SECTION 20A OF THE SPECIFIC RELIEF ACT: SHIELDING PUBLIC UTILITY PROJECTS OR DEPRIVING CONCESSIONAIRES OF EMERGENCY INTERIM REMEDIES?

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ABSTRACT

Infrastructure contracts occupy a unique place in Indian commercial law. They are not the same as mere private contracts. Their execution can affect transportation, electronic power, telecommunication, health, education, water supply and other activities dependent on people. Considering the economic implications of prolonged disputes, Parliament introduced Sections 20A, 20B and 20C into *The Specific Relief Act, 1963* with the help of *The Specific Relief (Amendment) Act, 2018*. According to Section 20A, the courts will not be able to grant an injunction in a suit regarding the mentioned infrastructure projects if the injunction hampers the construction or completion of the project. Section 41(ha) stipulates that injunctions cannot be granted in case they restrict the construction process.

The law aims to deal with a legitimate problem, as an injunctive relief may hinder the progress of the project for several months or years leading to increased prices, uncertainty in contractual relationships and public damage. However, the legal limitation raises a question. What is the situation when a government or any of its agencies or the project owner is the one to be in breach of the contract with the concessionaire? When courts are unable to provide effective interim relief, can Section 20A be viewed as a way through which infrastructure development is able to evade its contractual obligations?

The paper seeks to critically analyze Section 20A with respect to its statutory framework, its legislative intent, judicial interpretation and relationship with the concept of interim relief contained in the Arbitration and Conciliation Act. It will argue that Section 20A should not be construed as an exemption for public authorities since it is justified only in certain specific situations where it will not cause harm to public infrastructure, as can be seen in the case of *NHAI v. Roadway Solutions India Infra Ltd.* The paper suggests that the law should be balanced in its effects and take into consideration various important factors such as the proportionality of the measure taken, importance of the project, urgency, possibility of payment and other safeguards available.

I. INTRODUCTION: WHEN PRIVATE CONTRACT BECOMES A PUBLIC INTEREST QUESTION

Infrastructure conflicts tend to reach further than just the parties involved in the contract.

For example, a conflict between a governmental body and a highway concessionaire may impact the lives of millions of commuters. A dispute concerning the construction of an electric power transmission network can create a regional crisis. A dispute with a water purification facility or telecommunications network will have the implications beyond the interests of the involved parties. Therefore, infrastructure contracts are in the difficult position between vested private rights and public interests.

In most cases, the injunction is one of the significant means that a party can take to stop inevitable harm from happening. For instance, if a contractor has their contract wrongfully terminated, they can ask for an injunction to keep their relations with the other party until the case is settled. The concessionaire may request safeguards against an act that jeopardizes the arbitration. The party may seek immediate remedies from the use of the contractual guarantees in case such use may lead to serious economic losses.

The legal stance changed considerably with the introduction of *The Specific Relief (Amendment) Act, 2018*. Parliament added Section 20A to *the Specific Relief Act, 1963 ("SRA")*, along with Sections 20B and 20C, and clause (ha) of Section 41. The intent of the legislature was to prevent litigation from being used to hinder nationally or economically important infrastructure projects.[1]

Section 20A specifies that under no circumstances shall an injunction be granted in a case covered by the SRA that involves a contract related to an infrastructure project as long as an injunction would cause obstacles or delays in the project's execution or completion.[2] In this case, the text itself indicates that the provision does not deliver an absolute prohibitory character to any order of injunction concerning the issue of infrastructure.

However, there is an important issue. Infrastructure contracts are usually long-term and require a lot of money to execute, which implies that the performance must usually be continuous. If

[1] Specific Relief (Amendment) Act, 2018, Statement of Objects and Reasons

[2] Specific Relief Act, 1963, No. 47 of 1963, Section 20A(1) (India).

impediments to the implementation or termination of the contracts cannot be ruled out, the concessionaire will be obliged to take commercial risks against his economic interest in this matter while waiting for the ultimate court decision.

