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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **W.P.(C) 6875/2021, CM APPL. 21760/2021 and CM APPL. 23525/2021**

M/S EAGLE EYE SECURITY AND HOUSEKEEPING SERVICES

.....Petitioner

Through: Mr. Jai Savla, Senior Advocate with Mr.Prashant Parihar, Advocate

versus

UNION OF INDIA & ANR. .....Respondents

Through: Mr. Vijay Joshi, CGSC

CORAM:
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

O R D E R

% **02.02.2026**

1. The instant petition is for the following reliefs:-

> "*a. Issue a Writ, order, or direction in the nature of mandamus or any other appropriate writ, order or direction hereby quashing/ setting aside the order dated 14.07.2021 of the Respondent for cancellation of the GeM contract and blacklisting of the Petitioner;*
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> *b. Issue a Writ, order, or direction in the nature of mandamus or any other appropriate writ, order or direction thereby quashing/ setting aside the cancellation request dated 20.07.2021 of the Respondent for cancellation of the GeM contract and the demand that the Petitioner agency should be blacklisted on GeM;*
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> *c. Issue a writ, order or direction in the nature of writ of mandamus or any other appropriate writ, order or direction thereby directing the Respondent herein to permit the Petitioner to be the service provider as per the GeM Contract No. GEMC-511687737119443;*

d. Issue direction to the Respondent not to issue new contract or new bid till the period of GeM Contract with the petitioner is over;

e. Pass such other and further order/ orders as may be deemed fit and proper in the facts and circumstances of the present case."

2. The facts of the case, as stated, would indicate that on 24.06.2021, the petitioner was awarded a contract for the hiring of 214 Multi Tasking Staff ('**MTS**') through the GeM Portal hosted by respondent no. 2-Directorate General of Supplies and Goods (hereinafter "**said Contract**"). When the petitioner was in the process of executing and performing the awarded contract, it received a memorandum dated 01.07.2021 from the respondent (hereinafter "**said Memorandum**"/"**SCN**"), which *inter alia*, noted that complaints have been received against the petitioner and the petitioner is in violation of Clause 4.1 of the Service Level Agreement. The petitioner, thereafter, sent its reply to the said Memorandum dated 04.07.2021 (hereinafter "**said Reply**"), and various other emails were also sent by it to the respondent.

3. However, to the petitioner's shock, *vide* order dated 14.07.2021, the respondent found the petitioner in violation of Clause 4.1 of the Service Legal Agreement and the said Contract, and (1) terminated the said Contract; (2) blacklisted the petitioner; and further sought recovery of amounts from the petitioner, failing which, it was claimed, that an FIR would be lodged against the petitioner (hereinafter "**said Order**"/"**Impugned Order**"). It is this order, which is assailed in this petition.

4. The Court *vide* order dated 23.07.2021 passed an interim order, directing that no coercive steps shall be taken against the petitioner pursuant

to the Impugned Order, and further that the said Contract shall not be terminated. It appears that, thereafter, *vide* order dated 29.11.2022, this petition along with another petition filed by the petitioner herein bearing W.P.(C) 9899/2022 was considered, and by way of a detailed order, the Ministry of Health and Family Welfare (hereinafter "**Ministry**") was directed to engage fresh contractors by an open tender process via the GeM portal, in which the petitioner was allowed to participate. Paragraph nos. 6 to 9 of the said order are extracted as under:-

> "*6. The mere fact that blacklisting was challenged before this Court and was stayed in favour of the Petitioner would not mean that the Ministry would be entitled to continue the services of an existing contractor beyond the terms of contract. The Ministry ought to follow the established and proper process in engaging contractors for availing the services of MTS employees.*
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> *7. It is made clear by the Court that neither the Petitioner or any other contractor ought to be permitted to collect any money as commission or as monthly payments from the employees who are to be engaged as MTS employees. Compliance of this condition shall be, in fact, supervised by the senior official in the Ministry regularly in order to ensure that MTS employees are not deprived of their monthly salaries in any manner.*
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> *8. The Ministry shall, accordingly, be free to engage a contractor after through an open tender process via the GEM portal in accordance with existing policy and not merely continue with the services of Respondent No.2 on a periodic basis due to pendency of these writ petitions. Further, with effect from 1st April, 2023, the Ministry shall ensure that the contractor, which is engaged for employing MTS employees, is engaged through an open tender process. It is further clarified that the Petitioner is free to participate in any fresh tender that may be opened by the Respondents.*
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> *9. In view of the above orders, the writ petition W.P.(C) 9899/2022 is infructuous and is disposed of.*"

5. Learned counsel for the petitioner submits that owing to the afore-noted directions passed by the Court, the petitioner has been participating in

the contracts being floated by the respondent. The order of termination and the debarment, therefore, has not been given effect to, till date. The termination of the contract would also not require any adjudication as the period of that tender has been over and fresh tenders had been invited. As of now, the only issue requiring consideration relates to the blacklisting of the petitioner.

