



2026:DHC:1707-DB



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

+ LPA 252/2020 & CM APPL. 22796/2020

VECTRA ADVANCED ENGINEERING
PVT LTD & ANR.

.....Appellants

Through: Mr. Atul Nanda, Sr. Adv. with
Ms. Rameeza Hakeem, Mr. Balaji
Subramanian, Mr. Akash Kundu, Ms. Vartika
Aggarwal, Mr. Aditya Rajagopal, Ms. Sakshi
Bagdi and Ms. Jea Saran, Advs.

versus

UNION OF INDIA & ANR.

.....Respondents

Through: Mr. Rakesh Kumar, SPC with
Mr. Sunil, Adv.**CORAM:****HON'BLE MR. JUSTICE C.HARI SHANKAR****HON'BLE MR. JUSTICE OM PRAKASH SHUKLA****JUDGMENT (ORAL)****19.02.2026**

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OM PRAKASH SHUKLA, J.

1. This is a Letters Patent Appeal filed by the appellants assailing judgment dated 18.07.2020 in W.P.(C) No. 4443 of 2020 passed by the learned Single Judge of this Court, whereby the writ petition preferred by the Appellant was dismissed.

2. The appellants, who were petitioners before the learned Single Judge, have submitted that Appellant No.1 has been supplying Skid Steer Loaders to the Government of India and the Indian Army since 2007. It has been further submitted that in November 2012, Respondent No. 1 issued a tender for purchase of 1,820 Skid Steer Loaders and



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along with the tender, it issued a Request for Proposal (RFP) which mandated every bidder to sign a Pre-Contract Integrity Pact (PCIP).

3. Apparently, PCIP was meant to be an anti-corruption agreement between the Government and the bidder by which the Government assured that its officials will not demand or accept bribes, and the bidder assured that it will not offer bribes or use any unfair or illegal means to obtain the contract. In addition, every bidder was required to submit an Integrity Pact Bank Guarantee along with its commercial bid as security for compliance with the PCIP.

4. The PCIP stipulated three Independent External Monitors and as per the terms mentioned therein, Respondent No.1 was to refer any complaint about any bidder to the said Monitor.

5. As far as the present case is concerned, the PCIP was to be supported by an Integrity Pact Bank Guarantee of ₹3 crores. Appellant No.1 contends that it duly complied with the requirements and furnished the bank guarantee. The Appellant alleges that on 01.10.2015, Respondent No.1 informed them that they had provisionally qualified in field evaluation trials, and the execution of the contract would proceed subject to vigilance clearance.

6. However, in the interregnum, dispute arose on 20.07.2020 when the Appellant did not receive vigilance clearance and Respondent No. 1 alleged that Appellant No. 1 had violated the PCIP and consequently, sought invocation of the bank guarantee.

7. The reason for invoking the bank guarantee and violation of PCIP

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was disclosed in their counter-affidavit, according to which the vigilance clearance had been withheld due to two FIRs¹ registered by the Central Bureau of Investigation (CBI) against an individual, namely Mr. Ravinder Kumar Rishi, who was purportedly associated with the Appellant No.1.

8. The appellants' case before the learned Single Judge was that Show Cause Notice was not issued prior to the decision of invocation of bank guarantee. According to the appellants, neither of the two FIRs were against Appellant No. 1 and in any case, in one of the two alleged FIRs, a closure report was filed and in the other, although a charge sheet was filed, Mr. Rishi was not named as an accused. Thus, according to them, there was no valid occasion for the Respondent No.1 to withhold the vigilance clearance and thus, the Bank Guarantee could not have been invoked in any circumstance.

9. By the impugned judgment, the learned Single Judge dismissed the writ petition holding that since a similar issue had arisen in the year 2014 and the Appellant No. 1 had not challenged invocation of the bank guarantee in those proceedings, the Appellant was not entitled to challenge the present invocation of the bank guarantee either.

10. Aggrieved by the aforesaid, the appellants approached this Court by way of the present intra court appeal.

11. We have heard Mr. Atul Nanda, learned Senior Counsel for the appellants at great length on 04.02.2026.



12. The primary contention of Mr. Nanda is that the impugned judgment proceeds on the premise that since the alleged basis for the PCIP violation in 2020 was the same as that in 2014, issuance of a Show Cause Notice in 2020 was not necessary. Mr. Nanda contends that this does not account for the fact that Respondent No. 1 treated the two instances separately and did not pass both orders at the same time.

13. He further submits that in the absence of a Show Cause Notice, Appellant No. 1 was not afforded an opportunity to explain why the facts relied upon by Respondent No. 1 did not constitute a breach of the PCIP. According to him, the consequence is that the allegation of breach of the PCIP has not been examined on merits by any Respondent No. 1 or the learned Single Judge, and therefore the Appellant No. 1 has been denied a fair opportunity of hearing, contrary to principles of natural justice.

14. As recorded in the order dated 04.02.2026, this Court put a specific query to Mr. Rakesh Kumar, learned SPC on behalf of Respondent No.1 as to whether any reason was communicated to the appellants before invoking the bank guarantee or the clauses of the PCIP.

15. No satisfactory reply had been forthcoming from Mr. Kumar and it appears that there was none. Even the letter dated 20.07.2020 addressed to the concerned Bank does not state the reasons for invoking the PCIP.



16. In the aforesaid peculiar circumstances, this Court, in its Order dated 16.02.2026, recorded the following observation:

“1. We have cursorily glanced through the official records granted to us. We have called upon Mr. Rakesh Kumar to take instructions as to whether his clients would be agreeable to a remand of this matter to the learned Single Judge.”

17. Mr. Rakesh Kumar, learned Counsel for the Respondent, on instructions submits that his client is agreeable to a remand of this matter to the learned Single Judge.

18. Thus, on consent of both the parties and for the aforesaid reasons, we are remitting the matter to the learned Single Judge. Both sides may appear before the learned Single Judge on 13.03.2026.

19. The learned Single Judge would consider the matter *de novo*, uninfluenced by this order and the impugned order.

20. We make it clear that we have not expressed any opinion on the merits of the case and the parties are at liberty to agitate any grounds as may be permissible to them as per law.

21. The appeal is disposed of in the aforesaid terms.

OM PRAKASH SHUKLA, J.

C.HARI SHANKAR, J.

FEBRUARY 19, 2026/gunn