The central question, therefore, is not simply whether Section 20A protects infrastructure. It plainly does. The deeper question is:

"Can the law protect the continuity of public infrastructure without simultaneously weakening the contractual and procedural rights of the private party responsible for delivering it?"

II. THE LEGISLATIVE GENESIS OF SECTION 20A

The Specific Relief Act of 1963 allowed courts freedom in matters of specific performance and injunctions. With time, India's economy grew and thus complicated commercial contracts like public private partnerships (PPP), engineering, procurement and construction (EPC), concession agreements, and infrastructure development agreements.

The Statement of Objects and Reasons of the 2018 amendment referred to India's economic development, more commercial activities, foreign investments, public private partnerships, and public utility infrastructures. It was felt that existing remedies and judicial freedom to decide might lead to uncertainty and delay in enforcement of contracts.[3]

As a consequence, the amendment had two goals in mind:

- better enforcement of contracts by making specific performances more accessible;
- shielding infrastructure projects from delays caused by legal issues.

Legislative design has its importance. Section 20A was not enacted as an independent section. Section 20B makes it mandatory for states, with the consultation of the concerned Chief Justice of High Court, to constitute Special Courts for infrastructure contract disputes. Section 20C provides for the disposal of such suits within the period of 12 months from the service of summons, which can be extended for the reasons mentioned in writing for a further period of

[3] See *Conscient Infrastructure Pvt. Ltd. v. Mahesh Kapoor*, O.M.P. (I) (COMM.) 138/2026 (Delhi High Court May 29, 2026) (reproducing the legislative background and Statement of Objects and Reasons of the 2018 amendment).

6 months.[4]

This is how the Parliament has tried to create a bargain:

fewer injunctions leading to lesser disruptions + specialized adjudication + quicker disposal in the cases. (This bargain will only be successful if the expedited adjudication takes place in practice.)

III. UNDERSTANDING SECTION 20A: WHAT DOES THE PROVISION ACTUALLY PROHIBIT?

Section 20A (1) states:

"No injunction shall be granted by a court in a suit under this Act involving a contract relating to an infrastructure project specified in the Schedule, where granting injunction would cause impediment or delay in the progress or completion of such infrastructure project."[5]

A. The Schedule of the statute must include an infrastructure project

The regulation does not apply to all commercial infrastructure development. According to the law Schedule there are five major types of projects which are: Transport, Power supply, Water distribution and sanitation, Telecommunication and Public and commercial infrastructure.[6]

The Schedule may include roads, bridges, ports, airports, railways, public transport in the cities, electricity generation and distribution devices, oil pipelines, water treatment plants, sewage facilities, telecommunication devices, hospitals, universities and colleges, sport infrastructure, low-cost accommodation, and many others.[7] The wide scope of the Schedule means that it was the parliamentary intention to include only such types of infrastructure, which have some significant public interest or economic meaning.

[4] Specific Relief Act, 1963, Sections 20B–20C. Section 20B provides for designation of Special Courts, while S 20C prescribes a twelve-month period for disposal, extendable by six months for recorded reasons.
[5] Specific Relief Act, 1963, S 20A(1).
[6] Id. sched., as inserted by the Specific Relief (Amendment) Act, 2018.
[7] The Schedule includes transport, energy, water and sanitation, communication, and social and commercial infrastructure, including roads, airports, electricity, telecommunications, hospitals, educational institutions and affordable housing.

B. There should be a contract regarding the infrastructure project involved in the dispute

This is an important condition. The term 20A is not used in a way that it is a general ban on injunctions concerning land or property just because the land or property is close to an infrastructure project.

The Punjab and Haryana High Court's ruling in the case of *National Highways Authority of India v. Usha of 2026*, has considered an argument that Section 20A prohibits the suit itself. The method that was taken at the trial level as shown in the proceedings, made the distinction between prohibitive statute provisions on granting injunctions and prohibition based on the right to file a claim. This distinction has important doctrinal implications. Section 20A deals with the issue of injunction remedies and does not by its wording terminate the claim itself.[8]

C. The injunction must hinder some activity or cause a delay.

This is probably the most important protection afforded to the holders of the concession. The legal provision does not simply say: *"No injunction can be granted in the case of an infrastructure project."* The provision states that a restriction is subject to some consequence such as hindering or delaying the operation or accomplishment of the project. Thus, a court should take a logical approach and examine how the injunction will affect the situation.

