**IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA.**

**CWP No.8445 of 2025**
**Reserved on: 16.12.2025**
**Decided on: 31st December, 2025**

Intas Pharmaceuticals Limited

.......Petitioner

versus

State of H.P and another

...Respondents

*Coram*

***The Hon'ble Mr. Justice G.S.Sandhawalia, Chief Justice.***

***The Hon'ble Mr.Justice Jiya Lal Bhardwaj, Judge.***

***Whether approved for reporting?[1] Yes.***

**For the petitioner:** **Mr.Neeraj Gupta, Senior Advocate with Mr.Ajit Pal Singh Jaswal and Mr.Pranjal Munjal, Advocates.**

**For the respondents:** **Mr.Pranay Pratap Singh, Additional Advocate General.**

**Jiya Lal Bhardwaj, Judge**

The petitioner, by way of present petition, has challenged the order dated 21.03.2025 (Annexure P-6), whereby respondent No.2 has forfeited amount of the Earnest Money Deposit (EMD) of the petitioner-firm and further debarred it from participating in the tender of the Department of Health & Family Welfare Government of Himachal Pradesh for a period of three years. Further, directions were also

[1] *Whether the reporters of Local Papers may be allowed to see the judgment? Yes.*

issued to the Indenting Officer not to issue supply orders to the petitioner-firm and initiate action as per Clause 5 of the tender document.

2. Precisely, the facts of the case are that the respondents-State initiated tender process vide Annexure P-1 for inviting applications for supply of medicines and drugs for the period of a rate contract of one year and the last date of which was 15.05.2023. Later on, the respondents-State issued corrigendum and last date for submission and uploading of filled-in tender documents was extended upto 23.05.2023. Since the petitioner was fulfilling the eligibility as contained in the tender document, it submitted its bid by duly filling up the tender documents. The petitioner deposited an amount of Rs.2,00,000/- as earnest money as required under the tender document.

3. It was argued by learned senior counsel that after 23.05.2023, the petitioner did not receive any communication from the respondents-State for a period of 271 days from the last date of bid submission i.e. 23.05.2023 and respondent No.2 addressed a letter dated 19.02.2024 (Annexure P-4) informing the petitioner that the rates quoted by its firm for procurement of medicines as per list enclosed have been

found L-1 for four products and the petitioner was called upon to confirm the approved rates. Further, the petitioner was asked to give consent for extension of bid validity period upto award of contract. On receipt of letter dated 19.02.2024 the petitioner addressed an e-mail on 22.03.2024, (Annexure P-5) stating that the validity of its bid had already expired, in view of passage of more than 180 days from the last date of bid submission and, therefore, it is not possible for it to extend the validity of its bid.

4. The petitioner did not receive any further communication from respondent No.2 for a period of one year, however, on 21.03.2025, respondent No.2 issued the impugned order Annexure P-6, stating that the petitioner had not complied with the terms and conditions of the tender document and, therefore, as per decision taken by the State Level Store Purchase Committee in its meeting held on 19.02.2025, the earnest money deposited by it is forfeited and the petitioner is debarred from participating in the tender of the Department of Health and Family Welfare of Govt. of H.P. for a period of three years.

5. The petitioner after receipt of the impugned order dated 21.03.2025 addressed an e-mail to respondent No.2 on

28.03.2025 (Annexure P-7) stating that the validity of bid has expired way beyond 180 days and the petitioner had anticipated that the tender is likely to get cancelled as there was no response at their end. On receipt of the said e-mail, respondent No.2 had addressed a letter dated 10.04.2025 (Annexure P-8) to the petitioner that as per Clause 5(F) of tender document that if the successful bidder fails to sign the agreement and to deposit the performance security as prescribed and scheduled or withdraws its bid within its validity after award of contract, the EMD would be forfeited and the firm would be debarred from participating in the tender of the Department of Health & Family Welfare Government of Himachal Pradesh for a period of three years and thus rejected the representation made by the petitioner.

