



2026:DHC:7643



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

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*Judgment reserved on: 19.08.2026**Judgment pronounced on: 07.09.2026**Judgment uploaded on: 10.09.2026*# **CNR No. DLHC010344902026**+ **W.P.(C) 10739/2026 & CM APPL. 49766/2026****RIDHI ENGINEERS AND BUILDERS**

.....Petitioner

Through: Mr. Giriraj Subramaniam, Mr.
Jaisal Baath, Ms. Aadhyaa
Khanna, Advocates.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Neeraj Garg, SPC, Mr
Sanjay Pal, GP, Mr Sahaj
Garg, Mr. Prakhar Negi,
Advocates for UOI.

CORAM:**HON'BLE DR. JUSTICE SWARANA KANTA SHARMA****JUDGMENT****DR. SWARANA KANTA SHARMA, J**

1. The present writ petition has been filed by the petitioner, *inter alia*, challenging the constitutional validity of Policy Letter No. 66546/P-1/Renewal/2026/08/E8 dated 11.03.2025 [hereafter '**impugned Policy**'] issued by respondent no. 2, governing renewal of enlistment of contractors with the Military Engineer Services (MES) for the cycle 2026–2032, as well as the Show Cause Notice



No. 37903/B-364/109/E8 dated 26.02.2026 [hereafter ‘**impugned SCN**’] issued by the respondent no. 3 in refusing to renew its enlistment and the resulting exclusion from MES tenders.

2. Brief facts of the case, as set out in the petition, are that the petitioner is a Class ‘B’ contractor enlisted with the MES and has been executing civil construction works for the respondents for more than a decade. The petitioner claims to have successfully completed numerous contracts and to have maintained its enlistment through successive renewal cycles. The respondents, as arrayed in the petition, are the Union of India through the Ministry of Defence [respondent no. 1], the Engineer-in-Chief, Integrated HQ of MoD (Army) [respondent no. 2], and the Chief Engineer, Western Command, MES, Chandimandir Cantt. [respondent no. 3]. It is stated that the petitioner had been awarded Contract No. CE(AF)/ALD/GWL/09 of 2023–24 on 13.06.2023 and Contract No. GE/ND-68/2024–25 on 19.10.2024. The petitioner had applied for renewal of its enlistment for the next cycle on 12.05.2025. Subsequently, the aforesaid contracts came to be cancelled on 23.06.2025 and 17.07.2025, respectively. The petitioner disputes the legality of the cancellations and has invoked arbitration in respect thereof. The disputes concerning the cancellations remain pending adjudication. The petitioner contends that, under the earlier renewal policy dated 24.04.2020, mere cancellation of a contract did not automatically disentitle a contractor from renewal of enlistment. The



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impugned Policy dated 11.03.2025, however, is stated to have introduced a new disqualification whereby renewal is denied where a contract stood cancelled during the previous enlistment cycle on account of alleged contractor default, unless an arbitral award had already been rendered declaring such cancellation illegal. The petitioner states that, although it had submitted the requisite documents for renewal, its application remained pending. Further documents were sought by respondent no. 3 on 06.12.2025, which were furnished by the petitioner on 22.12.2025. The petitioner thereafter made representations seeking renewal and pointing out that the continued pendency of its enlistment was preventing it from participating in MES tenders. The petitioner claims that its bids were being rejected on account of the pending renewal and that it suffered prejudice on account thereof. The respondent no. 3 thereafter issued the impugned SCN dated 26.02.2026 requiring the petitioner to furnish information regarding arbitration proceedings. The petitioner submitted a reply on 15.03.2026 and subsequently reiterated its request for renewal. The petitioner states that, despite its reply and repeated representations, renewal was not granted. It has accordingly challenged the impugned Policy, the show cause notice and the consequential refusal to renew its enlistment. The petitioner has also invoked arbitration in respect of one of the cancelled contracts. The petitioner states that, after being informed on 09.04.2026 that the existing panel of arbitrators had expired, it approached the Hon'ble



Allahabad High Court under Section 11 of the Arbitration and Conciliation Act, 1996, and that the proceedings remain pending. The petitioner has also preferred a statutory appeal under Paragraph 10 of the impugned Policy against the refusal to renew its enlistment.