If a public authority is ordered to refrain from terminating an EPC contractor in accordance with the court order, the completion of the project could be hampered, if the contractor has already stopped performing his duties. However, on the contrary, the judicial remedy that aims at ending a third party's unlawful interference with the actions of the already existing contractor could promote the project completion.

In *M/s CSR Infratech India Pvt. Ltd. vs. M/s CSRRAAM Joint Ventures*, the judicial authority examined the matter whether a judicial action against unlawful interference with the process of an infrastructure project is in contradiction to Section 20A. The court stated that in a situation where the judicial action would eliminate the unlawful interference that threatens the delay of the project, the provision cannot be applied automatically so as to refuse to grant assistance

[8] *National Highways Authority of India v. Usha*, CR-1345-2026 (P&H Feb. 10, 2026). The case concerned an argument that a civil suit was barred by S 20A and S 41(ha); the court distinguished the statutory restriction on injunctions from a complete bar to instituting a suit.

without consideration of the surrounding circumstances.[9]

IV. SECTION 41(HA): THE COMPANION PROVISION

Section 20A must be read together with Section 41(ha).

Section 41 specifies circumstances in which injunctions cannot be granted. Clause (ha) provides that an injunction cannot be granted:

"if it would impede or delay the progress or completion of any infrastructure project or interfere with the continued provision of relevant facility related thereto or services being the subject matter of such project."[10]

While Section 20A deals specifically with legal actions taken under the SRA related to infrastructure projects, Section 41(ha) has a different focus dealing with the effects of injunction with respect to provision of various facilities and services.

Thus, courts have often adopted an approach where the two provisions complement each other in safeguarding against the judicial orders that disrupt infrastructure.

The Gujarat High Court, for instance, has applied Sections 20A and 41(ha) in cases involving electricity infrastructure, stressing on the implications of affecting projects mentioned in the statute.[11]

V. THE CONCESSIONAIRE'S DILEMMA: WHAT HAPPENS WHEN THE CONTRACT ITSELF IS AT RISK?

Most of the problems are concerned with terminating the contract.

Let's assume that there is a highway concessionaire that spent ₹250 crores in mobilizing, machines, workforce, bank guarantees, and construction-specific infrastructure. The authority terminates the contract on the ground of delays. The concessionaire claims that the delays were

[9] *M/s CSR Infratech India Pvt. Ltd. v. M/s CSRRAAM Joint Ventures*, (Andhra Pradesh High Court Feb. 22, 2022)

[10] Specific Relief Act, 1963, S 41(ha). The provision was introduced by the Specific Relief (Amendment) Act, 2018.

[11] *Chaparla Venkata Ratnam v. State of Andhra Pradesh*, W.P. Nos. 503 & 4469 of 2024 (A.P. Sept. 4, 2025)

caused by the authority's failure to provide the land and necessary licenses.

The concessionaire takes the case to court of obtaining an interim injunction against termination of the contract. Traditionally, to grant the interim injunction in accordance with the principles introduced by the Supreme Court, the elements like:

a. prima facie case

b. balance of conveniences

c. irreparable injury must be taken into account.[12]

However, Section 20A, which was introduced as a result of the recent legal developments, imposes additional requirements concerning how the injunction will affect the infrastructure.