6. The petitioner thereafter filed the instant petition and contended that as per condition of the tender document, a period of one year referred by respondent No.2 in the letter dated 10.04.2025 would commence from the issue of the award letter is mis-conceived inasmuch as the order impugned is *ex-facie*, illegal, unfair, unjust, arbitrary and violative of principles of natural justice.

7. The respondents filed reply to the petition and supported its decision. It was submitted in the reply that as per e-tender document for supply of medicines and drugs to H.P. Government Health Institutions was published on 27.04.2023 followed by corrigendum dated 12.05.2023, whereby the last date and time for submission/uploading of e-tender stood extended upto 23.05.2023. During scrutiny of the tender documents for procurements of medicines and drugs held w.e.f. 29.05.2023 to 06.07.2023, a committee was constituted and the committee so constituted recommended that deficient documents submitted by the concerned bidders may be asked to be submitted on or before 26.08.2023. The petitioner, in turn, of the communication submitted documents on 25.08.2023. After submission of deficient documents/information by all the bidders, the scrutiny of the technical/deficient technical documents was held on different dates by the constituted committee, which concluded on 16.11.2023. Thereafter it was recommended that the financial bids of the techno-commercial qualified bidders may be opened after getting the prior approval of the Chairman of the Health Procurement Cell. Accordingly, the financial bids were opened on 22.12.2023.

8. Thereafter, as per approval granted in the meeting of the State Level Store Purchase Committee held on 31.01.2024, all firms which had turned out to be the lowest L-1 bidders in respect of various medicines/drugs, including the petitioner firm, were communicated vide letter dated 19.02.2024 (Annexure P-4) with a request to confirm the approved rates on or before 26.02.2024. The petitioner did not respond back within a period of one week i.e. on or before 26.02.2024 and e-mailed after one month on 22.03.2024 (Annexure P-5) conveying that due to certain unavoidable circumstances, it would not like to increase its validity for the quoted bid. Since as per the terms and conditions of the e-tender document, the deficient documents/information was furnished by the petitioner firm on 25.08.2023 in continuation of its existing bid and further correspondence dated 19.02.2024 stood made to the petitioner firm well within a period of six months, the respondents have rightly passed the order to forfeit the security amount and further debar it to participate in the e-tender process for a period of three years, as per office order dated 21.03.2025.

9. Learned senior counsel for the petitioner has vehemently argued that as per terms of the tender

documents, the validity of the bid was for a period of 180 days from the last date of bid submission and since no decision was taken by the respondents within 180 days from 23.05.2023, the action of forfeiture of the earnest money is illegal, arbitrary and unjust. At this stage, it is relevant to quote Clause 2 of the tender document, which reads as under:-

> "***2. TENDER VALIDITY***
>
> *A. Each Bid shall remain valid for a period of 180 days from the last date of bid submission (excluding the last date of bid submission). A Bid valid for a shorter period shall be rejected as being non-responsive."*

10. A perusal of Clause 2 clearly envisages that each bid shall remain valid for a period of 180 days from the last date of bid submission (excluding the last date of bid submission). As per pleadings, the last date of submission of bid document was 23.05.2025, after issuance of corrigendum and since no action was taken by the respondents within 180 days, the action to forfeit the amount and further debar the petitioner is illegal, arbitrary and unjust. Once Clause 2 specifically provides that each bid shall be valid for a period of 180 days from the last date of bid submission, which admittedly, was on 23.05.2023, the action on the part of the respondents to forfeit the amount is unjust and arbitrary.

11. Learned Additional Advocate General has vehemently argued that as per Clause 5(F) of the tender document, if the successful bidder fails to sign the agreement and to deposit the performance security as prescribed and scheduled or withdraws its bid within its validity after award of contract, the EMD will be forfeited and the successful bidder will be debarred from participation in the tender of the Department. Since the petitioner had failed to deposit the performance security, the respondents had rightly passed the order to forfeit the amount of earnest money deposited by the petitioner firm.

