

AFR

IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No. 32707 of 2025

M/s. Group No.5 Security Service

Petitioner

-Versus-

State of Odisha and others

Opposite Parties

Advocates appeared in this case:

For Petitioner : Mr. Susanta Kumar Mishra, Advocate

For State/Opp. Party : Mr. Sanjay Rath, Addl. Government Advocate

For Opp. Party No.5 : Mr. Satya Smruti Mohanty, Advocate

CORAM:
HON'BLE THE CHIEF JUSTICE
AND
HON'BLE MR. JUSTICE MURAHARI SRI RAMAN

JUDGMENT

Date of hearing and Judgment: 13th January, 2026

HARISH TANDON, CJ.

1. This is the second round of litigation before this Court assailing the action of the authorities in terminating the contract as the petitioner failed to improve the performance of their services for which the contract was awarded to them. Earlier, the contract was terminated after giving a notice, which was assailed by the



petitioner on the ground that Clause 4.8 of the Request for Proposal (RFP) has not been strictly adhered to. The said Clause provides the modalities for termination of a contract, which includes thirty days' clear notice in writing to be served upon the service provider, who was correspondingly given an opportunity to remedy such deficiencies in performance of an obligation within fifteen days from the date of receipt thereof.

2. The Court disposed of the said writ petition being W.P.(C) No.13384 of 2025 on 20th August, 2025 upholding the contention of the petitioner that once the terms of the contract provides a mechanism of terminating the contract, the authorities cannot violate the same nor shall be permitted to whittle down its applicability. After quashing the notice of termination, being opposed to Clause 4.8 of the RFP, liberty was granted to the authorities to proceed afresh by following the procedure provided in the said clause.

3. Apropos the said order, the notice dated 9th September, 2025 was issued to the petitioner by the Competent Authority, highlighting the poor performance of the sanitary workers, discrepancies in supply of the equipment/non-performance of the



staff, non-submission of the EPF and ESI details, non-payment of the salaries and the EPF and above all, disobedience and negligence of the staff and failure to replace the sanitary workers.

4. It is not in dispute that the petitioner responded to the said notice by giving a reply on 23rd September, 2025 dealing with all such allegations embodied in the said notice dated 9th September, 2025. The *summum bonum* of the defense taken by the petitioner is that the allegation on the grounds, which have been enumerated in the said notice, does not stand on a factual matrix and the intention to terminate the contract is to facilitate the favoured person to obtain the said contract.

5. After expiration of thirty days, the order dated 14th October, 2025 was communicated terminating the said contract to take effect immediately from 25th November, 2025. Simultaneously, the contract was also awarded to the opposite party No.5, which would reckon on and from 26th November, 2025 after the expiration of the period of contract awarded to the petitioner, which is a subject matter of challenge in this instant petition.

6. According to Mr. Susanta Kumar Mishra, learned counsel appearing on behalf of the petitioner, once the earlier letter of W.P.(C) No.32707 of 2025



termination is quashed and set aside by this Court, all the steps which have been taken prior thereto would perish automatically and the awarding of the contract on the basis of the same is *per se* illegal and unreasonable. It is further submitted that even the second course of action taken by the authorities is *per se* violative of Clause 4.8 of the RFP, as the notice does not contain a clear thirty days.

7. A plea of violation of the principles of natural justice is also projected in the instant writ petition, as no adequate opportunity to defend or of hearing was accorded to the petitioner. It is no longer *res integra* that once the concluded contract is entered into by and between the parties, the terms and conditions included in the said concluded contract are binding on the parties and the adherence thereof has to be strictly followed. Any departure from one or more terms and the conditions embodied in the said concluded contract would entail the action of the authorities liable to be interfered. The parties entering into a bilateral contract are bound by the terms and conditions incorporated therein and have to proceed on the peripheral thereof.

8. Clause 4.8 of the RFP contains an exhaustive mechanism relating to the termination of a contract and a corresponding right



conferred upon the service provider to remedy and/or remove the deficiencies as highlighted in the said notice. It further provides a timeline pertaining to the notice and the action to be taken in pursuit of terminating the contract and, therefore, such timeline is indispensable. The said clause does not specify what should be the contents of the said notice but unambiguous intention can be manifested therefrom that such notice must be a thirty days' clear notice and, therefore, any action taken within such mischief period cannot be regarded as an action strictly in conformity thereto.

