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

+ W.P.(C) 5206/2025

M/S MUNDESHWARI CONSTRUCTIONPetitioner

Through: Mr. Satyaveer Singh and Mr. Vishal
Singh, Advocates.

versus

NBCC INDIA LIMITED AND ORS.Respondents

Through: Mr. Gudipati G. Kashyap, Mr.
Ronvijay and Ms. Anam Ahmed,
Advocates for R1 to R3.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

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28.04.2025

1. The present petition assails a Show Cause Notice dated 03.04.2025 (hereinafter '*the impugned SCN*') issued by the respondent no.2/Chief General Manager (Engineering), NBCC.
2. The said impugned SCN had been issued in the background of a notice inviting tender dated 23.11.2023, issued by the respondents for the work relating to construction of club house cum community centre along with swimming pool at Heart Beat -02, Plot GH-01D, Sector 107, Noida, U.P.
3. The aforesaid work was awarded to the petitioner *vide* LOA dated 11.01.2024 for a total contract value of Rs. 17,77,07,330/-. In terms of the relevant contractual stipulations, the work was to be completed within a period of 6 months from the date of LOA. Admittedly, the said timeline could not be adhered to.
4. Learned counsel for the petitioner submits that the stipulated timeline could not be adhered to due to reasons not attributable to the

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petitioner. However, learned counsel on behalf of the respondents, who appears on advance notice, disputes the aforesaid contention.

5. The work having not been performed well beyond the stipulated contractual deadline, the impugned SCN came to be issued by the respondent no.2, which reads as under: -

“Show Cause Notice

Date: 03-04-2025

Subject: Construction of Club House cum Community Centre along with swimming pool at Heart Beat-02, Plot No GH-01D, Sector-107, Noida, District: Gautam Budha nagar.

Reference:

*1. LOA NO:- NBCC/CGM/ Amrapali-Noida/LOA/2024/786,
Dated:11.01.2024*

2. Agreement No. IN-DL33848801370985W DATE 27.01.2024

*3. Letter No. NBCC/CH-HB2/GM/2024/ Dated 25.03.2025, 20.01.2025,
19.11.2024, 15.10.2024.*

Dear Sir,

With reference to the project cited under subject captioned, please refer to our various correspondences as mentioned above and regular persuasions held with you for expediting the progress of work. It is regretted to mention that you have not completed the work in the stipulated time and also not taken any concrete steps for completing the above said works.

You are hereby notified that:-

1. In spite of the fact that considerable time has elapsed since the issue of such instruction, you have not taken any corrective action.

2. It is accordingly felt that you are not in a position to discharge your obligations under the contract. I therefore hereby give you notice that if you do not take necessary corrective action within 7 days of the date of issue of this letter the undersigned will be left with no other option but to consider for determination of the Contract on account of your default in the discharge of your contractual obligation. In the event of such a Determination of the Contract, in terms of Clause No. 11.1 (iii, iv) & Clause No. 2.2 of the Contract Security.”

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6. The petitioner submitted a response to the above show cause notice on 09.04.2025, giving an elaborate justification for the delay in performance of the contract. The matter has been under consideration of the respondents thereafter. A joint meeting was also held between the parties to try to resolve the *inter se* disputes.

7. The disputes between the parties having remained unresolved, the petitioner apprehends that the respondents shall arbitrarily determine the contract and forfeit the performance guarantee. In this background, the present petition has been filed.

8. The disputes between the parties stem from their contractual relationship, involving disputed questions of facts. Adjudication of the same would involve a full fledged factual inquiry, for which the parties must be relegated to their civil remedies.

9. However, during the course of hearing, learned counsel for the petitioner confines himself to seeking that if any further action for determination/termination is sought to be taken by respondent/s pursuant to the aforesaid SCN, an opportunity of hearing shall be afforded to the petitioner, and a reasoned order shall be passed by the respondent. Learned counsel for the respondent accedes to the same.

10. In view thereof, no further orders are required to be passed in the present petition; the same is accordingly, disposed of.

11. Needless to say, the parties shall be at liberty to avail their contractual/civil remedies, in accordance with law.

SACHIN DATTA, J

APRIL 28, 2025/at

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