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IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 22-06-2026

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THE HON'BLE MR.JUSTICE K.KUMARESH BABU

OA.No.542 of 2026

and

A.No.2465 of 2026

and

Arb.Appln.No.1072 of 2026

O.A.Nos.542 of 2026

and

Arb.Appln.No.1072 of 2026

BNR Infrastructure Projects Private Limited
Represented by its Director, Mr.Charan Prasad B,
No. 923, 17th Main Road,
Anna Nagar, Chennai - 600040.

..Applicant in
O.A.Nos.542 of 2026
and Arb Appln.No.1072
of 2026

Vs

1. Yuzhan Technology India Private Limited
Represented by its Director, Mr.Chia Wei Chen,
Principal Office at B-04, ESR Oil Park,
Oragadam, Walajabad Road, Varanavasi,
Sriperumbudur, Kanchirpuram 631 604.
2. Kotak Mahindra Bank Ltd Prestige Polygon, 12th
Floor, 471, Anna Salai, Nandanam, Chennai
600035.
3. ICICI Bank Ltd CSI Arulmanai Building, Ground
Floor, Anna Salai, Chennai - 600002.
4. HDFC Bank Ltd No.18/77, Ayyappa Nager, 1st
Main Road, Opp. to Marthoma School,Chinmaya
Nagar, Chennai 600092.



5. Indian Bank No. 42, 1st Floor, GEE GEE
Complex, Anna Salai, Chennai 600002

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..Respondent
O.A.Nos.542 of 2026
and Arb Appln.No.1072
of 2026(s)

Prayer in O.A.No.542 of 2026:- Judge's Summon under Order XIV Rule 8 of O.S. Rules read with Section 9(1)(d) of Arbitration and Conciliation Act, 1996, to grant an interim injunction restraining the Respondent No.1 from invoking the Bank Guarantees mentioned in the schedule to the Judges Summons, issued by Respondents No.2-5 herein, aggregating to Rs.310 Crores, pending adjudication of disputes between the Parties.

Prayer in Arb.Appln.No.1072 of 2026:- Judge's Summons under Order XIV Rule 8 of O.S. Rules read with Section 9(1)(e) of Arbitration and Conciliation Act, 1996, to stay the operation of the impugned notice of part termination dated 30.05.2026 issued by the respondent No.1 to the applicant herein, pending adjudication of disputes between the parties.

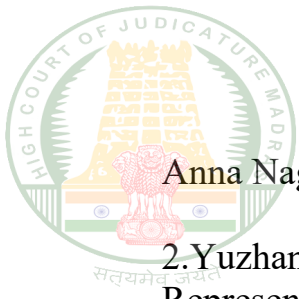
A.No.2465 of 2026

EKK Infrastructure Limited
Represented by its Managing Director
Mr.Sanju Muhammed
Having its Office at
Building No.20/21, 2nd Floor,
Razack Garden Main Road,
Arumbakkam, Chennai – 600 106

..Applicant /Proposed 6th
respondent

vs.

1.BNR Infrastructure Projects Private Limited
Represented by its Director
Mr.Charan Prasad B,
No.923, 17th Main Road,



Anna Nagar, Chennai – 600 040.

2.Yuzhan Technology (India) Private Limited
Represented by its Director,
Mr.Chia Wei Chen, Principal Office at B-04,
ESR Oil Park, Oragadam,
Walajabad Road, Varanavasi,
Sriperumbudur, Kanchirpuram 631 604.

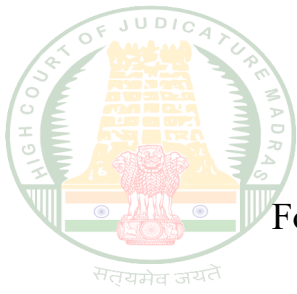
3.Kotak Mahindra Bank,
Represented by its Senior Manager,
Mr.Arun S.
Anna Salai Branch,
Prestige Polygon
12th Floor, 471, Anna Salai,
Nandanam, Chennai 600035.

