



2026:CGHC:15291-DB

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 1483 of 2026

Rakshak Securitas Private Limited, Through Its State Head, Pankaj Kumar Chauhan Aged about 40 Years, S/o Akshayawat Singh Reg. Office: T-5, Plot No. 12, Manish Plaza-III, Sector- 10 Dwarka, New Delhi - 110075

... Petitioner

versus

1 - State Of Chhattisgarh Through Secretary, Cum Commissioner Commercial Tax (Excise) Department Chhattisgarh, North Block, Sector- 19, Commercial Tax And Gst Bhavan, Nava Raipur Atal Nagar, (C.G.)

2 - Chhattisgarh State Marketing Corporation Limited (Csmcl), Through Its Managing Director, Aabkari Bhavan, Near Chokra Nala, Labhandi District- Raipur (C.G.)

3 - Deputy General Manager, Chhattisgarh State Marketing Corporation Limited (Csmcl), Aabkari Bhavan, Near Chokra Nala, Labhandi, District- Raipur (C.G.)

... Respondents

(Cause title taken from Case Information System)

For Petitioner : Mr. Mateen Siddiqui, Advocate

For Respondent No.1/State : Mr. Shashank Thakur, Addl. A.G.

For Respondents No. 2 & 3 : Mr. Malay Shrivastava, Advocate



Hon'ble Shri Ramesh Sinha, Chief Justice
Hon'ble Shri Ravindra Kumar Agrawal, Judge

Order on Board

Per Ramesh Sinha, Chief Justice

02/04/2026

1. This writ petition under Article 226 of the Constitution of India has been preferred by the petitioner challenging the action of respondent No.2 – Chhattisgarh State Marketing Corporation Limited (CSMCL) dated 23.03.2026, whereby the technical bid submitted by the petitioner pursuant to tender dated 19.02.2026 bearing Bid No. GEM/2026/B/7263566 has been disqualified on the ground of a blacklisting order dated 18.02.2026. The petitioner further seeks a direction to the respondents to consider its bid independently of the said blacklisting order and to permit participation in the tender process.
2. The present petition has been filed by the petitioner seeking the following reliefs:-

“10.1 That this Hon'ble Court may kindly be pleased to quash and set aside the impugned disqualification of technical bid dated 23.03.2026 (Annexure P/1).

10.2 That this Hon'ble Court may kindly be pleased to direct the Respondent authorities to not debar the petitioner firm from participating in “Tender for Empanelment of Placement Agency for Supply of Manpower to Chhattisgarh State Marketing Corporation Ltd” bearing Tender No.



CSMCL/Tender/2026-27/4 issued by CSMCL dated 19.02.2026 based on the blacklisting order.

10.3 That this Hon'ble Court may kindly be pleased to direct the respondent to consider the petitioner's technical bid independently, without taking into account the said blacklisting order, and evaluate the same strictly in accordance with the prescribed eligibility criteria. In the event the petitioner is found technically qualified, the respondent authorities be further directed to consider the petitioner's financial bid and, upon fulfilment of all requisite conditions be directed to proceed to award the contract/tender/issue Letter of Intent in favour of the petitioner firm.

10.4 That this Hon'ble Court may kindly be pleased to direct the Respondent authorities to not debar the petitioner firm from participating in any other future tender issued by respondent authorities based on the blacklisting order.

10.5 That, this Hon'ble Court may graciously be pleased to pass such further orders or directions as may be deemed fit and proper in the facts and circumstances of the case."

3. The petitioner is a placement agency engaged in providing manpower services and was earlier awarded a contract pursuant to a tender dated



19.02.2024 issued by respondent No.2. During the subsistence of the contract, a complaint was made alleging sub-letting of the work by the petitioner. Based on the said complaint, certain communications were issued by the respondent authorities calling for clarification from the petitioner. The petitioner submitted its responses denying the allegations.

Subsequently, respondent No.2 passed an order dated 18.02.2026 cancelling the petitioner's work order, forfeiting the bank guarantee, and blacklisting the petitioner for a period of one year. The petitioner challenged the said blacklisting order before this Court in WPC No. 1010 of 2026. It is pertinent to note that the said writ petition has already been dismissed by this Court, whereby the blacklisting order dated 18.02.2026 was upheld, while granting liberty to the petitioner to avail appropriate remedy in accordance with law, if so advised, with respect to forfeiture of the bank guarantee under Clause 16 of the General Commercial Conditions of the Contract. Meanwhile, a fresh tender process was initiated by respondent No.2, initially on 30.01.2026 and later reissued on 19.02.2026.

The petitioner submitted its bid pursuant to the reissued tender on 12.03.2026. However, by the impugned action dated 23.03.2026, the technical bid of the petitioner was disqualified solely on the basis of the blacklisting order dated 18.02.2026. Aggrieved by such disqualification, the present writ petition has been filed.

