

**Arcon Project Private Limited  
Vs.  
Hindustan Steelworks Construction  
Limited & Ors.**

Mr. Srijib Chakraborty  
Mr. Jai Kumar Surana  
Mr. Deeptangshu Kar

...For the petitioner.

Mr. Mohit Gupta  
Mr. Amit Kr. Chaturvedi

...For the respondent Nos. 1 to 4.

A writ petition lies challenging a notice dated 07.09.23 issued to Arcon Project Private Limited herein the writ petitioner by Additional General Manager (Engineering) Zonal Head (West), Hindustan Steelworks Construction Limited herein respondent No. 3 to show-cause why an action will not be taken due to alleged breach of contract.

The facts of the case are that the petitioner, a private limited company was engaged by Hindustan Steelworks Construction Limited herein respondent No. 1 for construction of Ekalabya Model School, Dadra and Nagar Haveli from 16.11.2021.

The petitioner was already served with a show-cause notice on 18.07.2023 for slow progress of work and alleged failure in all the commitments and thereafter, served with a supplementary notice on 07.09.2023 to show-cause as to why an action under Clause 11 of the General Clauses of Contract will not be taken *i.e.*, to cancel or determine contract of service in full or in part in case of inability to complete work within stipulated time or persistent

negligence to carry out obligations as per conditions of the contract. Aggrieved by such ensuing show-cause notice dated 07.09.2023, the present writ petition lies.

The learned Counsel for the petitioner affirms that a detailed explanation and reply to the allegations was given on 21.07.2023 in the show-cause dated 18.07.2023 which was intentionally disregarded by respondent authorities. The respondent authorities by issuing the subsequent show-cause notice dated 07.09.2023 without providing an opportunity of hearing has pre-judged the issue by reaching a definite conclusion of alleged guilt.

The Learned Counsel for the respondent authorities submits that the second show-cause notice dated 07.09.2023 is a supplementary show-cause notice in relation to the prior show-cause notice dated 18.07.2023. The ensuing show-cause notice was backed by inspection report of completed work and a technical/quality report prepared by respondent authorities.

Having heard the Learned Counsel for the parties and on perusal of records, this Court directs that the petitioner shall reply to the supplementary show-cause notice dated 07.09.2023 within a period of seven days from date and the respondent authorities will consider the reply to the original show-cause notice and the reply to the supplementary show-cause to be given by the petitioner before coming to a conclusion and shall pass a reasoned order within twenty one (21) days from date. It is further directed that an opportunity

of hearing to the petitioner should be provided by the respondent authorities before passing the reasoned order.

With the above observations and directions, the writ petition being WPA 22119 of 2023 is disposed of. There shall, however, be no order as to costs.

Urgent Photostat certified copy of this judgment, if applied for, be given to the parties, as expeditiously as possible, upon compliance with the necessary formalities in this regard.

**(Rajarshi Bharadwaj, J.)**