

A.F.R.

THE HIGH COURT OF JUDICATURE AT ALLAHABAD

Neutral Citation No. - 2025:AHC:12685-DB
Court No. 40

WRIT- C NO. 35310 OF 2024

V-MARC INDIA LIMITED

V.

STATE OF UTTAR PRADESH AND OTHERS

With

WRIT- C NO. 32047 OF 2024

V-MARC INDIA LIMITED

V.

STATE OF UTTAR PRADESH AND OTHERS

HON'BLE SHEKHAR B. SARAF, J.
HON'BLE VIPIN CHANDRA DIXIT, J.

1. Heard Mr. Anoop Trivedi and Mr. Saket Singh, learned Senior Advocates assisted by Mr. Mrinal Bharti, Mr. Ravikant Sharma, Mr. Manish Shekhari, Ms. Anisha Mahajan and Mr. Krishna Gopal, learned Advocates appearing on behalf of the petitioner, learned Standing Counsel appearing on behalf of the State and Mr. Kartikeya Saran, learned counsel appearing on behalf of the Vidhyut Vitran Nigam Limited.

2. These are the writ petitions under Article 226 of the Constitution of India wherein the writ petitioner is aggrieved by the order dated October 10, 2024 passed by the respondent No.4/Superintending Engineer (Material Management-I), Vidhyut Vitran Nigam Limited, Urja, Victoria Park, Meerut.

3. Upon hearing counsel appearing on behalf of both the parties, we find that a three member committee, after granting an opportunity of hearing to the petitioner, gave a recommendation to the authority concerned that passed the impugned order. The authority concerned without providing a copy of

report of the three member committee passed the final order of blacklisting and other penalties including the termination of the contract.

4. We are of the view that the report of the three member committee should have been provided to the petitioner and another opportunity of hearing should have been granted to the petitioner after being confronted with the three member committee report. As the same was not done, we are of the view that the principles of natural justice have been violated.

5. In light of the same, without going into the merits of the case, we quash and set aside the impugned order dated October 10, 2024 with a direction upon the authority concerned to grant an opportunity of hearing to the petitioner, and thereafter, pass a reasoned order. The entire process should be completed within a period of two months from date. We make it clear that no adjournment shall be granted to the petitioner.

6. In the meantime, since the impugned order has been quashed and set aside, the petitioner shall not be considered to be blacklisted and it may participate in Government's tender, in accordance with law.

7. A note of caution is also required to be provided herein. The judgements of the Supreme Court and this Court have laid down the law that the punishment of blacklisting is required to be imposed upon a person only in rare cases, as the same is extremely harsh and stringent that deprives a person of his right to carry on business. Many a time, it appears that the authorities are using the tool of blacklisting as a mechanism for extraneous reasons. Such practices are deprecated by this Court. It is to be further noted that the period of blacklisting has to be proportionate to the fault committed by the person upon whom the blacklisting is being done.

8. The above comments in the foregoing paragraph are only in the nature of *obiter dicta* and should act as guiding principles to the authorities before passing the order of blacklisting.

9. With the aforesaid observations and directions, both the writ petitions are disposed of.

10. As we have not gone into the merits of the case, all the issues shall be left open before the authority concerned.

24.01.2025

Kuldeep

(Vipin Chandra Dixit, J.)

(Shekhar B. Saraf, J.)