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

+ **W.P.(C) 7244/2018**

STEEL AUTHORITY OF INDIA LIMITED Petitioner

Through: Mr Dhruv Mehta, Sr. Advocate with
Mr Yashraj Singh Deora, Mr Shyam
Agarwal, Mr Anmol Mehta and Ms
Sanjana Saddy, Advocates.

versus

UNION OF INDIA Respondent

Through: Ms Maninder Acharya, ASG, with Mr
K. M. Singh, CGSC, Mr Waise Ali
Noor, Mr Sahil Sood, Mr Harshul
Choudhary and Mr Viplav Acharya,
Advocates.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

ORDER

% **16.07.2018**

CM No.27629/2018

1. Allowed, subject to all just exceptions.

W.P.(C) 7244/2018 & CM No.27628/2018

2. Issue notice. The learned counsel for the respondent accepts notice.

3. The petitioner (hereafter 'SAIL') has filed the present petition, *inter alia*, praying as under:-

“(i) Issue a writ, order or direction in the nature of certiorari so as to quash the show cause notices dated 16.11.2017 and 13.6.2018 issued by the respondent; and/or

(ii) Issue a writ, order or direction in the nature of certiorari

so as to quash the allotment agreement dated 26.10.2015 on account of the same being void.”

4. SAIL is, essentially, aggrieved by the proposed action of the respondent in invoking the bank guarantees in question on the ground that SAIL had not met the efficiency parameters. The show cause notice dated 06.11.2017 (which is impugned in the present petition) had been issued to SAIL in this regard. Mr Mehta, learned senior counsel appearing for SAIL states that SAIL had responded to the said show cause notice.

5. The respondent had, thereafter, issued another show cause notice dated 13.06.2018 which is also predicated on the same allegations as articulated in the Show Cause Notice dated 06.11.2017 as well as SAIL’s response to the said notice. It also appears that certain recommendations have been made by the concerned authorities (scrutiny committee) in respect of the earlier show cause notice dated 06.11.2017; but, it is not disputed that a speaking order has not been passed as yet.

6. Mr Mehta, has also drawn the attention of this Court to an order dated 20.04.2018 passed by the Coordinate Bench of this Court in W.P.(C) 3925/2018 captioned as ‘**Steel Authority of India Limited v. Union of India**’. In terms of the said order, SAIL was granted ten days time to respond to the show cause notice and the respondent was further directed to adjudicate the show cause notice expeditiously. It was further directed that if the order so passed by the respondent is adverse to SAIL, it shall not be given effect to for a further period of three weeks therefrom.

7. It is not disputed that the facts in the said case – W.P.(C) 3925/2018 – are similar to the facts in the present case.

8. In view of the above, it is directed as under:-
- a) The petitioner is at liberty to file a reply to the show cause notice dated 13.06.2018 within a period of 10 days from today.
 - b) In the event such reply is filed within the time as specified, the respondent shall consider the same as SAIL's response to the show cause notice dated 06.11.2017 (which was filed earlier) as well and pass a speaking order.
 - c) Status quo in respect of the bank guarantees in question shall be maintained for a period of three weeks after the respondent has passed a speaking order as directed above and communicated the same to the petitioner.
 - d) The petitioner shall ensure that the bank guarantees in question are kept alive for a further period of six months from today.
9. Needless to state that SAIL is not be precluded in any manner from availing its remedies against any order that may be passed by the respondent, in accordance with law.
10. The petition is disposed of in the aforesaid terms. The pending application is also disposed of.
11. Order *dasti* under signatures of the court master.

VIBHU BAKHRU, J

JULY 16, 2018
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