some dispute. On 11.05.2011, the Executive Engineer of the Board wrote a letter to Commissioner for change of site. On 31.12.2012, a fresh tender was issued for construction of Administrative building at different site. The agreement entered into between the parties and work order issued in his favour were terminated by the Board vide order dated 06.11.2012. The Board refunded the earnest money deposit and performance guarantee deposit Rs. 12,12,500/- on 22.03.2013. The applicant herein filed a petition under Section 7-A of the Act, 1983 before the learned Tribunal claiming therein a sum of Rs. 1,39,40,325/-. The Board filed reply and denied the contents of the petition. The learned Tribunal dismissed the claim petition of the applicant vide award dated 20.04.2017.

3. Mr. Ashish Surana would contend that work order was issued in favour of the applicant on 08.10.2008, and thereafter, machinery and manforce were deployed at Math Purena to start construction work, but surprisingly the Board vide its letter dated 16.12.2008 directed the applicant not to start the work as there was some dispute between the local residents and the department. He would contend that there was no fault on the part of the applicant. He would submit that the applicant had deposited earnest money deposit and performance guarantee to the tune of Rs. 12,12,500/- with the Board according to the conditions mentioned in the NIT. He would submit that though the applicant was communicated by the Board to not start work on 16.12.2008, but the earnest money deposit and the performance guarantee were refunded on 22.03.2013, and therefore, the applicant is

entitled to get interest on the said amount. He would further submit that the applicant could have earned profit after completing the construction work, and therefore, he is also entitled to get anticipated profit. He would submit that the learned Tribunal committed error of law while dismissing the claim of the applicant.

4. On the other hand, Mr. Patel would refer clause 14 of the agreement. He would submit that according to clause 14 of the agreement, the applicant is not entitled for anticipated profit or any other benefits. He would submit that the learned Tribunal has considered this aspect at length and thereafter dismissed the claim of the applicant. He would contend that the revision preferred by the claimant deserves to be dismissed.
5. I have heard learned counsel for the parties and perused the documents.
6. Clause 14 of the agreement reads as under :-

“No Claim to any payment or compensation for alteration in or restriction of Work

Clause - 14: *In at any time after execution of the contract documents, the Engineer-in-Charge shall for any reason whatsoever require the whole or any part of the work as specified in the tender to be stopped for any period or shall not require the whole or part of the work to be carried out at all or to be carried by the contractor, he shall give notice in writing of the fact to contractor who shall there upon suspend or stop the work totally or partially, as the case may be. In any such case, except as provided hereunder, the contractor shall have no claim to any payment or compensation whatsoever on account of any profit or advantage which he might have derived from the execution of the work until but which he did not so derive in consequence of the full amount of the work not having been carried out or on account of any loss that he may be put to on account of materials purchased or agreed to be purchased, or for unemployment of labour recruited by him. He shall not have any claim for compensation by*

reason of any alterations having been made in the original specifications, drawings, designs and instructions, which may involve any curtailment of the work, as originally contemplated. Where, however, materials have already been purchased or agreed to be purchased by the contractor before receipt by him of the said notice the contractor shall be paid for such materials at the rate determined by the Engineer-in-Charge, provided the rate not in excess of requirements and are of approved quality and or shall be compensated for the loss, if any, that he may put to in respect of materials agreed to be purchased by him, the amount of such compensation to be determined by the Engineer-in-Charge whose decision shall be final. If he contractor suffers any loss on account of his having to pay labour charges during the period during which the stoppage of work has been ordered under this clause, the contractor shall, on application, be entitled to such compensation on account of labour charges as the Engineer-in-Charge whose decision shall be final may consider reasonable, provided that the contractor shall not be entitled to any compensation of account of labour charges if, in the opinion of the Engineer-in-Charge the labour could have been employed by the contractor elsewhere for the whole or part of the period during which the stoppage of the work has been ordered as aforesaid.

If the total duration of suspension of the work is more than six month, then this suspension of work will be considered as a permanent stoppage of the work and the contractor can determine the contract, if he so desires.”

7. Bare reading of the above-quoted clause would make it clear that the contractor shall have no claim to any payment or compensation whatsoever on account of any profit or advantage which he might have derived from the execution of the work until but which he did not so derive in consequence of the full amount of the work not having been carried out or on account of any loss that he may be put to on account of materials

purchased or agreed to be purchased, or for unemployment of labour recruited by him.

8. Taking into consideration the clause 14 of the agreement, in my opinion, the learned Tribunal rightly rejected the claim of the applicant with regard to anticipated profit & loss suffered.
9. With regard to interest part on earnest money deposit and performance guarantee, the applicant had deposited a sum of Rs. 12,12,500/- on 08.10.2008. The applicant was duly informed by the Board not to start the work vide letter dated 16.12.2008, thereafter again, letters were issued by the superior authorities in this regard, but the agreement was not terminated and in this regard a specific order was issued on 06.11.2012. It is not in dispute that the applicant could not complete the work as he was restrained to start work vide letter dated 16.12.2008, but at the same time, no steps were taken by the Board for refund of earnest money deposit and performance guarantee deposit. If it was not possible to carry out the work, the Board should have refunded the earnest money deposit and performance guarantee on 16.12.2008 or immediately thereafter. The Board took more than 4 years to terminate the contract and refund the above stated amount and no fault is attributable to the applicant herein; therefore, the applicant shall be entitled to get interest on the said amount.
10. Accordingly, the Civil Revision is **partly allowed**. The applicant herein is held entitled to get interest on earnest money deposit and performance guarantee amount Rs. 12,12,500/- at the rate of 6% per annum from 06.12.2008 till its realization.

Sd/-
(Rakesh Mohan Pandey)
Judge