IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.670 of 2026

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Pipal Tree Ventures Private Limited a registered company having its registered office at A - 202, Radium Apartment, Aarey Road, Goregaon (East) Mumbai 400063 through its authorised representative namely Rajeev Ranjan Kumar Singh male aged about 38 years son of Achchhe Lal Singh resident of At and Post Raksa, P.S. Panapur Kariyat, Muzaffarpur, Bihar - 843109.

... ... Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Department of Rural Development, Govt. of Bihar, Patna.
2. The Principal Secretary, Department of Rural Development, Government of Bihar, Patna.
3. The Bihar Rural Livelihood Promotion Society having its office at first floor, Vidyut Bhawan, Bailey Road, Patna 800021 through its Chief Executive Officer.
4. The Chief Executive Officer cum State Mission Director, Bihar Rural Livelihood Promotion Society having its office at first floor, Vidyut Bhawan, Bailey Road, Patna 800021.
5. The Administrative Officer, Bihar Rural Livelihood Promotion Society having its office at first floor, Vidyut Bhawan, Bailey Road, Patna-800021.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Alok Kumar Jha, Advocate
For the State	:	Mr. Raghwanand, GA-11
		Mr. Pratik Kumar, AC to GA-11
For the Respondent	:	Mr. Abhinav Shrivastava, Sr. Advocate
		Mr. Raushan, Advocate
		Ms. Shreyanshi Raj, Advocate

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CORAM: HONOURABLE THE ACTING CHIEF JUSTICE
and
HONOURABLE MR. JUSTICE RAJESH KUMAR VERMA
ORAL JUDGMENT
(Per: HONOURABLE THE ACTING CHIEF JUSTICE)

Date : 20-07-2026

Heard learned counsel for the parties.

2. Following is the relief sought for in the present writ application:-

"a) For issuance of a writ in the nature of certiorari for quashing of the order of blacklisting of the petitioner as passed by the respondent chief executive officer of the Bihar rural livelihood promotion Society (hereinafter referred to as "the society" for short) communicated vide letter bearing memo number BRLPS/Proj-Jobs/626/14/Vol-III/3528 Dated 09.12.2025;

b) For further issuance of a writ or order or a direction for restraining the respondents from implementing and executing the impugned order of blacklisting of the petitioner for all purposes including entitlement of the petitioner to participate in future tenders of the society and also restrain the respondents from recommending the blacklisting and/or any other action by any other government department or public sector undertaking against the petitioner;

c) For further holding and a declaration that the impugned order of blacklisting issued by respondent Chief Executive Officer of the society is wholly mechanical, nonspeaking and violative of the principles of natural justice and as such has infringed the fundamental rights guaranteed to the petitioner under article 14 and 19 (1) (g) of the Constitution of India;

d) For further holding and a declaration that the impugned order of blacklisting of the petitioner is premature in absence of due compliance of the procedure prescribed in clause 2.6 read with clause 8 of the general conditions and clause 8.2 of the special conditions being part of the agreement between the petitioner and the society and as such unsustainable in the eye of law;

e) For grant of any other relief or reliefs to which the petitioner is found entitled in the facts and circumstances of this case."

3. The present case arises out of an

agreement/Memorandum of Understanding dated 04.07.2014 executed between the petitioner and the respondent Society for implementation of a placement-linked skill development programme under the DDU-GKY Scheme in the districts of Muzaffarpur, Sitamarhi and Madhubani. The initial target of training 3,000 candidates was subsequently revised under a fresh agreement dated 17.02.2017 and was thereafter further reduced in accordance with the revised guidelines issued by the Ministry of Rural Development.

4. During the course of implementation of the project, the respondent Society issued a series of show cause notices alleging discrepancies in the documents submitted by the petitioner in support of placement of trained candidates, including alleged mismatches in bank account details and submission of forged or fabricated records. The petitioner submitted replies on various occasions and also participated in a personal hearing. Thereafter, by the impugned order dated 09.12.2025, the respondent Society blacklisted the petitioner for a period of three years, terminated the project, directed recovery of the entire first installment along with 10% interest, and further directed initiation of certificate proceedings under the Bihar and Orissa Public Demands Recovery Act, 1914 in the

event of non-compliance.

5. Learned counsel for the petitioner submits that although the petitioner submitted detailed replies to every show cause notice and also participated in the personal hearing, the explanations furnished by the petitioner have neither been considered nor dealt with in the impugned order. It is further submitted that the petitioner was never supplied the material relied upon against it, thereby depriving it of an effective opportunity to rebut the allegations.