4.ICICI Bank Ltd,
Represented by its Authorised Signatory,
Mount Road Branch,
CSI Arulmanai Building,
Ground Floor, Anna Salai, Chennai – 600002.

5.HDFC Bank Limited,
Represented by its Manager, Ms.Deena S,
Koyambedu Branch,
No.18/77, Ayyappa Nagar,
1st Main Road, Opp to Marthoma School,
Chinmaya Nagar, Chennai – 600 092.

6.Indian Bank,
Represented by its Senior Manager,
Mr.Ankit Saha
MID Corporate Branch, Anna Salai
No.42, 1st Floor, GEE GEE Complex,
Anna Salai, Chennai – 600 002.

Prayer: Judges Summons filed under Order XIV Rule 8 of Madras High Court Original Side Rules read with Order I Rule 10(2) and Section 151 of the Code of Civil Procedure, 1908, to implead the Applicant herein as the 6th respondent in Arb.Application No.1072 of 2026.



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For Petitioner(s): Mr.P.S.Raman Sr., counsel
for Mr.Anirudh Krishnan
Assisted by Adarsh Subramanian

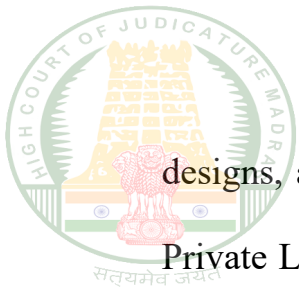
For Respondent(s): Mr.Sathish Parasaran for Mr.S.Manuraj for
R1
Mr.Srinath Sridevan Sr., counsel Assisted
by Mr.Arvind Srevatsa in A.No.2465 of
2026
Mr.S.R.Rajagopal Sr., counsel (3rd Party)
Assisted by Mr.Akshay Pradeep

COMMON ORDER

Heard the learned Senior Counsel appearing on behalf of the applicant as well as the learned Senior Counsel appearing on behalf of the respondents.

2. The contentious arguments with regard to the termination of the agreement that had been entered into between the parties had been placed on record. Arguments touching upon the merits, including allegations of delay in handing over the site and finalising the designs, were advanced on behalf of the applicant. On the other hand, the learned Senior Counsel appearing for the respondent had contested the claim and submitted that, without prejudice to the allegations that there has been a delay on the part of the respondent, there had also been delay on the side of the applicant in progressing with the works. These allegations have to be substantiated by leading in evidence.

3. *Prima facie*, from the materials placed on record, this Court is of the view that there had been delay in handing over the site and finalising the

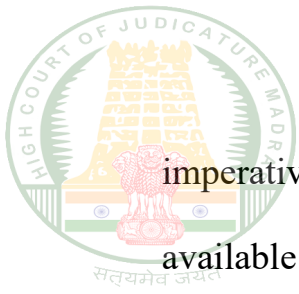


designs, as evidenced by the report of the M/s. Cushman and Wakefield India Private Limited, Project Co-ordinator, appointed by the respondent. It is further

to be noted that whether the delays shown in the said report dated 23.05.2016, had any impact in the applicant's delay in progressing with the contractual obligations need not be gone into in the present application.

4. In the present scenario, an Arbitrator has already been appointed on consent and has also been requested to enter upon reference and deal with the reliefs sought for by the parties. This Court, by its order dated 11.06.2026, on the understanding reached between the learned counsel appearing on either side, had appointed an Advocate Commissioner to have a joint inspection and, in the course of the same, had directed the parties to maintain status quo without prejudice to the ongoing construction activities.

5. The learned Senior Counsel appearing on either side had brought to the notice of this Court that, even though the parties have submitted themselves for arbitration to be conducted by a Sole Arbitrator, the said order has given rise to an anomalous situation in maintaining the status quo. It is the claim of the applicant that the status quo to be maintained cannot entitle the respondent or its contractors, appointed after termination of the applicant's contract, to dismantle or utilise the materials belonging to the applicant. On the other hand, it is the claim of the respondent that once the agreement had been terminated, it was



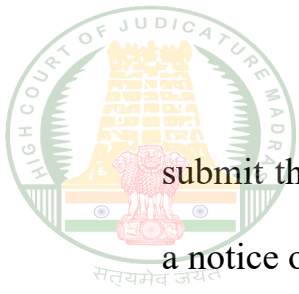
imperative upon the applicant to remove its materials, and that the materials available at the site could be utilised by the respondent or its agents.