VI. *N.G. PROJECTS V. VINOD KUMAR JAIN*: PUBLIC INTEREST AS A JUDICIAL CONSTRAINT

One of the most significant Supreme Court rulings in this regard is *N.G. Projects Ltd. v. Vinod Kumar Jain*.[13] The issue was a tender for road construction in Jharkhand, on which the Supreme Court asserted that judicial review of tender decisions in regards to infrastructure should be cautious when it comes to interfering with any work once it is already in progress and/or where any interference may adversely affect public interest. The Court also stated that any interference with infrastructure tenders might lead to extra expenses for the state and delay the implementation of public projects. The Court also mentioned that even in cases where arbitrariness was proved there were situations when damages were preferable to an injunction that halted the project.[14]

Although the case in question dealt with judicial review under Article 226 and not a straightforward Section 20A lawsuit, the reasoning behind it was very much connected with the principles of Section 20A. However, this principle should not be converted into a

[12] *Dalpat Kumar v. Prahlad Singh*, (1992) 1 SCC 719 (India)

[13] *M/s N.G. Projects Ltd. v. M/s Vinod Kumar Jain*, Civil Appeal No. 1846 of 2022, 2022 SCC OnLine SC 336 (India).

[14] Id. The Supreme Court held that even in circumstances involving challenge to tender processes, courts should ordinarily avoid interfering in a manner that causes additional costs or delays to infrastructure projects and may relegate the aggrieved party to damages where appropriate.

proposition that public authorities are always immune from interim judicial scrutiny.

VII. THE 2026 NHAI- ROADWAY SOLUTIONS LITIGATION: A MODERN TEST OF THE PROBLEM

A really current case that is relevant here is *NHAI v. Roadway Solutions India Infra Ltd.*, which was decided by High Court of Delhi on 13 January 2016. The case was about the Package VIII of Delhi-Mumbai Expressway, where the contractor is challenging the termination process and requesting a temporary relief/order under Section 9 of the Arbitration and Conciliation Act, 1996.[15]

The Single Judge had given an order for providing the temporary relief against the termination notice, which led to the appeal of NHAI.

The Division Bench had gone through various provisions including Section 20A and Section 41(ha) of the Act. It was also observed that since the issue of the project of road and bridge construction comes within the purview of the infrastructure Schedule and hence to continue the stay would hinder the infrastructure development process.[16]

The Court has also given some protection to contractor. The Bench has allowed the NHAI to terminate the contract and can also proceed with new tender for rest of the work if required, but at the same time the NHAI cannot encash the insurance surety bonds and bank guarantees of the contractor.[17]

The Court divided the issue into two parts:

First Issue: Should the contractor be allowed to keep the project hostage while waiting for court judgment?

Response: Definitely no.

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[15] *National Highways Authority of India v. Roadway Solutions India Infra Ltd.*, FAO(OS) (COMM) 4/2026 (Delhi High Court Jan. 13, 2026).

[16] Id. The Delhi High Court specifically noted that roads and bridges fall within the transport category of the Schedule and that an injunction delaying infrastructure development could not be sustained.

[17] Id. The Division Bench permitted NHAI to proceed with termination and, if considered necessary, issue a fresh notice inviting tender, while restraining encashment of insurance surety bonds and bank guarantees until disposal of the Section 9 proceedings.

Second issue: Should the contractor suffer severe financial consequences immediately, with no legal recourse?

Response: No again.

This shows that there is no requirement to interpret Section 20A as saying *"surrender or nothing."*

In addition, the Supreme Court dismissed the contractor's appeal on 2 February 2026 with the statement that the arbitration process had begun and that the High Court's order would remain in effect until revoked by the arbitrators.[18]

VIII. DOES SECTION 20A APPLY TO SECTION 9 ARBITRATION PROCEEDINGS?

Section 20A specifically points out:

"a court in a suit under this Act".

On the contrary, Section 9 of *the Arbitration and Conciliation Act, 1996* deals with temporary orders made by the court regarding arbitration. Thus, one cannot treat the texts in an indiscriminate manner. Nevertheless, the overall policies behind Section 20A and Section 41(ha) could have a huge influence on the judicial implementation of Section 9, especially in cases when interim relief is needed, which stops undertaking a construction project.