3. At the outset, the learned counsel appearing for the respondent/UOI opposes the present petition on the ground of territorial jurisdiction. He argues that the primary cause of action of the petitioner is the issuance of impugned SCN dated 26.02.2026 which has been issued by the respondent no. 3, situated in Chandimandir Cantt., which is a military station situated in the Panchkula district of Haryana, serving as the headquarters for the Indian Army's Western Command. It is also argued that other similarly placed contractors/sole proprietors have also invoked the jurisdiction of the High Court of Punjab & Haryana, seeking quashing of similar show cause notices and orders passed pursuant thereto, and copies of such orders have been placed on record. Therefore, it is prayed on behalf of the respondent/UOI that the present petition be dismissed on account of lack of territorial jurisdiction and principle of *forum conveniens*.

4. The learned counsel appearing for the petitioner, on the other hand, argues that this Court has territorial jurisdiction to entertain the present writ petition as a part of the cause of action has arisen within the territorial jurisdiction of this Court. It is submitted that the petitioner is a sole proprietorship concern having its primary place of



business and residence in Delhi, and that the impugned Policy has been issued by respondent no. 2, who is also situated in Delhi. The learned counsel further contends that the impugned SCN was addressed to the petitioner at Delhi and that the petitioner is challenging not merely the consequential action of non-renewal, but also the validity of the impugned Policy which forms the basis of such action. It is contended that the issuance and receipt of the impugned SCN, read with the challenge to the Policy issued by an authority situated in Delhi, constitute material facts giving rise to a part of the cause of action within the jurisdiction of this Court. The learned counsel for the petitioner argues that the present petition is maintainable under Articles 226 and 227 of the Constitution of India as the petitioner is aggrieved by the continuing operation of the impugned Policy and the consequential refusal to renew its enlistment. It is, therefore, contended that the present writ petition is maintainable before this Court.

5. This Court has **heard** the learned counsels appearing for the petitioner as well as the respondent/UOI, and has perused the material available on record.

6. In the present case, the learned counsel appearing for the respondent/UOI has raised a preliminary objection to the territorial jurisdiction of this Court to entertain the present writ petition.

7. This Court notes that the principal relief sought in the present petition arises out of the impugned SCN dated 26.02.2026 issued by



respondent no. 3, Chief Engineer, Western Command, MES, Chandimandir Cantt., and the consequential refusal to renew the petitioner's enlistment. The respondent no. 3 is situated at Chandimandir Cantt., Panchkula, Haryana. The contracts in question, their cancellation and the subsequent proceedings concerning renewal are also connected with the MES authorities outside Delhi.

8. Though the petitioner has now sought to challenge the impugned Policy of respondent no. 2 itself, it is apparent that the primary cause of action and the grievance of the petitioner pertains to the impugned SCN. The Hon'ble Supreme Court in ***Alchemist Ltd. v. State Bank of Sikkim***: (2007) 11 SCC 335, held that not every fact pleaded constitutes a part of the cause of action and the Court must consider whether such fact constitutes a material, essential or integral part of the cause of action. The Hon'ble Supreme Court in ***State of Goa v. Summit Online Trade Solutions (P) Ltd.***: (2023) 7 SCC 791, held as under:

“17. Determination of the question as to whether the facts pleaded constitute a part of the cause of action, sufficient to attract clause (2) of Article 226 of the Constitution, would necessarily involve an exercise by the High Court to ascertain that the facts, as pleaded, constitute a material, essential or integral part of the cause of action. In so determining, it is the substance of the matter that is relevant. It, therefore, follows that the party invoking the writ jurisdiction has to disclose that the integral facts pleaded in support of the cause of action do constitute a cause empowering the High Court to decide the dispute and that, at least, a part of the cause of action to move the High Court arose within its jurisdiction. Such pleaded facts must have a nexus with the subject-matter of challenge based on which the prayer can be granted. Those facts which are not



relevant or germane for grant of the prayer would not give rise to a cause of action conferring jurisdiction on the court. These are the guiding tests.