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6. In that regard, Mr.P.S.Raman, learned Senior Counsel appearing for the applicant, drawing attention to the report of the M/s. Cushman and Wakefield India Private Limited, would submit that there had been admitted delays both on the part of the respondent and its design agency. In that regard, he would draw the attention of this Court to Clause 3.1.5 of the agreement, which envisages extension of time equivalent to the period of delay attributable to the employer/respondent. In that context, he had also referred to Clauses 4.1.2 and 4.4.2.

7. Referring to the aforesaid clauses, he would submit that the applicant cannot be said to be guilty of delay and that it is the obligation of the respondent/employer to extend the time proportionate to the delay caused at its end, including delays in approval of the designs by its agencies.

8. Further referring to Clause 18.1.1, he would submit that if the contractor had failed to perform its obligations under the agreement, then it was an obligation on the part of the employer to issue a written notice calling upon the contractor to rectify the breaches within a reasonable period. He would submit that such corrective notices were never given to the applicant. He would



submit that issuance of such corrective notice is a pre-condition for issuance of a notice of termination.

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9. He would further submit that Clause 18.1.2 envisages a prior written notice of 30 days in terminating the agreement, either in whole or in part, on the occurrence of the various conditions specified therein.

10. He would submit that no such prior notice had been issued to the applicant and, therefore, the termination of the agreement on 30.05.2026 is wholly vitiated and in that aspect, he would submit that the conduct of the respondent in interfering with the work of the applicant, dismantling the applicant's materials and utilising other materials belonging to the applicant is wholly illegal. In that context, he would submit that, till the Arbitrator decides the application, which is to be filed under Section 17 of the Arbitration and Conciliation Act, status quo should be maintained by the parties, failing which serious prejudice would be caused to the applicant.

11. On the other hand, Mr.Sathish Parasaran, learned Senior Counsel appearing for the respondent, at the outset, would submit that the agreement that had been entered into between the parties have to be complied within the stipulated time frame. He would submit that various facilities and benefits had been promised to be extended for the timely establishment of the industry, and



the delays caused by the applicant directly has an impact on the benefits that the respondent had been promised with by various statutory authorities. He would further submit that there are delays that were attributable on the part of the applicant and had been communicated as early as in November 2025. In a joint meeting held among the various stakeholders, the applicant had accepted the deficiencies pointed out and had undertaken to take corrective measures to implement the project within the stipulated time. Again, in the month of April 2026, at another joint meeting, the applicant had undertaken to complete the project by providing a catch-up plan. He would submit that the minutes recorded in the said meetings would amply show that the applicant had been at fault in failing to comply with the time requirements.

12. He would submit that if the contentions of the applicant had to be accepted, then the termination could take place only after 90 days from initiating a notice of corrective action, followed by a notice of termination before the actual termination. He would submit that Clause 18.1.1 does not envisage notice of corrective action for every reasoned termination. Taking this Court through the various grounds that has been envisaged as reasons for termination, he would submit that for many of the reasons there can be no corrective action taken by the contractor. He would submit that had there been a breach of certain terms, for correcting those breaches, corrective notice would be required. Referring to Clauses (k) (l) specifically, he would submit that for



those reasons, corrective notices need not be given. Therefore, he would submit that Clause 18.1.1 cannot be blanketly read to be complied with for any reasons for termination.

13. He would also draw the attention of this Court to Clause 20.6, under which the agreement provides for termination on the convenience of the employer, who is the respondent herein. In such an event, no reasons need be attributed for terminating the agreement.

14. Further relying upon Clause 4.1.2, he would submit that no extension of time is required to be granted for delays attributable to the contractor. Referring to Clause 16.1, he would submit that in the event of delay attributable to the respondent, the applicant would be entitled to claim compensation and/or extension of time, and claim for extension of time ought to have been made within seven days from the date on which the applicant had knowledge of such delay on his part.

