



2026:DHC:1555



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 9242/2022, CM APPL. 27709/2022 and CM APPL. 26640/2023**

Date of Decision: **20.02.2026****IN THE MATTER OF:****VH SECURITIES LIMITED**

Through its Authorised Representative

Mr. Anil Sahi

B-525, New Friends Colony

.....Petitioner

(Through: Mr. Mayank Bughani, Advocate.)

versus

TELECOMMUNICATIONS CONSULTANTS INDIA LIMITED

Through its Managing Director

TCIL Bhawan

Greater Kailash-I,

New Delhi-110048

.....Respondent

*(Through: Mr Arun Sanwal, Mr Aditya Mani Sharma, Mr Jasbir Bidhuri, Mr Akshit Gupta Advocates.)***CORAM:****HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****J U D G M E N T****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)**

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

“a. Issue writ, order or direction more particularly one in the nature of

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2026:DHC:1555



direction setting aside the impugned Letter dated 20.09.2021 issued by the Respondent;

b. Issue writ, order or direction more particularly one in the nature of direction to the Respondent not to take any action pursuant to the impugned Letter dated 20.09.2021;

c. Issue writ, order or direction more particularly one in the nature of direction to the Respondent to withdraw the suspension/ban/debarment of the Petitioner as contemplated in the impugned Letter dated 20.09.2021 and to allow the Petitioner to participate in all future Tenders which may be issued by the Respondent from time to time;

d. Pass any other order/orders as may be deemed fit in the given facts and circumstances.”

2. The petitioner seeks for setting aside the communication dated 20.09.2021, issued by the respondent, whereby, the petitioner has been declared ineligible to participate in any tender from the respondent for a period of three years.

3. However, it is noted that the said period of three years has expired, therefore, the order of debarment has already lived its life.

4. Learned counsel for the petitioner, however, relies on various decisions of the Supreme Court including the case of **UMC Technologies Private Limited Vs. Food Corporation of India and Anr.**¹ with specific reliance on observation made in paragraph no.14 thereof, which is extracted as under:-

“14. Specifically, in the context of blacklisting of a person or an entity by the state or a state corporation, the requirement of a valid, particularized and unambiguous show cause notice is particularly crucial due to the severe consequences of blacklisting and the stigmatization that accrues to the person/entity being blacklisted. Here, it may be gainful to describe the concept of blacklisting and the graveness of the consequences occasioned by it. Blacklisting has the effect of denying a person or an entity the privileged opportunity of entering into government contracts.

¹ (2021) 2 SCC 551



2026:DHC:1555



This privilege arises because it is the State who is the counterparty in government contracts and as such, every eligible person is to be afforded an equal opportunity to participate in such contracts, without arbitrariness and discrimination. Not only does blacklisting takes away this privilege, it also tarnishes the blacklisted person's reputation and brings the person's character into question. Blacklisting also has long-lasting civil consequences for the future business prospects of the blacklisted person."

5. He also relies on a decision of the Supreme Court in the case titled as ***Kulja Industries Limited v. Western Telecom Project BSNL***² to submit that while the freedom to contract or not to contract is unqualified in the case of private parties, however, when such decision is taken by the State or any of its instrumentalities, the same is subject to judicial review on the touchstone of fairness, relevance, natural justice, non-discrimination, equality and proportionality.
6. Reliance is also placed on the decision in the case of ***Gorkha Security Services v. Government (NCT of Delhi) and Ors***³ to submit that an order of blacklisting has adverse civil consequences and, therefore, the objective of blacklisting should not be to penalize any person/entity. The impugned action of the respondent in blacklisting the Petitioner acts as "civil death" of the petitioner as it is debarred from participating in government tenders, thereby precluding such person from being awarded government contracts.
7. Further, reliance is also placed on the decision of the Bombay High Court in the case of ***JK. Surface Coatings Private Limited y. Oil and Natural Gas Corporation***⁴, wherein, the Court has observed that the fact that a disability is created by the order of blacklisting indicates that the relevant authority is to have an objective satisfaction before such an order is

² (2014) 14 SCC 731

³ (2014) 9 SCC 105



2026:DHC:1555



passed. Merely due to some contractual disputes, a banning order passed by the concerned authority would be too harsh. Only on the basis of some contractual violations which have an equally efficacious remedy available for redressal of those violations, cannot be the only ground to for passing the banning order.

8. Learned counsel for the petitioner submits that the petitioner was not afforded sufficient opportunity of hearing before the impugned decision was taken. He also submits that the impugned order was issued about one year from the completion of the work. According to him, the petitioner was to act as an independent monitoring agency of the work, which was allotted to NEC. The allegation against the petitioner was that the Sub-Contractor of NEC namely, Paramount Communications Ltd. was monitored by the petitioner, whereas, the petition has replied to the Show Cause Notice stating therein that none of the work of the Paramount Communications Ltd. was verified by the petitioner.

9. Learned counsel for the respondent, however, submits that under almost similar circumstances, the Court in the case of *Manu Electricals Pvt. Ltd. vs. Indian Oil Corporation Ltd.*⁵ has held that on account of period of debarment having been expired, there would be no disability in any manner from participating in future tenders. Therefore, the Court may not require rendering the findings on merits.

10. I have considered the submissions made by learned counsel for the parties.

11. Though, there seems to be some substance in the submissions made

⁴ (2016) 6 AIR Bom R 679

⁵ W.P. (C) 1484/2021 dated 05.02.2021S



2026:DHC:1555



by the petitioner, however, no final adjudication with respect to the impugned communication needs to be undertaken as the period of debarment has already elapsed. The respondent itself submits that the same shall not be an impediment or any disability of the petitioner to participate in future tenders.

12. Needless to state that the impugned order shall not be an impediment for any other future tender where the petitioner intends to participate in any other organisation etc.

13. In view thereof, and placing the said submissions on record, the instant petition stands disposed of along with all pending applications.

PURUSHAINDR KUMAR KAURAV, J

FEBRUARY 20, 2026

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