

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO.6968 OF 2026

M/s. Aerographics Papers Private Limited,]
A company incorporated under the Companies]
Act, 1956, having its registered office and]
factory at E-40, MIDC, Hingna Road, Nagpur,]
Maharashtra – 440 028]
Through its authorized signatory:]
Shri. Hemant Shashikant Singhal,]
aged about 63 years, resident of Plot 44,]
Himalaya Sunshine, Vayusena Nagar,]
Dhaba, Nagpur, Maharashtra.] .. Petitioner

Versus

1. India Security Press,]
A Unit of Security Printing and Minting]
Corporation of India Limited,]
Nashik Road, Nashik – 422 101, Maharashtra]
Through its Joint General Manager (Purchase)]
2. Security Printing and Minting Corporation of]
India Limited, a Government of India Enterprise,]
having its Corporate Office at 3rd Floor, Tower-G,]
World Trade Centre, Nauroji Nagar,]
New Delhi – 110 029.]
Through its Chairman & Managing Director]
3. Union of India,]
Through the Secretary,]
Ministry of Finance, Department of Economic]
Affairs, North Block, New Delhi – 110 001.] .. Respondents

Mr. Ritesh Kalra with Mr. Anish Khandekar, Mr. Sagar Thakkar and
Ms. Uroosa Shaikh, Advocates for the Petitioner.

Ms. Riya Jariwala (through V.C.), Advocate for Respondent Nos.1 and
2.

Mrs. Shehnaz V. Bharucha, Advocate for Respondent No.3.

**CORAM : RAVINDRA V. GHUGE, ACJ. &
GAUTAM A. ANKHAD, J.**

DATE : 19th August, 2026.

JUDGMENT (Per Gautam A Ankhad, J)

1. Rule. Rule is made returnable forthwith and the matter is heard finally with the consent of the parties.

2. The Petitioner is aggrieved by the Debarment Order dated 13th May 2026 passed by Respondent No.1, whereby the Petitioner has been debarred for a period of twelve months from participating in any tender issued by Respondent No.1. Though the Petitioner has also challenged the termination of an existing contract and encashment of the performance security in this petition, Mr. Kalra, learned counsel for the Petitioner, states that the Petition is confined to the challenge to the debarment.

3. The facts, in brief, are that the Petitioner was awarded a Tender by the Respondents for supply of paper. The Petitioner admittedly performed part of the contract but failed to complete the supplies in accordance with the Tender. Consequently, on 12th March 2026, Respondent No.1 issued a show cause notice setting out the alleged defaults. Paragraph 7 of the notice states:

“7. In view of above lapses, your explanation is required that why ISP Nashik should not initiate **administrative action against your Firm**”.

The Petitioner submitted its response by e-mail on the same day. Thereafter, on 13th May 2026, Respondent No.1 passed the impugned Debarment Order *inter alia* holding as follows:-

“3.3 Based on the above clause, following action has been taken against M/s. Aerographic Private Limited;

- a) The GeM Contract No.GEMC-511687703137192 dated 27.12.2025 placed for Procurement of 30 MT Maplitho Paper in reels, 45 cms. width 70 GSM has been terminated and performance security submitted by M/s. Aerographic Papers Pvt. Ltd. of amounting Rs.77,616/- (Rs. Seventy-Seven Thousand Six Hundred Sixteen only) in the form of Bank Guarantee No.102GT02253320001 dated 28.11.2025, with maturity date 06.07.2026 issued by HDFC Bank will be encashed and the same will be deposited in the Account of India Security Press a Unit of SPMCIL.
- b) **Further, M/s. Aerographic Papers Pvt. Ltd. has been debarred for 12 months from the date issue of this debarment order i.e. upto 12.05.2027 to participate in any Tender of India Security Press, Nashik Road and also raised the incident of GeM Portal.**”

4. Mr. Kalra submits that the challenge in the present Petition is confined to the debarment. He submits that the Petitioner was not given a notice that Respondent No.1 proposed to debar or blacklist it for

twelve months and was consequently denied an opportunity to show cause specifically against such action. Debarment cannot fall under “administrative action” as there are serious consequences due to the debarment order. The impugned order, according to him, therefore violates the principles of natural justice and Articles 14 and 19(1)(g) of the Constitution.

5. On the other hand, Ms. Jariwala, learned counsel appearing for Respondent Nos.1 and 2, submits that the show cause notice expressly contemplated administrative action against the Petitioner and this is wide enough to include debarment. She, therefore, submits that there was no denial of natural justice.

6. Having considered the rival submissions, we are unable to accept the Respondents' contention. Debarment or blacklisting has serious civil consequences. It has the effect of excluding an entity from participating in future public procurement and directly impacts its ability to carry on its business with the State. It is settled law as held by the Hon'ble Supreme Court in ***Gorkha Security Services vs. Government (NCT of Delhi) ((2014) 9 SCC 105)*** and ***UMC Technologies Private Limited vs. Food Corporation of India ((2021) 2 SCC 551)*** that the affected party must be made aware of the precise action proposed against

it so that it can meet the case against it. The notice dated 12th March 2026 issued to the Petitioner does not satisfy this requirement. It sets out the alleged contractual defaults and calls upon the Petitioner to explain why ‘administrative action’ should not be initiated for the alleged lapses. It does not state that Respondent No.1 proposes to debar or blacklist the Petitioner, much less for twelve months. As held by the Hon’ble Supreme Court, natural justice requires a specific notice of proposed debarment and not a general notice of administrative action that the authority may ultimately invoke. We accordingly hold that the impugned debarment is vitiated for breach of the principles of natural justice. The impugned order violates the Petitioner’s fundamental rights under Articles 14 and 19(1)(g) of the Constitution of India and cannot be sustained.

7. For the above reasons, this **Writ Petition is partly allowed**. Paragraph 3.3(b) of the Debarment Order is quashed and set aside.

8. We clarify that we have expressed no opinion on the validity of the termination of the contract or the encashment of the performance security. The Petitioner is at liberty to adopt appropriate proceedings to challenge the said actions.

9. Rule is made partly absolute. There shall be no order as to costs.

[GAUTAM A. ANKHAD, J.]

[ACTING CHIEF JUSTICE]