Neutral Citation No. (2026:JHHC:32458-DB)

IN THE HIGH COURT OF JHARKHAND AT RANCHI
W.P.(C) No. 8791 of 2026

M/s Jai Mahakal Construction, having its registered office at behind Pathar Mill, Ward No.2, Hamidganj, P.O. Medininagar, P.S. Town Thana, Medininagar, District Palamau, Jharkhand, through its one of the Partners, Abhishek Kumar Sinha, aged about 31 years, son of Manoj Kumar Sinha, resident of behind Pathar Mill, Ward No.2, Hamidganj, P.O. Medinagar, P.S. Town Thana, Medininagar, District Palamau, Jharkhand. ... ... **Petitioner**

Versus

1. The State of Jharkhand
2. The Secretary, Building Construction Department, Govt. of Jharkhand, having its office at Project Bhawan, Dhurwa, P.O. & P.S. Dhurwa, District Ranchi (Jharkhand).
3. The Engineer-in-Chief, Building Construction Department, Government of Jharkhand, having its office at Engineering Building, P.O. & P.S. Doranda, District Ranchi, Jharkhand.
4. The Chief Engineer, Building Construction Department, Government of Jharkhand, having its office at Engineering Building, P.O. & P.S. Doranda, District Ranchi, Jharkhand.
5. The Executive Engineer, Building Construction Department, Government of Jharkhand, Building Division, Khunti, P.O. & P.S. Khunti, District Khunti (Jharkhand).

…. **…. ...** **Respondents**

CORAM: HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE MANOJ PRASAD

For the Petitioner : Mr Saurabh Shekhar, Advocate
Mr Dhruva Kumar, Advocate
Mr Anurag Kumar, Advocate

For the Respondents : Mr Rahul Saboo, GP-II
Mr. Gaurang Jajodia, AC to GP-II

Order No.02/ Dated: 05.11.2026

***Per* : M.S. Sonak, C.J.**

1. Heard Mr Saurabh Shekhar, who appears for the petitioner, with Mr Dhruva Kumar and Mr Anurag Kumar, and Mr Rahul Saboo, learned GP-II, who appears for the respondents, with Mr Gaurang Jajodia.

2. The petitioner challenges the impugned communication dated 11.11.2025, by which the petitioner has been debarred from participating in the next tender that might be issued by the respondents. The petitioner also seeks a direction upon the respondents to dispose of its representations dated 07.08.2026 and 20.08.2026, for release of payments and issue of completion certificates.

3. Mr Saurabh Shekhar, learned counsel for the petitioner, submitted that the notice dated 18.08.2025, preceding the issue of the impugned communication, neither specifically nor by implication referred to any proposed debarment or backlisting of the petitioner. He submitted that, in terms of the law laid down by the Hon'ble Supreme Court in ***Gorkha Security Services Vs. Govt. (NCT of Delhi)*** reported in ***(2014) 9 SCC 105***, a specific show-cause notice was a must. He submitted that non-issuance of a specific show-cause notice amounts to a breach of the principles of natural justice and fair play. In addition, in support of his contention, he relied on the judgment in ***UMC Technologies Private Limited Vs. Food Corporation of India and Another*** reported in ***(2021) 2 SCC 551***.

4. Mr Rahul Saboo, learned GP-II for the respondents, defended the impugned communication by submitting that a show-cause notice dated 18.08.2025 was issued to the petitioner and the petitioner showed cause

vide response dated 26.09.2025. He submitted that the petitioner did not complain of any breach of natural justice or fair play. He further submitted that the order of debarment was passed after considering the cause shown by the petitioner. Accordingly, he submitted that this petition may be dismissed.

5. The rival contentions now fall for our determination.

6. On perusal of the show-cause notice dated 18.08.2025 (Annexure-5) at page 37 of the paper-book, it is evident that it makes no reference to any proposed action of debarment, either in specific terms or even by implication. The show-cause notice merely grants the petitioner an opportunity to expedite the work and remedy the defects pointed out, and finally informs the petitioner that, if the petitioner fails to expedite the work, action under the law would be initiated against it.

7. No doubt, the petitioner did file its response on 26.09.2025. In the response, the petitioner raised certain pleas on the merits of the allegation against it. The petitioner also denied any deliberate delay in executing the works. At the stage of the petitioner filing its response dated 26.09.2025, the petitioner had no occasion to show any cause regarding debarment. This is because the notice dated 18.08.2025 made no reference whatsoever to any proposed debarment.

8. Therefore, this is not a case of acquiescence or waiver. Rather, this response shows that the petitioner was prejudiced by not being informed of the proposed consequence of debarment, in case the petitioner's response on merits was found unsatisfactory. A case of breach of natural justice is therefore made out.