The controversy of *NHAI v. Roadway Solutions* in 2026 illustrates this situation very well. The Delhi High Court took into account Section 20A when considering Section 9 and ruled that NHAI might terminate the contract because if this was prevented, any construction would be stalled. Moreover, the court did allow for one of the narrower restrictions regarding financial guarantees.[19]

This indicates that there appears to be a principle that infrastructure law does not exclude interim measures but rather motivates courts to craft them in a way that the construction may

[18] *Roadway Solutions India Infra Ltd. v. National Highways Authority of India*, order dated Feb. 2, 2026, SLP(C) No. 2840/2026. The Supreme Court recorded the constitution of the arbitral tribunal and directed that the Delhi High Court's order would operate until modified by the tribunal.

[19] *NHAI v. Roadway Solutions India Infra Ltd.*, FAO(OS) (COMM) 4/2026 (Delhi High Court Jan. 13, 2026). The judgment expressly considered Section 20A while deciding an appeal arising from a Section 9 proceeding.

be realized.

IX. THE PROBLEM OF BANK GUARANTEES AND PERFORMANCE SECURITIES

The most direct danger for concessionaires may not be termination but rather the exercise of bank guarantees, performance bonds, or insurance surety bonds. According to Indian law, courts would not normally restrain invocation of unconditional bank guarantees, notwithstanding exceptions such as exceptional cases of fraud or irretrievable injustice. When-infrastructure context comes into play, additional considerations come into effect.[20]

Let's say a contractor disputes termination and seeks temporary relief from an employer's acceptance of performance bonds worth ₹100 crore. The court allows the employer to terminate the contract but simultaneously orders that it cannot act on this order right away. The verdict of the arbitral court may set aside the termination and/or rule that the employer must compensate the contractor for the losses incurred by termination. However, India's Supreme court in Roadway Solutions case chose an average approach: it allowed the public body to work on the project and find for a replacement for the contract while in the interim keeping the performance guarantee main consideration free from loss.[21]

X. IS SECTION 20A A SHIELD FOR PUBLIC AUTHORITIES?

There is some justification to assume that Section 20A can be used for advantages by state bodies. A government body can say:

"This is an infrastructure project, so nothing can be blocked."

This interpretation is legally incorrect.

Section 20A does not state that if an obligation is related to an infrastructure project, it has immunity. The only requirement under the law is that any prohibition must lead to hindrances or delays.

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[20] See, e.g., *U.P. Cooperative Federation Ltd. v. Singh Consultants & Engineers (P) Ltd.*, (1988) 1 SCC 174; *Svenska Handelsbanken v. Indian Charge Chrome*, (1994) 1 SCC 502.

[21] *NHAI v. Roadway Solutions India Infra Ltd.*, FAO(OS) (COMM) 4/2026 (Delhi High Court Jan. 13, 2026).

The distinction becomes extremely important in cases where:

- the authority is to blame for affecting the execution;
- the concession is not allowed to perform;
- someone is infringing contractor's possession of execution;
- the prohibition is made to be narrow;
- the execution can be continued despite the prohibition;
- the prohibition provides preservation of important materials without preventing construction.

The case in CSR Infratech is an example. The court did not interpret Section 20A mechanically and concluded that when the project is an object of prohibition causing delays, it is not a breach.[22] Thus, Section 20A must not become a statutory loophole that helps public authorities escape accusations of breach of contract.

XI. THE "PUBLIC INTEREST" ARGUMENT CANNOT BECOME A SUBSTITUTE FOR LEGALITY

Public interest is undeniably significant. However, public interest consists of two aspects. One aspect consists of continuity of the infrastructure. The other aspect refers to trust in the law and contracts.

If government authorities learn that in most instances courts will not grant them any interim relief simply on account of the term "infrastructure" linked to the project, the resulting imbalance might make PPPs less appealing to investors. Receiving considerable funding, concessioners rely on the contract guaranteeing them their rights. If the process of canceling the agreement does not go through any interim scrutiny, the level of risk grows.

As a result, the following indicators may grow:

[22] *M/s CSR Infratech India Pvt. Ltd. v. M/s CSRRAAM Joint Ventures*, supra note 9.

