CDJLawJournal

Citation : CDJ 2026 All HC 061

Court : High Court of Judicature at Allahabad

Case No : Writ C No. 1258 of 2026

Judges : THE HONOURABLE MR. JUSTICE SHEKHAR B. SARAF & THE HONOURABLE MR. JUSTICE ABDHESH KUMAR CHAUDHARY

Parties : M/s. Adeeba Naaz Contractor Thru. Proprietor Iftikhar Danish Versus State Of U.P. Thru. Prin. Secy. Deptt. Of Minority Welfare & Waqf Lko, & Others

Appearing Advocates : For the Petitioners: Inam Uddin Ahmed, Gursimran Kaur , Syed Mohammad Abid , Advocates. For the Respondents: C.S.C, Diwakar Singh, Advocates.

Date of Judgment : 13-04-2026

Head Note :

Constitution of India - Article 226 -

Judgment :

1. Heard learned counsel appearing on behalf of the petitioner and the learned Standing Counsel appearing on behalf of the State.

2. This is a writ petition under Article 226 of the Constitution of India filed by the petitioner wherein the petitioner is seeking following main reliefs:-

"I. To issue a writ, order or direction, in the nature of Certiorari quashing the impugned Order dated 08.01.2025 passed by the Respondent No.3 Le. Executive Engineer. UP. Waqf Vikas Nigam Limited, in the interest of justice. (Annexure No.1).

II. To issue a writ, order or direction, in the nature of Certiorari quashing the show-cause notices dated 19.02.2024 and 20.08.2024 and 21.12.2024 [Annexure No. 2 (Colly)] and other communications issued by the Respondent No. 3 which were not served upon the Petitioner;

III. To issue a writ, order or direction, in the nature of Mandamus directing the Respondents to allow Petitioner to continue work allotted in pursuant to tender bearing Tender

Notice No. 4715 for construction of the Government Girls Degree College at Najibabad. District Bijnor

IV. To issue a writ, order or direction, in the nature of Mandamus directing the Respondents to supply a copy of the tender bearing Tender Notice No. 4715 for construction of the Government Girls Degree College at Najibabad, District Bijnor and the contract entered into between the parties for the execution of work thereof."

3. Learned counsel for the petitioner submitted that no notice was received with regard to termination of contract and proposed blacklisting by the respondents-authorities. This assertion made by the petitioner has been controverted by learned counsel for the respondent-authorities by submitting that several notices were issued to the petitioner but the petitioner refused to accept any of the them. The impugned order dated January 8, 2025 does not indicate whether any notice was served upon the petitioner by the respondent-authorities and is silent on this aspect. By the impugned order, firstly the contract with the petitioner has been terminated and secondly, the petitioner has been blacklisted for an indefinite period.

4. Learned counsel for the petitioner further submitted that petitioner was made aware of the order dated January 8, 2025 only vide letter dated January 2, 2026, that is, after approximately one year. Learned counsel for the petitioner submits that the respondents-authorities have not made payments to them with regard to the works that have been completed by the petitioner.

5. We are of the view that with regard to the first issue of termination of contract and alleged non payment of dues to the petitioner, the petitioner is at liberty to proceed as per the terms and conditions in the tender documents that includes an arbitration clause.

6. With regard to blacklisting for an indefinite period that has been issued by the respondents-authorities, we are of the view that such an action is not allowed and the Hon'ble Supreme Court in a catena of judgments has held that blacklisting for an indefinite period is not permissible in the eyes of law. The Hon’ble Supreme Court in the case of Kulja Industries Ltd. Vs. Chief General Manager, Western Telecom Project Bharat Sanchar Nigam Litmited & Others: (2014) 14 SCC 731; has held as under:-

“22. As regards the period for which the order of debarment will remain effective, the guidelines state that the same would depend upon the seriousness of the case leading to such debarment.

23. Similarly in England, Wales and Northern Ireland, there are statutory provisions that make operators ineligible on several grounds including fraud, fraudulent trading or conspiracy to defraud, bribery etc.

24. Suffice it to say that ‘debarment’ is recognised and often used as an effective method for disciplining deviant suppliers/contractors who may have committed acts of omission and commission or frauds including misrepresentations, falsification of records and other breaches of the regulations under which such contracts were allotted. What is notable is that the ‘debarment’ is never permanent and the period of debarment would invariably depend upon the

nature of the offence committed by the erring contractor."

[Emphasis supplied by us]

7. We also find that in a Co-ordinate Bench Judgment of this Court dated August 5, 2024 in the case of M/s Hi Tech Pipe Limited Vs. State Of U.P. And 4 Others; (Writ-C No. 11037 of 2024); one of us (Hon'ble Shekhar B. Saraf,J.) held that debarment or blacklisting cannot be done for an indefinite period. The Court further held as follows:-

"5. We have considered the rival arguments advanced by the learned counsels appearing for the parties and we find that before passing the impugned order dated 23.1.2024 petitioner was issued a show cause notice, to which petitioner submitted a detailed reply and also made a request for re-testing of pipes supplied by the petitioner. The reply submitted by the petitioner has not been considered at all while passing the impugned order dated 23.1.2024 and only this much has been said that the reply submitted by the petitioner has not been found satisfactory. We are of the view that once proper reply was submitted, it was obligatory on the respondents to consider the entire reply and thereafter by recording reasons the order of blacklisting/debarment could have been passed. We also find that the impugned order dated 23.1.2024 proceeds to debar the petitioner firm for an indefinite period as it is the routine phenomenon that the term of the Schemes/Missions is extended from time to time.