15. He would submit that in the joint meeting held on 23.04.2026, the delays on the part of the applicant had been specifically pointed out. Despite the same, no notice in compliance with Clauses 16.1.2 had been issued by the applicant. Therefore, the applicant cannot seek the benefit of the earlier clauses relied upon by the learned Senior Counsel for the applicant, as Clause 16.1



clearly envisages that the same prevails upon the other provisions of the contract insofar as claims for compensation/extension of time are concerned.

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16. He would further rely upon Clause 18.1.7 and submit that the respondent, who is the employer has a right to complete the balance works with a further right to retain the contractor's equipment and materials. In that context, he would submit that the respondent has a lien over the applicant's equipment and materials. In any event, even if the respondent ultimately fails to substantiate such lien, the applicant could always be compensated for the value of the materials and equipment utilised by the respondent.

17. Hence, he would submit that no prejudice would be caused to the applicant if the status quo order, which was never meant to stop the ongoing construction to be vacated and the respondents are permitted to continue with the works.

18. I have considered the submissions made by the respective learned Senior counsels appearing on either side and perused the materials available on record.



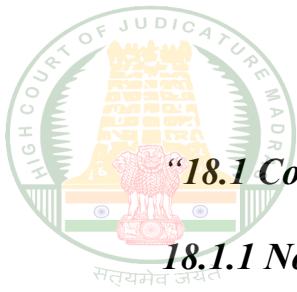
19. It is an admitted fact that a Letter of Award had been issued by the first respondent in favour of the applicant, which became a subject matter of an agreement between them on 29.10.2025. In the interregnum, the applicant had also entered into sub-contract agreements with third parties, who have also filed applications seeking impleadment in those applications.

20. The contract came to be terminated in part by issuance of a notice, invoking Clause 18.1.2 on 30.05.2026, making reference to a formal corrective notice dated 31.03.2026 and a review meeting held on 21.04.2026.

21. Various grounds for termination were reflected in the termination notice. Even dated notice of post-termination obligations notice was also issued, calling upon the applicant to comply with its obligations under Clause 18.1.3. The said notice further indicated that any failure, refusal or obstruction in complying with such obligations would constitute a further breach, entitling the respondent to claim losses, damages, costs and expenses arising out of such non-compliance of Clause 18.1.3.

22. As stated supra, even though various contentions have been raised, with regard to as to who was responsible for the delay, this Court refrains itself from dwelling upon the same.

23. For better appreciation, the relevant Clause 18.1, which deals with termination of the contract by the employer, is extracted hereunder:



“18.1 Contract Termination by the Employer

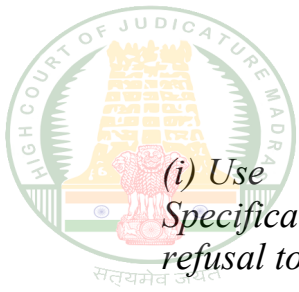
18.1.1 Notice to Correct

If the Contractor fails to perform any of its obligations under this Agreement, the Employer may issue a written notice requiring the Contractor to rectify such breach within a reasonable period. The Contractor's failure to implement satisfactory corrective actions within such period shall constitute grounds for termination under Clause 18.1.2.

18.1.2 Grounds for Termination

The Employer shall have the right to terminate this Agreement, in whole or in part, by giving thirty (30) days prior written notice to the Contractor upon the occurrence of any of the following:

- (a) Failure to furnish or maintain the Performance Security as required under Clause 14.2.1;*
- (b) Failure to implement corrective measures in response to a Notice to Correct under Clause 18.1.1;*
- (c) Breach of subcontracting or assignment restrictions under Clauses 3.8.1 through 3.8.4;*
- (d) Material delay in progress against the Approved Project Schedule and failure to take remedial measures upon written instruction;*
- (e) Serious defects in construction quality and unjustified delay in commencing rectification beyond fifteen (15) days;*
- (f) Express or implied refusal to perform the Works, or continued improper performance following a written warning;*
- (g) Failure of any portion of the Works to pass the Completion Test or Post-Completion Test under Clause 8.6.2(4) or Clause 10.8, resulting in the loss of essential functionality or intended purpose;*
- (h) Occurrence of any major safety incident on Site attributable to the Contractor or its Subcontractors;*