9. In the case of ***Gorkha Security Services (supra)***, the Hon'ble Supreme Court has held that blacklisting must be preceded by a show-cause notice, and the law in this regard is firmly grounded and does not require much amplification. The necessity of complying with the principles of natural justice by affording an opportunity to the person against whom action of blacklisting is sought to be taken has a valid and solid rationale. Blacklisting has many civil and/or evil consequences. It is described as the "civil death" of a person who is subjected to the order of blacklisting. Such an order is stigmatising and debarred such a person from participating in government tenders, thereby precluding him from the award of government contracts.

10. The Hon'ble Supreme Court has further held that the fundamental purpose of a show-cause notice is to make the noticee understand the precise case set out against him, which he has to meet. This requires a statement of imputations detailing the alleged breaches and defaults he has committed, so that he has an opportunity to rebut them. Another requirement is to set out the nature of the action proposed to be taken for such a breach. That should also be stated so that the noticee can point out that the proposed action is not warranted in the case, even if the complaint of defaults/breaches is not satisfactorily explained. When it comes to blacklisting, this requirement becomes even more imperative, having regard to the fact that it is the harshest possible action.

11. Thus, the Hon'ble Supreme Court has held that in a show-cause notice that must precede the action of blacklisting or debarment, not only must

the materials/grounds on which the action is proposed be set out, but the particular penalty/action proposed to be taken must also be specified. This means that if blacklisting or debarment is proposed, the proposal should be stated specifically in the show-cause notice, or at least the surrounding circumstances must make it clear that the action of blacklisting/debarment was contemplated.

12. The above propositions were reiterated by the Hon'ble Supreme Court in the cases of ***Vetindia Pharmaceuticals Limited v. State of Uttar Pradesh and another,*** reported in ***(2021) 1 SCC 804; A.K.G. Construction and Developers Pvt. Ltd. v. State of Jharkhand and others,*** reported in ***(2026) SCC OnLine SC 520***; and ***UMC Technologies Private Limited (supra).***

13. In the case of ***UMC Technologies Private Limited (supra)***, the Hon'ble Supreme Court was concerned with a notice in which the proposed action of blacklisting was neither expressly proposed nor could it be inferred from the language of the show-cause notice. It was held that even the mere existence of a clause in the mid document mentioning blacklisting as a bar to eligibility cannot satisfy the mandatory requirement of a clear mention of the proposed action in the show-cause notice. For a show-cause notice to constitute a valid basis for a blacklisting order, it must clearly set out, or its contents be such that it can be clearly inferred therefrom, that there is an intention to blacklist or debar the noticee. Such clear notice is essential to ensure that the person against whom the penalty of blacklisting or debarment is

intended to be imposed has an adequate, informed and meaningful opportunity to show-cause against his possible blacklisting/debarment.

14. Applying the principles laid down in the above decisions to the facts of this case, we are satisfied that since the show-cause notice dated 18.08.2025 neither expressly nor impliedly referred to any proposed action of debarment, the impugned communication dated 11.11.2025 debarring the petitioner is vulnerable and liable to be set aside.

15. Accordingly, the impugned communication dated 11.11.2025 is hereby quashed and set aside. However, the setting aside of the impugned communication will not preclude the respondents from issuing a fresh show-cause notice to the petitioner, clarifying the proposal to debar the petitioner, should the petitioner's response not be found satisfactory.

16. If such a fresh show-cause notice is issued, it should be disposed of in accordance with law and on its own merits, after granting the petitioner an adequate opportunity to show cause. All contentions on merits and demerits of the alleged defaults, etc., are left open.

17. Mr Saurabh Shekhar submits that the petitioner has completed the works and has made representations dated 07.08.2026 and 20.08.2026 seeking release of payments and issuance of completion certificates. He submits that directions may be issued to the respondents to dispose of these representations. These contentions are disputed by Mr Saboo.

18. Since we are not shown any statutory or contractual basis for making and disposing of such representations, we decline such relief. Such directions, though innocuous, are often abused or misinterpreted by parties. At this stage, it is impossible for this Court to determine

whether the work is indeed completed, and whether the so-called completion is consistent with the contractual terms or otherwise satisfactory. However, the petitioner may take such steps as are available under the law to pursue its claims.

19. Again, all contentions of the parties regarding the issue of completion or satisfactory completion of the works are left open, as we have not adjudicated on them.

20. The rule is made partly absolute in the above terms without any order for costs.

(M. S. Sonak, C.J.)

(Manoj Prasad, J.)

November 5th , 2026
BS/Madhav/-