8. Furthermore, we are of the view that the respondent - authorities are not able to indicate as to whether a proper show cause notice was served upon the petitioner before passing of the impugned ex-parte order of blacklisting.

9. As to the significance of issuance of show cause notice, prior to an order of blacklisting and providing an opportunity of hearing, the Hon'ble Supreme Court in the case of Ragunath Thakur Vs. State of Bihar and others; reported in (1989) 1 SCC 229; has held as follows:-

"4. Indisputably, no notice had been given to the appellant of the proposal of blacklisting the appellant. It was contended on behalf of the State Government that there was no requirement in the rule of giving any prior notice before blacklisting any person. Insofar as the contention that there is no requirement specifically of giving any notice is concerned, the respondent is right. But it is an implied principle of the rule of law that any order having civil consequence should be passed only after following the principles of natural justice. It has to be realised that blacklisting any person in respect of business ventures has civil consequence for the future business of the person concerned in any event. Even if the rules do not express so, it is an elementary principle of natural justice that parties affected by any order should have right of being heard and making representations against the order. In that view of the matter, the last portion of the order insofar as it directs blacklisting of the appellant in respect of future contracts, cannot be sustained in law. In the premises, that portion of the order directing that the appellant be placed in the blacklist in respect of future contracts under the Collector is set aside. So far as the cancellation of the bid of the appellant is concerned, that is not affected. This order will, however, not prevent the State Government or the appropriate authorities from taking any future steps for blacklisting the appellant if the Government is so entitled to do in accordance with law i.e. after giving the appellant due notice and an opportunity of making representation. After hearing the

appellant, the State Government will be at liberty to pass any order in accordance with law indicating the reasons therefor. We, however, make it quite clear that we are not expressing any opinion on the correctness of otherwise of the allegations made against the appellant. The appeal is thus disposed of."

10. Further this Court finds that not only the issuance of show cause notice is a condition precedent for any blacklisting order, even the mention of material and ground, necessitating the contemplated blacklisting has to be mentioned in the show cause notice. The Hon'ble Supreme Court in Gorkha Security Services vs Govt. Of NCT Of Delhi & Others; reported in (2014) 9 SCC 105; mandated the contents of the proposed show cause notice in the following words:-

"25) It is thus apparent that this sub-clause provides for various actions which can be taken and penalties which can be imposed by the Department. In such a situation which action the Department proposes to take, need to be specifically stated in the show cause notice. It becomes all the more important when the action of black listing and/ or forfeiture of earnest money/ security deposit is to be taken, as the clause stipulates that such an action can be taken, if so warranted. The words "if so warranted", thus, assume great significance. It would show that it is not necessary for the Department to resort to penalty of black listing or forfeiture of earnest money/ security deposit in all cases, even if there is such a power. It is left to the Department to inflict any such penalty or not depending upon as to whether circumstances in a particular case warrant such a penalty. There has to be due application of mind by the authority competent to impose the penalty, on these aspects. Therefore, merely because of the reason that clause 27 empowers the Department to impose such a penalty, would not mean that this specific penalty can be imposed, without putting the defaulting contractor to notice to this effect.

26) We are, therefore, of the opinion that it was incumbent on the part of the Department to state in the show cause notice that the competent authority intended to impose such a penalty of blacklisting, so as to provide adequate and meaningful opportunity to the appellant to show cause against the same. However, we may also add that even if it is not mentioned specifically but from the reading of the show cause notice, it can be clearly inferred that such an action was proposed, that would fulfill this requirement. In the present case, however, reading of the show cause notice does not suggest that noticee could find out that such an action could also be taken. We say so for the reasons that are recorded hereinafter."

11. In the same breath, the Hon'ble Supreme Court in the case of UMC Technology Pvt. Ltd. Vs. Food Corporation of India; reported in MANU/SC/0858/2020 : AIR 2021 SC 166; quashed a blacklisting order not on the ground of non-issuance of show cause notice or the show cause notice lacked any material ground but on the ground that it was silent on the proposed blacklisting actions.

12. Thus, this Court finds that the recent trend of this Court in blacklisting matter had been on transparency and clarity at the stage of issuance of show cause notice itself. As far as the present case is concerned, we do not find any cogent evidence of issuance of any show cause notice to the petitioner or any opportunity of hearing granted to the petitioners.

13. In light of the same, the impugned order dated January 8, 2025 so far as it relates to

blacklisting of the petitioner-firm as being arbitrary and in violation of principal of natural justice cannot be sustained in the eyes of law and as such is hereby quashed and set-aside.

14. With the above directions, the writ petition is disposed of.