12. The contention raised by the counsel for the respondents-State that since the petitioner had submitted the deficient documents on 25.08.2023 as per the specified date fixed on 26.08.2023 which was the cut of date, the period of 180 days will start from the said date cannot be countenanced in view of the clear law that the parties are governed by the terms and conditions of the tender documents. The perusal of the tender document clear reveals that the period will start from the last date of bid submission (excluding the last date of bid submission). Admittedly in the present case, the last date of bid submission was 23.05.2023

and the period of 180 days was expired on 24.11.2023. The respondents did not take any decision before 24.11.2023 and thus, the contention raised by the counsel for the respondents-State that the period is to start from the receipt of deficient document on 25.08.2023 is ill founded and is rejected.

13. Learned Additional Advocate General has vehemently argued that since the petitioner firm has failed to confirm the approved rates as per letter dated 19.02.2024 (Annexure P-4) within a period of one week, the respondents were right in passing the impugned order.

14. As already discussed above, once Clause 2 of the tender document clearly envisages that the bid shall be valid for a period of 180 days from the last date of bid submission which was 23.05.2023 and said period expired on 24.11.2023. If the respondents could not finalize the same on or before 24.11.2023, the petitioner was not under any obligation to extend the validity period of bid by him. Thus, the impugned order passed is not sustainable. The impugned order dated 21.03.2025 has been passed almost after one year after receipt of the communication dated 22.03.2024 (Annexure P-5) written by the petitioner, when it had

conveyed that the firm due to unavoidable circumstances would not like to increase the validity of the bid. This aspect has also not been examined by the respondents before passing the impugned order and thus, the impugned order is illegal, arbitrary and unjust and as such not sustainable.

15. So far as the order debarring the petitioner to participate in the tender of the Department of Health & Family Welfare Government of Himachal Pradesh for a period of three years is concerned, it cannot stand for the simple reason that passing the impugned order, which is punitive in nature and had civil/evil consequences, no specific notice proposing such punishment had been issued which was mandatory, in view of the law laid down by the Hon'ble Apex Court in ***Gorkha Security Services*** vs. ***Govt. of NCT of Delhi, AIR 2014 SC 3371***, wherein, it has been held that any order which has civil and evil consequences, the principles of natural justice have to be adhered to and further the rule of *Audi Alteram Partem* has to be considered. The relevant paras of the said judgments read as under:-

> *"17. It is a common case of the parties that the blacklisting has to be preceded by a show cause notice. Law in this regard is firmly grounded and does not even demand much amplification. The necessity of compliance with the principles of natural justice by giving the opportunity to the person against whom action of blacklisting is sought to be taken has*

*a valid and solid rationale behind it. With blacklisting many civil and/or evil consequences follow. It is described as "civil death" of a person who is foisted with the order of blacklisting. Such an order is stigmatic in nature and debars such a person from participating in Government Tenders which means precluding him from the award of Government contracts. Way back in the year 1975, this court in the case of M/s.Erusian Equipment & Chemicals Ltd. vs. State of West Bengal &Anr. (1975) 1 SCC 70 (AIR 1975 SC 266), highlighted the necessity of giving an opportunity to such a person by serving a show cause notice thereby giving him an opportunity to meet the allegations which were in the mind of the authority contemplating blacklisting of such a person. This is clear from the reading of Para Nos.12 and 20 of the said judgment. Necessitating this requirement, the court observed thus:.*

> *"12. Under Article 298 of the Constitution the executive power of the Union and the State shall extend to the carrying on of any trade and to the acquisition, holding and disposal of property and the making of contracts for any purpose. The State can carry on executive function by making a law or without making a law. The exercise of such powers and functions in trade by the State is subject to Part III of the Constitution. Article 14 speaks of equality before the law and equal protection of the laws. Equality of opportunity should apply to matters of public contracts. The State has the right to trade. The State has there the duty to observe equality. An ordinary individual can choose not to deal with any person. The Government cannot choose to exclude persons by discrimination. The order of blacklisting has the effect of depriving a person of equality of opportunity in the matter of public contract. A person who is on the approved list is unable to enter into advantageous relations with the Government because of the order of blacklisting. A person who has been dealing with the Government in the matter of sale and purchase of materials has a legitimate interest or expectation. When the State acts to the prejudice of a person it has to be supported by legality.*
>
> *20. Blacklisting has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government for purposes of gains. The fact that a disability is created by the order of blacklisting*

