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

\# **CNR No. DLHC010311932026**

\+ **W.P.(C) 9735/2026, CM APPL. 45445/2026 & CM APPL. 70681/2026**

KALYAN TOLL INFRASTRUCTURE LIMITED .....Petitioner

Through: Mr. Parag Tripathi, Sr. Adv. with Ms. Charu Sangwani, Mr. Shubham S. Dayma, Mr. Vijayant Dalal, Mr. Aparajito Sen & Ms. Saru Sharma, Advs.

versus

UNION OF INDIA AND ORS .....Respondents

Through: Mr. Akash Vajpai, CGSC with Mr. Nipun Jain, GP & Mr. Priyanshu, Adv. for R1 & R2

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

O R D E R

% 29.10.2026

1. The present writ petition has been filed by the Petitioner – Kalyan Toll Infrastructure Limited, assailing the Order dated 12.06.2026 passed by the Railway Board, whereby the Petitioner, along with its allied concerns and partners, has been banned from having business dealings with Indian Railways and its Production Units, for a period of two years.

2. The only argument raised by the learned Senior Counsel for the petitioner is that the procedure envisaged in the Railway Board's own circular pertaining *Debarment Instructions*, mandating the grant of an oral hearing before passing an order of banning business dealings, has not been followed.

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3. It has also been pointed out that the Petitioner, in its Reply had specifically requested that no adverse action be taken without affording it a fair opportunity, which sufficiently conveyed the petitioner's request for a fair opportunity, i.e. an oral hearing, before any adverse order was passed.

4. It remains undisputed that though the circular mandates the authority to fix a date for oral hearing after receipt of the reply to the Show-Cause Notice and despite of the request in the Reply, no such opportunity was afforded to the petitioner before passing the impugned order.

5. Learned counsel for the Respondents has sought to justify the same by submitting that the Petitioners were duly informed that in case it desired an oral hearing, a request to that effect was required to be made to the Railway Board, however, the petitioner did not expressly seek an oral hearing in its Reply. Consequently, according to the respondents, no fault can be attributed to the authority for not granting such a hearing.

6. This Court has considered the rival submissions and the same do not find favour with this Court.

7. Significantly, it is not in dispute that the Railway Board circular dated 09.11.2022 pertaining Debarment Instruction for Ministry of Railway, provides a procedure for affording an oral hearing. Paragraph 9 of the circular contemplates that, upon receipt of the reply, a date for oral hearing is to be fixed by the Respondent. The relevant extract of the same is reproduced herein below: -

> *"9. Show Cause notice (format as per Annexure-II) shall be issued to the delinquent firm indicating clearly the charges (based on the facts as can be proved) through registered post (and also email, if available). In case no reply to the show cause notice is received from the firm within the*

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stipulated time (30 days), followed by reminder for 10 days more, action for processing the case ex-parte against the firm should be initiated. ***Subsequently, an opportunity shall be given to the firm for in-person hearing (oral hearing) by fixing a date for hearing.*** *Hearing should be held at the level of minimum Director (or Joint Director if Director is not posted) level officer in Board Brief for the same shall be prepared and jointly signed by the Director (or joint Director as applicable) and representative of the firm attending the hearing.* ***Firm's reply to show cause notice and their submission in oral hearing will be examined****."*

8. The obligation to follow the prescribed procedure must, therefore, be examined in the context of the said provision.

9. The respondents cannot seek to justify the absence of an oral hearing on the ground that the petitioner did not expressly request the same, when the procedure prescribed by the Railway Board's own circular has not been adhered to, before an order imposing a ban on business dealings for a period of two years could be passed. The circular specifically provides that the Respondent has to fix a date for hearing (oral submissions). The date for hearing was undisputedly not fixed in the present case.

10. Thus, it is apparent that the impugned order has been passed without adhering to the mandatory procedure as provided in circular dated 09.11.2022. Having regard to the nature and consequences of the action taken, the prescribed procedural safeguard could not have been disregarded in the manner it is done in the present case.

11. Accordingly, without expressing any opinion on the merits of the allegations forming the subject matter of the show-cause notice, this Court is of the view that the impugned order dated 12.06.2026 cannot be sustained and is liable to be set aside.

12. The writ petition is, accordingly, allowed. The impugned order dated 12.06.2026 is set aside.

13. Needless to say, there is no impediment casted upon the

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competent authority of the Railway Board for undertaking fresh consideration of the matter and passing a fresh order, in accordance with the applicable circular, after affording the petitioner an oral hearing and considering its reply.

14. The writ petition stands disposed of in the above terms. Pending applications, if any, also stand disposed of.

AMIT MAHAJAN, J

OCTOBER 29, 2026
"SS"

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