



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

WRIT PETITION NO. 37832 OF 2025 (GM-TEN)

BETWEEN:

SHRI. V SRINIVAS REDY
AGED ABOUT 51 YEARS
PROPRIETOR OF M/S. LEOTECH
PROCESS PROPRIETORSHIP FIRM
OFFICE AT NO.10-26, RAMALAYAM STREET,
ENIKEPADU, VIJAYAWADA - 520 008.

...PETITIONER

(BY SRI. VASU DEVA NAIDU S, ADVOCATE)

AND:

1. THE UNION OF INDIA
REPRESENTED BY GENERAL MANAGER,
SOUTH WESTERN RAILWAY,
RAIL SOUDHA, GADAG ROAD
HUBBALLI - 560 020.
2. THE SR. DIVISIONAL MECHANICAL ENGINEER,
BANGALORE DIVISION,
SOUTH WESTERN RAILWAY,
BENGALURU - 560 023.

...RESPONDENTS

(BY SRI. CHANDRACHUD A, learned CGC FOR R1)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF
THE CONSTITUTION OF INDIA PRAYING TO A. TO ISSUE A

Digitally signed
by SHWETHA
RAGHAVENDRA
Location: HIGH
COURT OF
KARNATAKA



WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER OR DIRECTION TO QUASH THE IMPUGNED TERMINATION NOTICE DATED 06.12.2025, BEARING NO.B/M.271/CONT/LINEN/WASHING/SBC, ISSUED BY THE 2ND RESPONDENT AS PER ANNEXURE-A AND ETC.,

THIS PETITION, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

ORAL ORDER

1. The petitioner is before this Court seeking for the following reliefs;

"A. To Issue a writ of Certiorari or any other appropriate writ, order or direction to quash the impugned termination notice dated 06.12.2025, bearing No.B/M.271/Cont/Linen/Washing/SBC, issued by the 2nd respondent as per Annexure-A.

B. To Issue a Writ of Certiorari or any other appropriate writ, order or direction to quash the impugned notice inviting tender if any in respect of the subject contract work in the same form or any other form by the respondents.

C. To grant such other order or further relief as this Hon'ble Court may deem fit and proper including the costs of these proceedings to the petitioners."

2. The challenge in the present writ petition is essentially to the termination notice dated 06.12.2025 issued by respondent No.2–Senior Divisional Mechanical Engineer, Bengaluru Division, South Western Railway, produced at Annexure-A. The impugned notice comprises two distinct



parts. Firstly, it terminates the contract awarded to the petitioner. Secondly, by invoking Clause 12 thereof, it debars the petitioner from participating in any tender floated by the Bengaluru Division of the South Western Railway for a period of two years.

3. Sri Vasu Deva Naidu S., learned counsel appearing for the petitioner, submits that the order of termination is arbitrary and unsustainable. According to him, the petitioner was prevented from commencing the work on account of the pendency of W.P. No.32283/2025 filed by M/s. Tharu & Sons challenging the very tender process. The said writ petition came to be disposed of only on 12.11.2025. It is therefore contended that, until the said proceedings attained finality, the petitioner could not reasonably be expected to mobilise resources or commence execution of the contract.
4. Learned counsel further submits that the order of debarment suffers from a more fundamental infirmity. It is contended that, before imposing the drastic consequence of blacklisting/debarment for a period of two years, no show cause notice whatsoever was issued to the petitioner proposing such action. The petitioner was thus denied an opportunity of hearing, in clear violation of the principles of natural justice and the law laid down by the Hon'ble Supreme Court in ***Tata Cellular v. Union***



of India¹. It is therefore submitted that both the order terminating the contract and the consequential order of debarment are liable to be set aside.

5. Per contra, Sri A. Chandrachud, learned counsel appearing for the respondents, submits that the Letter of Acceptance was issued on 24.10.2025 and, in terms thereof, the petitioner was required to commence execution of the contract immediately. The work entrusted to the petitioner related to the washing and supply of bedrolls, linen and other articles used in air-conditioned coaches at Bengaluru City, Yeshvanthpur and Sir M. Visvesvaraya Terminal (SMVB), which constitute essential day-to-day operational services of the Railways. Any interruption in such services would directly affect railway operations and inconvenience thousands of passengers travelling on a daily basis.
6. It is submitted that, despite repeated opportunities, the petitioner failed to commence the work. Consequently, a performance notice dated 11.11.2025 was issued calling upon the petitioner to fulfil its contractual obligations. As there was no satisfactory response, a seven-day notice dated 18.11.2025 was issued. Even thereafter, the petitioner failed to commence the work, leaving the respondents with no alternative but to terminate the contract by issuing the impugned notice dated

¹ (1994) 6 SCC 651



06.12.2025. Learned counsel therefore submits that no fault can be found with the action of the Railways in terminating the contract.