> *indicates that the relevant authority is to have an objective satisfaction. Fundamentals of fair play require that the person concerned should be given an opportunity to represent his case before he is put on the blacklist".*

*Again, in Raghunath Thakur v. State of Bihar and Ors. (1989) 1 SCC 229 : (AIR 1989 SC 620) the aforesaid principle was reiterated in the following manner:-*

> *"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." Recently, in the case of Patel Engineering Ltd. vs. Union of India and Anr. (2012) 11 SCC 257 (AIR 2012 SC 2342 : 2012 AIR SCW 3260) speaking through one of us (JastiChelameswar, J.) this Court emphatically reiterated the principle by explaining the same in the following manner:*

*"13. The concept of "blacklisting" is explained by this Court in Erusian Equipment & Chemicals Ltd. v. State of W.B. (AIR 1975 SC 266) as under:*

*"20. Blacklisting has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government for purposes of gains."*

*14. The nature of the authority of the State to blacklist the persons was considered by this Court in the abovementioned case and took note of the constitutional provision (Article 298), which authorises both the Union of India and the States to make contracts for any purpose and to carry on any trade or business. It also authorises the acquisition, holding and disposal of property. This Court also took note of the fact that the right to make a contract includes the right not to make a contract. By definition, the said right is inherent in every person capable of entering into a contract. However, such a right either to enter or not to enter into a contract with any person is subject to a constitutional obligation to obey the command of Article 14. Though nobody has any right to compel the State to enter into a contract, everybody has a right to be treated equally when the State seeks to establish contractual relationships. The effect of excluding a person from entering into a contractual relationship with the State would be to deprive such person to be treated equally with those, who are also engaged in similar activity.*

*15. It follows from the above judgment in Erusian Equipment case that the decision of the State or its instrumentalities not to deal with certain persons or class of persons on account of the undesirability of entering into the contractual relationship with such persons is called blacklisting. The State can decline to enter into a contractual relationship with a person or a class of persons for a legitimate purpose. The authority of the State to blacklist a person is a necessary concomitant to the executive power of the State to carry* *on the trade or the business and making of contracts for any purpose, etc. There need not be any statutory grant of such power. The only legal limitation upon the exercise of such an authority is that the State is to act fairly and rationally without in any way being arbitrary thereby such a decision can be taken for some legitimate purpose. What is the legitimate purpose that is sought to be achieved by the State in a given case can vary depending upon various factors."*

***18.*** *Thus, there is no dispute about the requirement of serving show cause notice. We may also hasten to add that once the show cause notice is given and opportunity to reply to the show cause notice is afforded, it is not even necessary to give an oral hearing. The High Court has rightly repudiated the appellant's attempt in finding foul with the impugned order on this ground. Such a contention was specifically repelled in Patel Engineering (supra)."*

16. In the present case, it is undisputed fact that no notice has been issued prior to passing of office order dated 21.03.2025 and thus the impugned order debarring the petitioner cannot sustain.

17. This Court had the occasion to consider the similar issue regarding debarring the petitioner from participating in the tender process in ***CWP No.14919 of 2025*** titled ***M/s Health Biotech Ltd.*** vs. ***State of H.P and another***, decided on 01.12.2025, wherein the Court had quashed the order to that extent. While considering the judgments referred to in ***Gorkha Security Services*** case (supra), ***M/s Erusian Equipment & Chemicals Ltd.*** vs. ***State of West Bengal and another, (1975) 1 SCC 70, AIR 1975 SC 266*** and ***UMC Technologies Private Limited*** vs.