6. Learned counsel further submits that the respondent failed to follow the contractual procedure prescribed under the Memorandum of Understanding before terminating the project and blacklisting the petitioner. According to the petitioner, the mandatory procedure relating to issuance of notice, amicable settlement of disputes, reference to the Project Approval Committee and arbitration, as contemplated under the agreement, was never followed before passing the impugned order.

7. It is further submitted that the respondent itself failed to undertake the periodic desk verification contemplated under the applicable Standard Operating Procedure and, after allowing several years to elapse, sought to verify placement

claims when candidates had changed their employment, mobile numbers or bank accounts. Such delayed verification, according to the petitioner, cannot be made the basis for alleging forgery or imposing the extreme penalty of blacklisting.

8. *Per contra*, learned counsel appearing for the respondents submits that the impugned order has been passed strictly in accordance with the terms of the Memorandum of Understanding, the DDU-GKY Scheme and the applicable Standard Operating Procedure. It is submitted that the petitioner had furnished forged and fabricated documents in support of its placement claims, thereby indulging in fraudulent practices warranting termination of the project, recovery of the advance amount and blacklisting.

9. It is further submitted that the allegations against the petitioner were established after detailed desk verification, field verification and verification from ICICI Bank, which revealed large-scale discrepancies in the placement documents, including fake bank statements, invalid account numbers and mismatched records. The respondents contend that the petitioner failed to furnish any satisfactory explanation or authentic material despite repeated opportunities.

10. Learned counsel further submits that the petitioner

was afforded adequate opportunity of hearing throughout the proceedings. Multiple show cause notices were issued, replies submitted by the petitioner were duly considered and personal hearings were also granted before the impugned action was taken. It is, therefore, contended that there has been full compliance with the principles of natural justice.

11. The limited issue which arises for consideration before this Court is as to whether the respondent authorities were justified in passing the impugned order dated 09.12.2025 terminating the project, blacklisting the petitioner for a period of three years and directing recovery of the advance amount with interest, in the facts and circumstances of the present case.

12. The principal grievance of the petitioner is that the impugned order has been passed without proper consideration of its replies and in violation of the principles of natural justice. The said contention, however, does not merit acceptance. The impugned order meticulously traces the sequence of events beginning with the first show cause notice dated 17.09.2020, followed by the petitioner’s reply, personal hearing dated 05.10.2020, subsequent communications, further show cause notices dated 17.02.2023, 11.04.2023 and 14.07.2025, repeated opportunities to furnish supporting documents and subsequent

personal hearings. The order further records that every explanation furnished by the petitioner was examined and found unsatisfactory for the reasons specifically assigned therein. Such procedure, in the considered opinion of this Court, fully satisfies the requirement of *audi alteram partem*.

13. In ***Erusian Equipment & Chemicals Ltd. v. State of West Bengal,*** reported in ***(1975) 1 SCC 70***, the Hon'ble Supreme Court held that although blacklisting entails serious civil consequences, the same is legally sustainable where the affected party has been afforded a reasonable opportunity of hearing before the order is passed. The relevant part of the said order reads as follows:

> ***"19.*** *Where the State is dealing with individuals in transactions of sales and purchase of goods, the two important factors are that an individual is entitled to trade with the Government and an individual is entitled to a fair and equal treatment with others. A duty to act fairly can be interpreted as meaning a duty to observe certain aspects of rules of natural justice. A body may be under a duty to give fair consideration to the facts and to consider the representations but not to disclose to those persons details of information in its possession. Sometimes duty to act fairly can also be sustained without providing opportunity*

> *for an oral hearing. It will depend upon the nature of the interest to be affected, the circumstances in which a power is exercised and the nature of sanctions involved therein.*
>
> ***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."*

14. The next aspect which requires consideration is whether the findings recorded by the respondent authority are based on objective material or are merely founded upon suspicion. A perusal of the impugned order reveals that the respondent authority did not proceed merely on the basis of allegations. The placement claims submitted by the petitioner were subjected to repeated verification by ICICI Bank, ECR records were scrutinised, and field verification of beneficiaries was conducted. The verification consistently disclosed fabricated bank statements, discrepancies in the ECR records and denial of placement by several beneficiaries during physical

verification. These findings were repeatedly communicated to the petitioner and opportunities were granted to explain the discrepancies. The petitioner, however, failed to furnish any satisfactory explanation or authentic material capable of dislodging the findings recorded during verification.