9. Clause 4.8 of the RFP also contains the remedial measures to be taken by the service provider. The notice percolates an intention to terminate the contract and the time limit within which such deficiency and/or violation of the terms and conditions of the contract has to be redressed by the service provider. The notice dated 9th September, 2025 not only encompasses the deficiency and/or default to be complied with the obligations imposed upon them by virtue of the said contract but also a clear intention to terminate the contract, obviously, in the event such discrepancy is not remedied within fifteen days from the date of receipt thereof.



10. It is not in dispute that the said notice was not served upon the petitioner, as we find that the petitioner replied to the said notice, obviously, denying the allegations contained therein. The authorities, after taking into consideration not only the allegations leveled in the said notice, but also the reply given in defense thereof and issued an order on 27th October, 2025 terminating the contract, giving a sufficient time when the said order of termination would take effect.

11. An interesting plea is taken by the petitioner that in order to compute the clear thirty days' period of notice, the day on which the period is to be counted should be excluded and if such methodology is adopted, the effect of termination would fall short of clear thirty days and, therefore, such notice is illegal, infirm and not in consonance with Clause 4.8 of the RFP.

12. We are not impressed with the submissions so advanced before us. The method of computation of the period for the purpose of limitation enshrined in Section 12 of the Limitation Act, 1963 cannot be extended and/or applied in contractual field. The said provision is applicable in relation to an institution of the proceedings before the Court of law and, therefore, extending such



provision in the contractual field does not appear to us appropriate.

The thirty days' period has to be counted on the basis of an ordinary course adopted in calculation thereof and not on the basis of the methods adopted for institution of the proceedings in the Court of law.

13. Furthermore, the said thirty days' clear timeline is in relation to a notice issued in writing, expressing an intention of termination on the grounds so disclosed therein and has no nexus to the contract having terminated to take effect from a particular date.

The said Clause 4.8 of the RFP is reproduced as under:

“4.8. Termination/Suspension of Contract

The District Authority/Institution may by a notice in writing, suspend the contract if the selected agency fails to perform any of his obligations including carrying out the services, provided that such notice of suspension shall specify the nature of failure, and shall request remedy of such failure within a period not exceeding 15 days after the receipt of such notice.

The District Authority/Institution after giving 30 days clear notice in writing expressing the intension of termination by stating the ground/grounds on the happening of any of the events (as mentioned below),



may terminate the agreement after giving reasonable opportunity of being heard to the service provider:

- 1) If the service provider do not remedy a failure in the performance of his obligations within 15 days of receipt of notice or within such further period as the District Authority/Institution have subsequently approved in writing.*
- 2) If the service provider becomes insolvent or bankrupt.*
- 3) If, as a result of force majeure, the service provider is unable to perform a material portion of the services for a period of not less than 60 days; or*
- 4) If, in the judgment of the District Authority/Institution, the service provider is engaged in corrupt or fraudulent practices in competing for or in implementation of the project.”*

14. It is manifestly clear from the meaningful reading of the language used therein that the District Authorities/the Institution may terminate the agreement after giving thirty days' clear notice in writing which must also convey an express and/or apparent intention to terminate the said contract on the specified grounds and an opportunity is also provided to the said service provider not only



to remedy any deficiency in service within fifteen days from the date of the notice but also a reasonable opportunity to defend and/or hearing ensuring the principles of natural justice encapsulated in the instant judicial system.

15. Whether the termination would take effect from a particular date has no nexus to the period provided for issuance of the notice and, therefore, we do not find any substance in the stand of the petitioner in this regard. Admittedly, the notice dated 9th September, 2025 was issued upon the petitioner and the order terminating the contract was passed on 27th October, 2025 much after thirty days from the date of the issuance of the said notice. Therefore, once the compliance to the said Clause is readily inferred, we do not find any other grounds warranting interference into the decision of the said authorities.

16. We are given to understand that a writ petition filed by the petitioner challenging the appointment of the opposite party No.5 is pending, we thus do not intend to make any observation thereupon as such observation may create a hindrance in disposing of the said writ petition. Since the consideration in the instant writ petition is restricted to an order of termination and having found that the said



order is not infirm and/or in contravention to Clause 4.8 of the RFP, we decline to interfere with the same.

17. The writ petition is, thus, dismissed but in the circumstances with no order as to costs.

*(Harish Tandon)
Chief Justice*

*(M.S. Raman)
Judge*

S. Behera