7. Insofar as the order of debarment is concerned, learned counsel places reliance upon Clause 7.4.3 of the General Conditions of Contract (GCC) and submits that where a contractor fails to commence the work or improve its performance despite issuance of a seven-day notice, the competent authority is empowered to issue a final termination notice in the format prescribed under Annexure XV of GCCS-2018. The prescribed format itself contemplates, in addition to termination of the contract, the consequence of debarment from participating in future tenders. It is therefore submitted that the impugned notice, having been issued strictly in accordance with Clause 7.4.3 read with Annexure XV of the GCC, cannot be faulted either on the ground of termination or on the ground of debarment.
8. Heard Sri Vasu Deva Naidu S., learned counsel appearing for the petitioner, and Sri A. Chandrachud, learned counsel appearing for the respondents.
9. Insofar as the order terminating the contract is concerned, the principal defence urged by the petitioner is founded upon the pendency of W.P. No.32283/2025. A perusal of Annexure-C discloses that the said writ petition came to be disposed of on 12.11.2025. Thereafter, the



respondents issued the seven-day notice on 18.11.2025 and eventually terminated the contract on 06.12.2025.

10. The pendency of the earlier writ proceedings may, at the highest, explain the petitioner's inaction till 12.11.2025. However, once the writ petition stood disposed of, no legal impediment survived preventing the petitioner from commencing execution of the contract. Despite the issuance of the seven-day notice after disposal of the writ petition, the petitioner admittedly failed to commence the contractual work. The order of termination was issued nearly one month after disposal of the earlier writ petition. Thus, the explanation offered by the petitioner cannot justify its continued failure to perform the contractual obligations after 12.11.2025.
11. That apart, the dispute relating to termination of the contract essentially arises out of contractual obligations between the parties. Such disputes ordinarily involve adjudication of disputed questions of fact and enforcement of contractual rights. The writ jurisdiction under Article 226 of the Constitution is not the appropriate forum for adjudicating such contractual disputes. If the petitioner is aggrieved by the termination of the contract, it is always open to the petitioner to avail such remedies as may be available in law before the competent forum. Accordingly, no interference is called for with the order of termination in the exercise of writ jurisdiction.



12. The challenge to the order of debarment, however, stands on a different footing. The submission advanced by learned counsel for the petitioner merits acceptance. The material placed on record indicates that neither the performance notice nor the seven-day notice informed the petitioner that the respondents proposed to debar it from participating in future tenders. The notices merely called upon the petitioner to commence and perform the contractual obligations under the Letter of Acceptance. At no stage was the petitioner put on notice that failure to comply would result in an order of debarment or blacklisting.
13. Though learned Counsel for Respondent places reliance upon Clause 7.4.3 of the General Conditions of Contract and the format prescribed under Annexure XV, the mere existence of a contractual provision authorising debarment cannot dispense with compliance with the principles of natural justice. The prescribed format cannot override the settled legal position governing the exercise of such power. Debarment or blacklisting carries serious civil consequences, affecting the right of a contractor to participate in future government tenders. Consequently, before such a penal consequence is imposed, the affected party must necessarily be issued a specific show cause notice informing it of the proposed action and afforded a reasonable opportunity to submit its explanation.



14. The requirement of such prior notice is well settled by the decisions of the Hon'ble Supreme Court, including **Tata Cellular v. Union of India** and the subsequent judgements governing blacklisting by State authorities. In the present case, no notice proposing debarment was ever issued to the petitioner. The order debarring the petitioner from participating in future tenders has therefore been passed in violation of the principles of natural justice and cannot be sustained.
15. Hence, this Court passes the following:

ORDER

- i. The writ petition is **allowed in part**;
- ii. The termination notice dated 06.12.2025, insofar as the debarment of the petitioner is concerned, is set aside;
- iii. Liberty is, however, reserved to the respondents to issue necessary notice, comply with the principles of natural justice and take necessary action in accordance with the applicable law;
- iv. The writ petition insofar as termination is concerned, stands dismissed, reserving liberty to the petitioner to approach the appropriate forum.

**Sd/-
(SURAJ GOVINDARAJ)
JUDGE**

HDK,