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21. Even otherwise, the High Court was not justified in dismissing the interim applications. **Assuming that a slender part of the cause of action did arise within the State of Sikkim, the concept of forum conveniens ought to have been considered by the High Court.** As held by this Court in *Kusum Ingots v. Union of India and Ambica Industries v. CCE*, even if a small part of the cause of action arises within the territorial jurisdiction of a high court, the same by itself could not have been a determinative factor compelling the High Court to keep the writ petitions alive against the appellant to decide the matter qua the impugned notification, on merit.”

(emphasis added)

9. Furthermore, it is also well-settled that the jurisdiction of a High Court under Article 226 of the Constitution cannot be invoked on the basis of the residence or location of the person affected by the impugned order. In *Aligarh Muslim University v. Vinay Engineering Enterprises (P) Ltd.*: (1994) 4 SCC 710, Three-Judge Bench of the Hon’ble Supreme Court held as under

“2. We are surprised, not a little, that the High Court of Calcutta should have exercised jurisdiction in a case where it had absolutely no jurisdiction. The contracts in question were executed at Aligarh, the construction work was to be carried out at Aligarh, even the contracts provided that in the event of dispute the Aligarh Court alone will have jurisdiction. The arbitrator was from Aligarh and was to function there. **Merely because the respondent was a Calcutta-based firm, the High Court of Calcutta seems to have exercised jurisdiction where it had none by adopting a queer line of reasoning.** We are constrained to say that this is a case of abuse of Jurisdiction and we feel that the respondent deliberately moved the Calcutta High Court ignoring the fact that no part of the cause of action had arisen within the jurisdiction of that Court.



It clearly shows that the litigation filed in the Calcutta High Court was thoroughly unsustainable.”

(emphasis added)

10. In ***Okhla Enclave Plot Holders Welfare Association v. State of Haryana***: 2002 SCC OnLine Del 217 (DB), the Division Bench of this Court, after relying on the Supreme Court’s decision in ***State of Rajasthan v. Swaika Properties***: (1985) 3 SCC 217, held that the residence or location of the petitioners is not relevant to determine whether a Court has territorial jurisdiction to entertain a given petition.

11. As already taken note of in preceding discussion, the petitioner’s grievance in the present case is principally against the impugned SCN issued by respondent no. 3 and the consequential action of non-renewal. It is also relevant to note that the respondent/UOI has placed on record that similarly situated contractors have approached the High Court of Punjab & Haryana challenging similar show cause notices and orders passed by respondent no. 3, relying upon the same impugned Policy. Therefore, the dispute, which is substantially connected with the authorities and proceedings situated within the territorial jurisdiction of that Court, is also pending before the High Court of Punjab & Haryana.

12. Accordingly, having regard to the nature of the reliefs sought, the substance of the grievance raised, and the fact that the impugned SCN as well as the consequential proceedings concerning renewal were issued and undertaken by authorities situated outside the



territorial jurisdiction of this Court, this Court is of the view that no material, essential or integral part of the cause of action has arisen within Delhi. The mere fact that the petitioner is based in Delhi, or that respondent no. 2 is also situated in Delhi, cannot confer territorial jurisdiction upon this Court when the principal challenge is directed against the SCN issued by respondent no. 3 and the consequential action taken thereunder. The impugned Policy, though issued by respondent no. 2 at Delhi, was implemented and applied against the petitioner by respondent no. 3 at Chandimandir Cantt., Panchkula, Haryana, and the consequential cause of action therefore also arose within the territorial jurisdiction of the High Court of Punjab and Haryana. Further, similar proceedings have been instituted before the High Court of Punjab & Haryana, which exercise jurisdiction over respondent no. 3, i.e. the authority issuing the impugned SCN.

13. The present writ petition, alongwith pending application, is accordingly dismissed on the ground of lack of territorial jurisdiction, leaving it open to the petitioner to avail of such remedy as may be available before the appropriate Court in accordance with law, including approaching the High Court of Punjab & Haryana.

14. The judgment be uploaded on the website forthwith.

DR. SWARANA KANTA SHARMA, J
SEPTEMBER 07, 2026/TD