6. *Qua* this issue, the petitioner, *inter alia*, contends that the blacklisting was wholly uncalled for and is without application of mind. In any case, it is contended that the blacklisting cannot be made applicable till the lifetime of the petitioner. On the other hand, the respondents justify the said order.

7. Having considered the submissions made by learned counsel for the parties, it appears that the Impugned Order has been passed on the basis of surmises and conjectures. The said order of 6 paragraphs, records at paragraph no. 2, that the Ministry became aware of the petitioner having asked for and taken money from persons proposed to be engaged by them before their deployment in the Ministry which is against Clause 4.1 of the Service Level Agreement. Further, at paragraph no. 3, it is recorded that the said Reply submitted by the petitioner was found to be contrary to their record. The material portion of the Impugned Order reads as under:

> *"2. As per the terms and conditions of the contract, M/s Eagle Eye Security and Housekeeping Services was required to comply with the various clauses of the Service Level Agreement. It came to the notice of the Ministry that M/s Eagle Eye Security and Housekeeping Services has asked for and taken money from persons proposed to be engaged by them before their deployment in the Ministry of Health and Family Welfare which is against the clause 4.1 of the Service Level Agreement. A memorandum dated 02.07.2021 was issued to the afore-said agency seeking its explanation within 3 days.*
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> *3. The representation dated 04.07.2021 submitted by the firm in response to Memorandum of Ministry has been examined and it is observed that the*

assertion made by M/s Eagle Eye Security and Housekeeping Services is contrary to the available records and it has been established that M/s Eagle Eye Security and Housekeeping Services has demanded / taken money for deployment of staff in the Ministry of Health and Family Welfare.

4. Keeping in view the facts stated above, it has been decided by the Competent Authority to terminate the Contract Order No. GEMC-511687737119443 dated 24.06.2021 with immediate effect and also to blacklist the firm viz. M/s Eagle Eye Security and Housekeeping Services, 862/1, Than Singh Nagar, Anand Parbat, Ghati Road, New Delhi-110005 due to breach of the terms and conditions of the contract and violation of clause 4.1 of the Service Level Agreement.

5. Further, M/s Eagle Eye Security and Housekeeping Services is directed to pay back the amount received from the concerned manpower as registration or other fees within a period of 10 days failing which an FIR would be lodged against M/s Eagle Eye Security and Housekeeping Services.

6. This issues with the approval of the Competent Authority."

8. A bare perusal of the Impugned Order would indicates that the same does not contain any indication/information pertaining to—*first*, from where the Ministry got the information which it contends violates Clause 4.1 of the Service Level Agreement; *second*, why the said information cannot be furnished to the petitioner; and *third*, why the said Reply of the petitioner, which was a representation in furtherance of the SCN, was rejected.

9. Naturally, if the petitioner were to know who its accuser was, and what, in meaningful and actual terms, are the allegations against it; it would have been in a better position to defend itself and justify its actions. If, however, for any reason the information could not have been communicated to the petitioner owing to it being privileged, the reasons for secrecy ought to have borne out from the Impugned Order.

10. Additionally, the blacklisting/debarment under the Impugned Order also cannot be permanent in nature. The period of debarment, invariably

depends, *inter alia*, on the seriousness of mis-conduct, recurring nature of the concerned act, and the past history of the offender. It can, however, not be permanent, as is the case under the Impugned Order. Reliance may be placed on the decisions of the Supreme Court in the case of ***State of Odisha and Ors. v. Panda Infraproject Ltd.***[1] and ***M/s. Kulja Industries Ltd. v. Chief Gen. Manager BSNL.***[2]

11. Having considered the overall facts and circumstances of the case, the law discussed above, the passage of time and the fact that the petitioner still continues to, perform various contracts, with the respondents, there does not seem to be any reason to give effect to the Impugned Order dated 14.07.2021. Hence, the interim order is made absolute.

12. With the aforesaid observations, the instant petition stands disposed of.

PURUSHAINDRA KUMAR KAURAV, J

FEBRUARY 2, 2026

Nc/ksr

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[1] (2022) 4 SCC 393.

[2] AIR 2014 SC 9.