***Food Corporation of India and another (2021) 2 SCC 551,***

this Court has held as under:-

> "9. However, we are of the considered opinion that the above Clause and the law laid down by the Apex Court in ***Gorkha Security Services vs. Govt. of NCT of Delhi,*** **AIR 2014 SC 3371,** makes it clear that the punitive action of debarring the petitioner for three years **cannot be taken without issuing a specific notice proposing such punishment**, as it is a harsh penalty with severe consequences and causes prejudice to the contractor and thus the principles of natural justice have to be applied and the Rule of *Audi Alteram Partem* has to be considered. The relevant paras of the said judgment reads as under:-
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> > *"17. It is a common case of the parties that the blacklisting has to be preceded by a show cause notice. Law in this regard is firmly grounded and does not even demand much amplification. The necessity of compliance with the principles of natural justice by giving the opportunity to the person against whom action of blacklisting is sought to be taken has a valid and solid rationale behind it. With blacklisting many civil and/or evil consequences follow. It is described as "civil death" of a person who is foisted with the order of blacklisting. Such an order is stigmatic in nature and debars such a person from participating in Government Tenders which means precluding him from the award of Government contracts. Way back in the year 1975, this court in the case of M/s. Erusian Equipment & Chemicals Ltd. vs. State of West Bengal &Anr. (1975) 1 SCC 70 (AIR 1975 SC 266), highlighted the necessity of giving an opportunity to such a person by serving a show cause notice thereby giving him an opportunity to meet the allegations which were in the mind of the authority contemplating blacklisting of such a person. This is clear from the reading of Para Nos.12 and 20 of the said judgment. Necessitating this requirement, the court observed thus:.*
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> > > *"12. Under Article 298 of the Constitution the executive power of the Union and the State shall extend to the carrying on of any trade and to the acquisition, holding and disposal of property and the making of contracts for any purpose. The State can carry on executive function by making a law or without making a law. The exercise of such powers and functions in trade*

> *by the State is subject to Part III of the Constitution. Article 14 speaks of equality before the law and equal protection of the laws. Equality of opportunity should apply to matters of public contracts. The State has the right to trade. The State has there the duty to observe equality. An ordinary individual can choose not to deal with any person. The Government cannot choose to exclude persons by discrimination. The order of blacklisting has the effect of depriving a person of equality of opportunity in the matter of public contract. A person who is on the approved list is unable to enter into advantageous relations with the Government because of the order of blacklisting. A person who has been dealing with the Government in the matter of sale and purchase of materials has a legitimate interest or expectation. When the State acts to the prejudice of a person it has to be supported by legality.*
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> *20. Blacklisting has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government for purposes of gains. The fact that a disability is created by the order of blacklisting indicates that the relevant authority is to have an objective satisfaction. Fundamentals of fair play require that the person concerned should be given an opportunity to represent his case before he is put on the blacklist".*

*Again, in Raghunath Thakur v. State of Bihar and Ors. (1989) 1 SCC 229 : (AIR 1989 SC 620) the aforesaid principle was reiterated in the following manner:-*

> *"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." Recently, in the case of Patel Engineering Ltd. vs. Union of India and Anr. (2012) 11 SCC 257 (AIR 2012 SC 2342 : 2012 AIR SCW 3260) speaking through one of us (JastiChelameswar, J.) this Court emphatically reiterated the principle by explaining the same in the following manner:*
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> *"13. The concept of "blacklisting" is explained by this Court in Erusian Equipment & Chemicals Ltd. v. State of W.B. (AIR 1975 SC 266) as under:*
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> *"20. Blacklisting has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government for purposes of gains."*

*14. The nature of the authority of the State to blacklist the persons was considered by this Court in the abovementioned case and took note of the constitutional provision (Article 298), which authorises both the Union of India and the States to make contracts for any purpose and to carry on any trade or business. It also authorises the acquisition, holding and disposal of property. This Court also took note of the fact that the right to make a contract includes the right not to make a contract. By definition, the said right is inherent in every person capable of entering into a contract. However, such a right either to enter or not to enter into a contract with any* *person is subject to a constitutional obligation to obey the command of Article 14. Though nobody has any right to compel the State to enter into a contract, everybody has a right to be treated equally when the State seeks to establish contractual relationships. The effect of excluding a person from entering into a contractual relationship with the State would be to deprive such person to be treated equally with those, who are also engaged in similar activity.*