4. Mr. Mateen Siddiqui, learned counsel for the petitioner submits that the impugned disqualification is arbitrary and violative of Article 14 of the



Constitution of India, inasmuch as it is founded entirely upon a blacklisting order which had earlier been challenged before this Court. It is contended that the blacklisting order has been passed in violation of the principles of natural justice, as no specific show cause notice proposing blacklisting was issued to the petitioner. Therefore, any consequential action based on such an order is vitiated.

It is further submitted that the blacklisting order, though dated 18.02.2026, was communicated to the petitioner only on 28.02.2026, and therefore could not have been made the basis for disqualification in respect of a tender process which was already underway. It is argued that the respondents acted mala fide in suppressing the fact of reissuance of the tender before this Court in earlier proceedings and have deliberately excluded the petitioner from participation. Hence, the impugned action deserves to be quashed and appropriate directions be issued for consideration of the petitioner's bid.

5. Mr. Shashank Thakur, learned Additional Advocate General supports the impugned action and submits that once the petitioner has been blacklisted by a competent authority, the consequence thereof is automatic disqualification from participating in any tender process of the concerned department or corporation. It is contended that the scope of judicial review in contractual matters is limited, and unless the decision is shown to be arbitrary or perverse, no interference is warranted. The impugned action, being a direct consequence of a subsisting blacklisting order, cannot be faulted.



6. Mr. Malay Shrivastava, learned counsel appearing for respondents No.2 and 3 submits that the petitioner was blacklisted after due consideration of the material available on record and after affording adequate opportunity to respond to the allegations. It is contended that the petitioner had violated the terms of the contract by sub-letting the work, which is expressly prohibited under the tender conditions. Therefore, the blacklisting order is valid and binding unless set aside by a competent court.

It is further submitted that participation in a tender is not a matter of right but is subject to eligibility conditions prescribed by the employer. Once the petitioner stands blacklisted, it is ineligible to participate in the tender process. The disqualification of the petitioner's bid is thus in strict adherence to the tender conditions and cannot be termed as arbitrary or illegal. It is also contended that mere pendency of challenge to the blacklisting order does not dilute its effect unless stayed by the Court.

7. We have heard learned counsel for the parties and considered their rival submissions made hereinabove and also gone through the entire records of the case with utmost circumspection.
8. This Court is of the considered view that the impugned action does not warrant interference in exercise of writ jurisdiction. It is well settled that the scope of judicial review in contractual and tender matters is limited. The Hon'ble Supreme Court in ***Tata Cellular v. Union of India***, (1994) 6 SCC 651, has held that the Court does not sit as an appellate authority over administrative decisions in contractual matters and interference is permissible only on grounds of arbitrariness, irrationality, or mala fides.



Similarly, in **Michigan Rubber (India) Ltd. v. State of Karnataka**, (2012) 8 SCC 216, it has been held that the terms of the tender are within the domain of the employer and the Courts should not ordinarily interfere unless the decision is wholly arbitrary or discriminatory.

9. In the present case, the disqualification of the petitioner's technical bid is admittedly based on a blacklisting order dated 18.02.2026, which remains operative as on date. The Hon'ble Supreme Court in **Patel Engineering Ltd. v. Union of India**, (2012) 11 SCC 257, has held that blacklisting is a necessary tool in the hands of the State to ensure discipline in contractual dealings and once a party is blacklisted, the consequences thereof naturally follow. Similarly, in **Kulja Industries Ltd. v. Chief General Manager, BSNL**, (2014) 14 SCC 731, it has been held that blacklisting, being a valid administrative action, renders the contractor ineligible for future contracts.
10. At this stage, it is also relevant to note that the blacklisting order dated 18.02.2026, which forms the very basis of the impugned disqualification, has already been upheld by this Court in WPC No. 1010 of 2026. The said writ petition preferred by the present petitioner stands dismissed, with liberty granted to avail appropriate remedy in accordance with law in respect of forfeiture of the bank guarantee under Clause 16 of the General Commercial Conditions of the Contract. In view of the aforesaid, the very foundation of the challenge raised in the present petition does not survive.



11. So far as the contention regarding violation of principles of natural justice is concerned, the same pertains to the validity of the blacklisting order, which has already been upheld by this Court in WPC No. 1010 of 2026. In absence of any order setting aside or staying the said blacklisting order, the same continues to remain effective and binding. Consequently, the respondents were justified in acting upon the same while evaluating eligibility of the petitioner in the tender process.
12. The plea regarding delayed communication of the blacklisting order or alleged mala fide conduct does not, in the facts of the present case, render the impugned action arbitrary, particularly when the foundational order of blacklisting subsists. The Hon'ble Supreme Court in ***Erusian Equipment & Chemicals Ltd. v. State of West Bengal***, (1975) 1 SCC 70, while recognizing the requirement of fairness in blacklisting, has also acknowledged that once a valid order exists, the State is entitled to act upon it.
13. In view of the above settled legal position, this Court finds no illegality or arbitrariness in the impugned disqualification of the petitioner's technical bid.
14. Accordingly, the writ petition, being devoid of merits, is hereby **dismissed**. No order as to costs.

Sd/-
(Ravindra Kumar Agrawal)
Judge

Sd/-
(Ramesh Sinha)
Chief Justice