15. The explanation offered by the petitioner that the placement documents had been collected from the candidates and, therefore, any discrepancy therein could not be attributed to it, has also been specifically dealt with in the impugned order. The respondent authority has rightly observed that under the Memorandum of Understanding governing the project, the responsibility to maintain records and furnish genuine, authentic and verifiable documents squarely rested upon the Project Implementing Agency. The authority has further recorded that submission of forged and fabricated documents amounted to breach of Clause 1.9.1 of the Memorandum of Understanding. This Court finds no perversity or irrationality in the aforesaid reasoning.

16. The scope of judicial review in contractual matters is equally well settled. In ***Afcons Infrastructure Ltd. v. Nagpur Metro Rail Corporation Ltd.,*** reported in ***(2016) 16 SCC 818***, the Hon'ble Supreme Court held that the employer is the best

judge of compliance with contractual conditions and the writ court ought not to substitute its own assessment unless the decision is shown to be arbitrary, mala fide or so irrational that no reasonable authority could have arrived at such conclusion. The relevant part of the said order reads as follows:

> ***“15.*** *We may add that the owner or the employer of a project, having authored the tender documents, is the best person to understand and appreciate its requirements and interpret its documents. The constitutional courts must defer to this understanding and appreciation of the tender documents, unless there is mala fide or perversity in the understanding or appreciation or in the application of the terms of the tender conditions. It is possible that the owner or employer of a project may give an interpretation to the tender documents that is not acceptable to the constitutional courts but that by itself is not a reason for interfering with the interpretation given.”*

17. A similar principle has been reiterated in ***NG Projects Ltd. v. Vinod Kumar Jain,*** reported in ***(2022) 6 SCC 127***, wherein it has been held that judicial review under Article 226 is directed towards examining the legality of the decision-making process and not the correctness of the decision on merits. The relevant part of the said order reads as follows:

> *“23. In view of the above judgments of this Court, the writ court should refrain*

itself from imposing its decision over the decision of the employer as to whether or not to accept the bid of a tenderer. The Court does not have the expertise to examine the terms and conditions of the present day economic activities of the State and this limitation should be kept in view. Courts should be even more reluctant in interfering with contracts involving technical issues as there is a requirement of the necessary expertise to adjudicate upon such issues. The approach of the Court should be not to find fault with magnifying glass in its hands, rather the Court should examine as to whether the decision-making process is after complying with the procedure contemplated by the tender conditions. If the Court finds that there is total arbitrariness or that the tender has been granted in a mala fide manner, still the Court should refrain from interfering in the grant of tender but instead relegate the parties to seek damages for the wrongful exclusion rather than to injunct the execution of the contract. The injunction or interference in the tender leads to additional costs on the State and is also against public interest. Therefore, the State and its citizens suffer twice, firstly by paying escalation costs and secondly, by being deprived of the infrastructure for which the present day Governments are expected to work."

18. In the present case, the petitioner has failed to demonstrate any procedural irregularity, mala fides or arbitrariness in the process adopted by the respondent authorities.

19. The challenge to the order of blacklisting is also devoid of merit. It is settled principle that blacklisting is a legitimate administrative measure where it is founded upon objective material, follows observance of the principles of natural justice and is proportionate to the misconduct established.

20. In the present case, the impugned order records not only the discrepancies established through repeated verification but also the petitioner's previous performance, earlier warnings, imposition of minor penalty and repeated opportunities granted for rectification before the extreme penalty was imposed. The action of the respondent authorities, therefore, cannot be said to be arbitrary or disproportionate.

21. Having regard to the entirety of the material on record, this Court is satisfied that the respondent authorities have acted strictly in accordance with the Memorandum of Understanding, the applicable Standard Operating Procedures and the DDU-GKY Guidelines. No ground has been made out to

hold that the impugned order suffers from arbitrariness, mala fides or violation of the principles of natural justice. Consequently, the issue framed is answered against the petitioner.

22. Accordingly, the present writ application stands dismissed as being devoid of any merit.

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

(Sudhir Singh, ACJ)

(Rajesh Kumar Verma, J)

Sachin/-

AFR/NAFR	AFR
CAV DATE	NA
Uploading Date	27.07.2026
Transmission Date	NA