*15. It follows from the above judgment in Erusian Equipment case that the decision of the State or its instrumentalities not to deal with certain persons or class of persons on account of the undesirability of entering into the contractual relationship with such persons is called blacklisting. The State can decline to enter into a contractual relationship with a person or a class of persons for a legitimate purpose. The authority of the State to blacklist a person is a necessary concomitant to the executive power of the State to carry on the trade or the business and making of contracts for any purpose, etc. There need not be any statutory grant of such power. The only legal limitation upon the exercise of such an authority is that the State is to act fairly and rationally without in any way being arbitrary thereby such a decision can be taken for some legitimate purpose. What is the legitimate purpose that is sought to be achieved by the State in a given case can vary depending upon various factors."*

*18.Thus, there is no dispute about the requirement of serving show cause notice. We may also hasten to add that once the show cause notice is given and opportunity to reply to the show cause notice is afforded, it is not even necessary to give an oral hearing. The High Court has rightly repudiated the appellant's attempt in finding foul with the impugned order on this ground. Such a contention was specifically repelled in Patel Engineering (supra)."*

10. While following the law laid down earlier in ***M/s Erusian Equipment & Chemicals Ltd. Vs. State of West Bengal and Anr.*,(1975) 1 SCC 70, AIR 1975 SC 266,** the Apex Court has held as under:-

*"20. Blacklisting has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government for purposes of gains. The fact that a disability is created by the order of blacklisting indicates that the relevant authority is to have an objective satisfaction. Fundamentals of fair play require*

*that the person concerned should be given an opportunity to represent his case before he is put on the blacklist."*

11.The said view was also followed in ***UMC Technologies Private Limited vs. Food Corporation of India and another* (2021) 2 SCC 551**, wherein it was held that the show cause notice must clearly spell out from its contents and has to be clearly inferred as such and that the blacklisting deprives the person of the privilege of entering into government contracts and has long-lasting civil consequences for business prospects. The mere existence of a power in a clause of the bid document cannot satisfy the mandatory requirement of a proposed action. The relevant paragraph reads as under:-

*"25. The mere existence of a clause in the bid document, which mentions blacklisting as a bar against eligibility, cannot satisfy the mandatory requirement of a clear mention of the proposed action in the show cause notice. The Corporation's notice is completely silent about blacklisting and as such, it could not have led the appellant to infer that such an action could be taken by the Corporation in pursuance of this notice. Had the Corporation expressed its mind in the show cause notice to black list, the appellant could have filed a suitable reply for the same. Therefore, we are of the opinion that the show cause notice dated 10-4-2018 does not fulfill the requirements of a valid show cause notice for blacklisting. In our view, the order of blacklisting the appellant clearly traversed beyond the bounds of the show cause notice which is impermissible in law. As a result, the consequent blacklisting order dated 9-01-2019 cannot be sustained."*

18. In the present case, the respondents-State have acted dehors the terms and conditions of the tender document and has illegally passed the order for forfeiting the earnest money of the petitioner and debarring it to participate in the tender for three years without issuing any show case notice. Therefore, we are of the considered view that the

impugned order dated 21.03.2025 being illegal, arbitrary and unjust cannot stand and is hereby quashed and set aside.

19. In view of the above discussion, we allow the writ petition and quash and set aside the impugned order dated 21.03.2025 passed by respondent No.2 with a direction to the respondents-State to refund the earnest money deposited by the petitioner within a period of three months from today. We do not remand the matter for the purpose of blacklisting as on merits also, we have found that the action of forfeiture is also bad being beyond the period of the validity of the bid. No order to costs.

20. Pending miscellaneous application(s), if any, shall also stand disposed of.

( **G.S. Sandhawalia** )
**Chief Justice**

(**Jiya Lal Bhardwaj** )
**Judge**

December 31, 2025
(naveen)