(i) Use of non-compliant materials, willful deviation from Technical Specifications, or deliberate shortcuts that compromise quality, followed by refusal to rectify;

(j) Suspension or delay exceeding sixty (60) days due to Contractor-attributable causes, including strikes, attachment of assets, or serious financial incapacity;

(k) Dissipation of assets, fund withdrawal, or failure to maintain sufficient labor, equipment, or other resources essential for performance;

(l) Bankruptcy, liquidation, insolvency, or receivership proceedings initiated against the Contractor or its Subcontractors, or reasonable evidence indicating such proceedings are imminent.

Termination under this Clause shall be without prejudice to the Employer's rights and remedies under this Contract or under Applicable Law.

18.1.3 Post-Termination Obligations

Upon receiving a termination notice, the Contractor shall, within thirty (30) days or such other period as may be agreed:

(a) Cease all terminated Works, except those necessary to protect life, property, or the Site, or required for demobilization and handover;

(b) Transfer to the Employer all Employer-furnished items and return or securely destroy all copies thereof;

(c) Handover all completed permanent Works and associated Project Materials at Site, while ensuring their proper custody until such handover;

(c) Submit all documentation related to the terminated scope, including as-built drawings, quality records, test certificates, manuals, and all Final Settlement Documentation as required under Clause 14.12.1;

(e) Provide the Employer with details of all Subcontract Agreements and ongoing procurements related in ninated scope, and assist in managing such transition;

(f) Assign to the Employer, upon request, any Subcontract Agreements associated with the terminated subject to consent of the subcontractors if required;



(e) Continue to perform any portion of the Contract not terminated:

(a) Not dismantle or remove any equipment, materials, or facilities from the Site without prior written approval from the Employer, until final settlement under Clause 18.1.4 and Clause 14.12 is completed.

18.1.4 Financial Settlement upon Termination

The procedures, timeline, and consequences for determining and confirming the final amounts payable upon termination shall be governed by the Final Settlement provisions under Clause 14.12. For the purpose of Clause 14.12.1, the Termination Date shall be deemed equivalent to the date of issuance of the termination notice under Clause 18.1.2.

18.1.5 Application of Security Instruments

Upon confirmation of the Final Settlement Report and issuance of the Final Settlement Certificate:

(a) the Employer shall return to the Contractor the Performance Security under Clause 14.2.1, subject to set-off of any outstanding Employer receivables;

(b) the Contractor shall return the Advance Payment Guarantee under Clause 14.2.2, unless unrecovered amounts remain, in which case Clause 14.3.3 shall apply;

(c) the Employer may deduct any unrecovered receivables from the available securities;

(d) if receivables remain unresolved after applying all securities, the Employer shall have the right to retain Contractor's equipment or materials equivalent to the outstanding value, and apply or liquidate the same as deemed necessary.

18.1.6 Contractor's Demobilization

(1) In the case of full termination, the Contractor shall, at its own cost, dismantle and remove all non-retained equipment or facilities.

(2) In the case of partial termination, the Contractor shall promptly remove only those temporary works or sources no longer required for continued performance. The Employer shall permit reasonable access for such demobilization.



18.1.7 Right of Employer to Continue Works

Upon termination, the Employer may itself or through third parties complete the terminated Works, and shall have the right to:

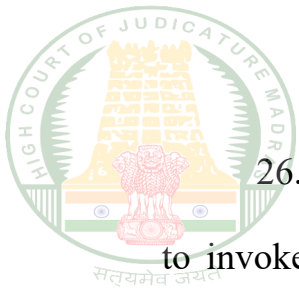
(i) use all permanent Works and Project Materials handed over under Clause 18.1.3(c);

(ii) Use all documents, data, and deliverables transferred under Clause 18.1.3(d);

(iii) Deploy any machinery, equipment, or materials withheld under Clause 18.1.5(d) for continued execution of the Works.”