- financing costs;
- bid prices;
- insurance premiums;
- risk contingencies;
- the cost of capital; and
- dependence on government financing.

The sad irony is that a provision meant to boost infrastructural activities may raise their costs in case it is interpreted too broadly.

XII. SECTION 20B AND SECTION 20C: THE MISSING HALF OF THE LEGISLATIVE BARGAIN

The strongest justification for Section 20A is the fact that the Parliament not only enacted restrictions on the injunctions but also created institutional mechanisms to speed-up the final decision. Section 20B allows States to establish Special Courts in regards to cases related to infrastructure contracts.[23] Section 20C prescribes the resolution of disputes within 12 months of the receipt of a summons, which can nevertheless be prolonged for six more months due to some special reasons.

The legislative logic is very simple:

If the prohibitions on the granting of interim injunctions apply for the purpose of ensuring that the process of construction does not suffer from usual litigation, then the process of final adjudication should also be quite fast.

If the concession-holder cannot receive an injunction and the dispute lasts for five and ten years, the remedy of damages may turn out to be insufficient. That means that it is impossible to consider Section 20A individually from Sections 20B and 20C. The legal framework prohibiting interim relief and rendering slow decisions may lead to the following result: the

[23] Ibid

public work continues, and the private party has to wait several years for the damages.

XIII. CRITICAL ASSESSMENT: SHIELD OR DEPRIVATION?

Section 20A is backed up by a solid financial rationale.

To actually finance infrastructure in the country, there is a dire requirement for infrastructure financing. For instance, a single interim injunction can paralyze the project for numerous years. Ultimately, however, the burden of such costs is placed upon the taxpayers.

From this perspective, Section 20A is actually a reasonable legislative answer to delays in the field of infrastructure caused by litigation. Nevertheless, there is a drawback associated with the provision of the said Section.

If the contractors think that their rights under the contracts will be impossible to enforce at the interim stage, they will appropriately adjust the price of the project to compensate the legal risks. The implication of such a situation would lead to infrastructure becoming more costly, rather than being affordable. Moreover, the concept of "public interest" can sometimes become a powerful word and lose its significance. Courts should not accept the fact that each case of controversy related to the government should raise the question of public interest.

XIV. RECOMMENDATIONS FOR LEGAL CHANGES AND ENFORCEMENT

A. Call for the explanation of the influence of the project beforehand: The courts need to indicate the way in which the specific court order will delay and obstruct the project before refusing aggrieved interim relief solely on Section 20A.

B. Distinguish the stopping remedies from protecting ones: A decision which keeps a bank guarantee for a month is different from a decision which prohibits construction for two years.

C. Strengthen the operation of Section 20C: The idea of twelve months disposal should be understood as something more than mere aspiration in the legislation.

D. Push for the application of emergency arbitration: It is necessary to add solid provisions for arbitration including emergency arbitrator provision and the possibility of emergency measures to infrastructure contracts.

E. Avoid arbitrary termination without finishing the project: Before directing the authority to finish the project the court should consider the options of appointing different contractors and protecting the monetary claims of the initial concessionaire.

F. Require the applicant to present the amount of security: In case it is decided to grant an injunction the claimant should be obliged to provide the reasonable amount of security.

G. Maintain a distinction between government power and contractual rights: A public authority should not receive a broader contractual immunity merely because the project is important.

XV. CONCLUSION

Section 20A of the Specific Relief Act is aimed at avoiding delays in infrastructure projects due to litigations but cannot be taken as violating the contractual rights of the parties. The emerging legal trend makes it clear that court interventions need to be restricted to cases that threaten the public interest whereas the proportionality principle ought to be applied to contractual rights. In this regard, the idea behind the Section 20A should be to prevent stoppage of projects rather than to frustrate the contractual rights of contractors and concessionaires. The aim should be to make sure that construction projects are implemented without denying justice to contractors and concessionaires.

In conclusion, infrastructure and justice are two concepts that should coexist. A proper legal framework should protect both the project and those responsible for implementing it.