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

+ W.P.(C) 13125/2025, CM APPL. 53695/2025, CM APPL. 62371/2025  
M/S CONARCH ASSOCIATES .....Petitioner

Through: Ms. Priyanka Jain, Adv.

versus

UNION OF INDIA AND ORS .....Respondent

Through: Ms. Pratima N. Lakra (CGSC) along  
with Mr. Shailendra Kumar Mishra,  
Mr. Chanakya Kene, Mr. Priyam  
Sharma, Advs. for R1  
Ms. Kanupriya Bhargava, Mr. Pranav  
Goswami, Advs. for R2.

**CORAM:**

**HON'BLE MR. JUSTICE SACHIN DATTA**

**ORDER**

**17.11.2025**

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1. A banning order dated 23.09.2024 was issued *qua* the petitioner by respondent no.2 (IRCON International Limited) through its AGM/Civil/PH KMPRL. The said order was issued pursuant to the directions contained in the order dated 02.09.2024 passed by this Court in W.P.(C) 11270/2024. *Vide* the said order, the previous banning order dated 03.07.2024 *qua* the petitioner was set aside by this Court.

2. The operative portion of the order dated 02.09.2024 is reproduced as under:-

*"16. Considering the foregoing, in the absence of there being any reason assigned in the impugned letter which may allude to the appropriate consideration of the reply furnished by the petitioner, the Court finds that the same is unsustainable and is accordingly, set aside.*

*17. However, respondent no.2 shall be at liberty to pass a fresh reasoned order. All the rights and contentions are left open."*

3. In the order dated 23.09.2024, the banning action *qua* the petitioner



was sought to be justified for the following reasons: -

17. After reviewing the allegations in the show cause notice, along with your response and the accompanying documents/documentary evidence, you have been found guilty of the charges under paragraphs 4.3, 4.5, 4.6 and 4.7 of the Procedure for Suspension/Banning of Business Dealing with Agencies in IRCON.

- i) Suppling of poor-quality ballasts which had to be rectified by IRCON through screening of the ballast and cost of such rectification had to be recovered out of your due payment.
- ii) False /representation in your said reply to the Show- cause notice that you have not received the Retention Money.
- iii) Instead of proper legal/contractual remedy for recovery of your alleged claims, you have resorted to make a series of complaints to various authorities against IRCON and its Officials with the sole intention to recover your alleged claims.

4. It is contended by the learned counsel for the petitioner that pursuant to a department appeal preferred against the said order dated 23.09.2024, the Appellate Authority viz., the Chief Managing Director (CMD) / respondent no.2, vide order dated 01.04.2025 has given altogether different reasons to justify the banning/debarring action taken *qua* the petitioner. The said reasons were neither the subject matter of the Show Cause Notice (SCN) originally given to the petitioner, nor do they find mention in the order dated 23.09.2024 passed pursuant to the order dated 02.09.2024 passed by this Court in W.P.(C) 11270/2024. Thus, it is contended by learned counsel for the petitioner that the entire exercise is tainted and vitiated on account of sheer non-application of mind, arbitrariness, and denial of principles of natural justice.

5. In the above circumstances, it is submitted by the learned counsel for the petitioner that the factual premise for issuing the order dated 23.09.2024 is non-existent and that the petitioner has been wrongly castigated for allegedly supplying poor quality ballast, etc. without taking into account the



correct factual position.

6. Further, it is submitted that even if the said allegations are taken at face value, at best the same amounts to an infraction of contractual provisions, which ought not to be visited with the extreme consequences of banning. In this regard, reliance is placed on the judgment of the Supreme Court in ***Techno Prints v. Chhattisgarh Textbook Corporation and Anr.***, 2025 SCC OnLine SC 343.

7. It is also submitted that the Appellate Authority has completely misdirected itself as is apparent from a bare perusal of the order dated 01.04.2025 passed by the Appellate Authority. It is submitted that the additional reasons sought to be given by the Appellate Authority for justifying the banning are not even subject matter of the show cause notice, which had been originally issued to the petitioner.

8. It is contended that no banning action can be taken against the petitioner without issuing a valid show cause notice putting the petitioner to the notice as to the allegations levelled against it. In this regard, reliance is placed on the judgment of the Supreme Court in ***Gorkha Security Services v. Government (NCT of Delhi) and Ors.***, (2014) 9 SCC 105.

9. In the backdrop of the aforesaid submissions, learned counsel for the respondent is unable to refute that the impugned order dated 01.04.2025 passed by the Appellate Authority to be set aside.

10. Considering the facts and circumstances of the case, the impugned order dated 01.04.2025 passed by the Appellate Authority is set aside. The matter is remanded back to the Appellate Authority for a fresh consideration. Let the same be done as expeditiously as possible, and a fresh order be passed after taking into account all relevant aspects of the



matter and after affording an opportunity of hearing to the parties.

11. Till the conclusion of the aforesaid exercise, the banning order dated 23.09.2024 shall remain in abeyance.

12. The petition is disposed of in the above terms.

**SACHIN DATTA, J**

**NOVEMBER 17, 2025/uk**