24. This Court do not dwell upon the interpretation of Clauses 18.1.1 and 18.1.2, as the same would be the subject matter of arbitration. Clause 18.1.3 refers to the obligations of the contractor post termination. Admittedly, a notice of termination had been issued on 30.05.2026. To comply with the obligations on the part of the contractor as envisaged under Clause 18.1.3, the contractor had been given 30 days' time. A notice dated 30.05.2026 has also been issued to comply with Clause 18.1.3.

25. The contractor is also not bound to dismantle or remove any materials, facilities or equipment without the prior written approval of the employer until the final settlement has been completed. This clause, when read along with Clause 18.1.5(d), indicates that the employer can claim a lien over such materials and equipment only if the receivables due to the contractor remain unresolved even after adjustment of all securities available with the employer.



26. Hence, claim made by the learned Senior counsel for the respondent to invoke said Clause 18.1.5(g), in the considered view of this Court, would arise only on determination of the final settlement process and not otherwise.

Admittedly, the running bills of the applicant are yet to be settled and the applicant has also not submitted its final bill upon termination as envisaged under Clause 18.1.3(d).

27. Clause 18.1.7 authorises the employer, either by itself or through third parties, to complete the works which remained undone after termination of the contract. The issue that is to be resolved is as to when such right of the employer gets kicked off.

28. A period of 30 days has been given from the date of receipt of the termination notice for compliance of the contractor's obligations. Such obligations would include transfer of employer-furnished items, documents relating to the terminated scope of work, including drawings, quality records, deliverables and other records etc., Admittedly, notice had been given on 30.05.2026 to the contractor and counting from that date, the 30 days period envisaged would come to an end on 29.06.2026, which date is yet to come.

29. Coming to Clause 18.1.7, the right of the employer to continue the work either by itself or through third parties would include the right to utilise materials handed over by it to the contractor, which falls under Clause 18.1.3(c), the documents, datas and deliverables transferred under Clause 18.1.3(d), and to



deploy the machinery, equipment and materials withheld under Clause 18.1.5(d) to continue the work.

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30. As indicated above, the right to deploy the materials and equipment covered under Clause 18.1.5(d) would only kick in when it is determined that the receivables remain unresolved upon final settlement and issuance of the final settlement certificate.

31. In the present case, the said scenario had not arisen. The applicant has not submitted its final settlement documents, and time is available to the applicant till 29.06.2026 to submit such documents. Similarly, insofar as compliance with Clauses 18.1.3(c) &(d) is concerned, the applicant has time till 29.06.2026.

32. The right to continue the work during such period has not been bestowed upon the employer or any third party. There is also no statement of fact that the requirements under Clauses 18.1.3(c) & (d) have been complied with by the applicant.

33. In that regard, this Court is of the view that till 29.06.2026, the respondent is not entitled to invoke Clause 18.1.7. Till the time expires under Clause 18.1.3, the respondent cannot be heard to say that under Clause 18.1.7, the respondent is entitled to continue the work. This could be the only



conclusion for the court to come when by interpreting Clauses 18.1.3 and 18.1.7.

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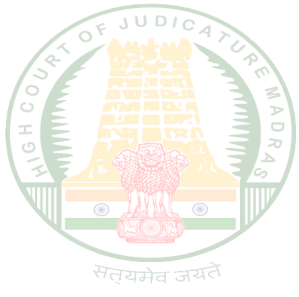
34. In view of the same, this Court is of the view that the respondent cannot claim to continue to do work either by itself or by any third parties till 29.06.2026.

35. With the aforesaid observations, these applications stand disposed of with liberty to the parties as indicated in the order dated 11.06.2026. No costs.

22-06-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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Case Citation: (2026) ibclaw.in 3445 HC

O.A.No.542 of 2



K.KUMARESH BABU, J.

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**O. A.No.542 of 2026
& A.No.2465 of 2026 in
Arb.Appln.No.1072 of 2026**

22-06-2026