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

+ **W.P.(C) 14227/2024**

M/S. B.L. GOEL AND CO.

.....Petitioner

Through: Mr. Rajiv Nayar, Senior Advocate
with Mr. Ankur Mahindro, Mr.
Aditya Kapur, Mr. Rohan Taneja, Mr.
Sourabh Seth, Advocates

versus

GOVERNMENT OF NCT OF DELHI

.....Respondent

Through: Mr. Anupam Srivastava, ASC for
GNCTD with Ms. Sarita Pandey,
Advocate

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

% **08.10.2024**

CM APPL. 59587/2024 (Exemption)

1. Exemption is granted, subject to all just exceptions.
2. The Applicant shall file legible and clearer copies of exempted documents, compliant with practice rules, before the next date of hearing.
3. Accordingly, the application stands disposed of.

W.P.(C) 14227/2024 & CM APPL. 59586/2024 (for interim relief)

4. The Petitioner had entered into an agreement with the Respondent for Work of "C/o Residential Complex for Judicial staff at Sector-26, Rohini, Delhi. (SH: C/o 32 Nos. Type-V (Basement+ Stilt+ 8), 16 nos. Type-VI quarters (Basement+ Stilt+ 8) and substation building including Civil, Electrical, E&M services and Development work.

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5. The Petitioner's grievance arises from Office Memorandum¹ dated 27th September, 2024, bearing No. E-in-C/PWD /Works/OM/2024/ 4021, issued by the Respondent. Through the said OM, the Petitioner has been debarred from tendering process in PWD work for a period of one year.

6. Notably, this is the second round of litigation, initiated at the instance of the Petitioner. The earlier round of litigation pertained to an OM and Show Cause Notice dated 14th February, 2024 issued by the Respondents, provisionally debarring the Petitioner for a period of one year. Through the aforesaid OM, the Petitioner was informed that the final action/ period of debarment would be decided based on his reply to the Show Cause Notice. The said OM was assailed before this Court in W.P.(C) 2613/2024, wherein this Court, through order dated 21st February, 2024, stayed the debarment order dated 14th February, 2024. The said writ petition is presently pending consideration.

7. The Petitioner has now approached this Court, assailing the OM dated 27th September, 2024, whereby the Respondents have taken a final view on the matter, and debarred the Petitioner from tendering process in PWD work for a period of one year.

8. Mr. Rajiv Nayar, Senior Counsel for the Petitioner, contends that the impugned OM has been issued without assigning any reasonable basis for debarring the Petitioner. He contends that Paragraph Nos. 1 to 8 of the impugned OM merely narrate the factual background of the case, and Paragraph No. 9, which concludes with the decision of debarment, is devoid of any reasoning.

9. The Court has considered the aforementioned contentions. A perusal of the

¹ "OM"



impugned OM reveals that the decision of debarring the Petitioner has been rendered, without specifying any cogent reasons for the same. Furthermore, the impugned OM has not deliberated upon the communication dated 2nd March, 2023, through which the Petitioner has raised their contentions to oppose the debarment action, in response to the Show Cause Notice.

10. This Court in ***Transys Consulting Pvt Ltd v. National Highway Authority of India***² observed that principles of natural justice necessitate that a decision entailing an action of debarment/blacklisting must provide cogent reasoning after due consideration of the party's response. This emanates from the fact that the punishment of debarment/ blacklisting is equivalent to the civil death of the organization. The Respondent's action of debarring the Petitioner in the absence of any reasoning and their failure in engaging with the specific contentions raised by the Petitioner amounts to violation of principles of natural justice.

11. In light of the foregoing, in the opinion of the Court, the present writ petition is allowed, with the following directions:

- (a) The impugned OM dated 27th September, 2024 is set aside.
- (b) The matter is remanded back to the Respondent for fresh consideration.
- (c) Considering the Petitioner's representation, the Respondent shall give a personal hearing to the Petitioner on a time and date convenient to the Respondent.
- (d) The Respondent shall consider the Petitioner's reply to the Show Cause Notice as well as their submissions, and taken a firm decision thereon by way of a speaking order.



(e) The Respondent shall immediately take down the impugned OM from their website.

12. With the aforesaid directions, the present writ petition is disposed of along with pending application.

13. All rights and contentions of the parties are left open.

SANJEEV NARULA, J

OCTOBER 8, 2024/ab

² W.P.(C) 6986/2024, decided on 14th August, 2024