



2026:AHC:167233-DB

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 23852 of 2026

M/S Turban Mobility Llp

.....Petitioner(s)

Versus

State Of U.P. And 3 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Sanjeet Kumar Dubey
Counsel for Respondent(s)	:	C.S.C., Kaushalendra Nath Singh

Court No. - 21

HON'BLE MAHESH CHANDRA TRIPATHI, J.
HON'BLE KUNAL RAVI SINGH, J.

1. Heard learned counsel for the petitioner; Shri Gopal Chandra Saxena, learned Standing Counsel for State respondents and Shri Sarthak Sinha holding brief of Shri Kaushalendra Nath Singh, learned counsel for New Okhla Industrial Development Authority (in short "NOIDA").

2. The instant writ petition has been preferred for following reliefs:-

"(i) Issue a writ, order or direction in the nature of certiorari quashing the impugned order dated 15.04.2026 passed by the respondent no.3 (Annexure No.5 to this writ petition).

(ii) Issue a writ, order or direction in the nature of mandamus commanding the respondents to reinstate the work as well as remove the name of the petitioner firm from the category of debarred/ blacklisted firms."

3. Learned counsel for the petitioner states that impugned order has been passed without affording opportunity to the petitioner and the same is also in gross violation of the mandatory contractual procedure prescribed under the MoUs. Learned counsel for the petitioner, in support of his submissions, has also placed reliance on the judgment and order dated 31.03.2026 passed in Writ-C No.27092 of 2025 (M/s Yashika Enterprises & Anr. v. State of U.P. & Ors.).

4. On the other hand, learned counsel for the respondents raised an objection

qua the maintainability of the writ petition and in this regard placed reliance upon Article 14 of the agreement between the parties, which provides alternative forum. He relied upon Articles 14.2 and 14.3 of the agreement, which for ready reference, are reproduced as under:-

"14.2 Negotiation

If any dispute, controversy or claim arises under or relates to this Agreement or the breach, termination or validity thereof (the "Dispute"), such Dispute shall be referred by each Party to its designated senior officer for resolution upon thirty (30) Days written notice from either Party (the "Dispute Notice"). The Parties agree to attempt to resolve all Disputes promptly and equitably and to provide each other with reasonable access during regular business hours to any and all non-privileged records, information and data pertaining to any such Dispute.

14.3 Dispute resolution

1. In the event of any such question, dispute and/or difference not being settled in the aforesaid manners, the dispute shall be referred to the chairman/ CEO Noida for nominations of an Arbitrator nominated by C.E.O, Noida. in consultation with the opposite party. Whose decision shall be final and binding on the both the parties.

2. The law applicable to this Contract shall be the laws enforce in India. The court of the District Courts of Gautam Budh Nagar & High Court of Judicature at Allahabad/ Prayagraj shall have exclusive jurisdiction in all matters arising under this Contract/ MOU."

5. Learned counsel for the respondents submits that once in view of the aforesaid provisions, efficacious remedy is available to the petitioner, the instant writ petition is liable to be dismissed on the ground of efficacious alternative remedy in terms of the agreement.

6. In rebuttal, learned counsel for the petitioner submits that the impugned order is infact dual order of cancellation as well as blacklisting. Initially the notices that were issued to the petitioner, were only show cause notices with regard to deficiency in service but none of the notices were actually with regard to blacklisting of firm. He submits that for blacklisting, separate show

cause notices have to be issued to the petitioner, otherwise the order blacklisting the petitioner's firm would be malafide.

7. We have heard rival submissions and perused the record.

8. Perusal of impugned order shows that the order is infact a dual order. Firstly it terminates the contract of the petitioner for certain deficiency, which are evident from various notices and secondly it blacklist the petitioner firm from future contract for a period of one year. We also have had an occasion to look into the notices, which were annexed along with the counter affidavit. Bare perusal of the notices show that at no point of time the notices referred to the blacklisting to be done of the firm. We are unable to find any reason in the impugned order for blacklisting of the firm, which would require opportunity of hearing to the petitioner.

9. It is trite law that the blacklisting cannot be done without issuance of proper show cause notice and its subsequent reply. Hon'ble Apex Court in the matters of **Erusian Equipment and Chemicals Ltd. vs. State of West Bengal and another**, (1975) 1 SCC 70 and **UMC Technologies (P) Ltd. vs. Food Corporation of India and another**, (2021) 2 SCC 551 has held that before blacklisting an opportunity is to be accorded.

10. A three Judges' Bench of the Apex Court in the case of **The Blue Dreamz Advertising Pvt. Ltd. and another vs. Kolkata Municipal Corporation and others**, 2024 INSC 589 has held as under :-

"22. Blacklisting has always been viewed by this Court as a drastic remedy and the orders passed have been subjected to rigorous scrutiny. In Erusian Equipment & Chemicals Ltd. vs State of West Bengal & Anr. (1975) 1 SCC 70, this Court observed that

"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...."

23. In Mr. B.S.N. Joshi (supra), this Court held that

"41. ... When a contractor is blacklisted by a department he is debarred

from obtaining a contract, but in terms of the notice inviting tender when a tenderer is declared to be a defaulter, he may not get any contract at all. It may have to wind up its business. The same would, thus, have a disastrous effect on him. Whether a person defaults in making payment or not would depend upon the context in which the allegations are made as also the relevant statute operating in the field. When a demand is made, if the person concerned raises a bona fide dispute in regard to the claim, so long as the dispute is not resolved, he may not be declared to be defaulter."
(Emphasis supplied)

24. This Court in *Kulja Industries Ltd.* (supra) after setting out the legal position governing blacklisting/debarment in USA and UK held that:

"25. Suffice it to say that "debarment" is recognised and often used as an effective method for disciplining deviant suppliers/contractors who may have committed acts of omission and commission or frauds including misrepresentations, falsification of records and other breaches of the regulations under which such contracts were allotted. What is notable is that the "debarment" is never permanent and the period of debarment would invariably depend upon the nature of the offence committed by the erring contractor.

26. In the case at hand according to the respondent BSNL, the appellant had fraudulently withdrawn a huge amount of money which was not due to it in collusion and conspiracy with the officials of the respondent Corporation. Even so permanent debarment from future contracts for all times to come may sound too harsh and heavy a punishment to be considered reasonable especially when (a) the appellant is supplying bulk of its manufactured products to the respondent BSNL, and (b) the excess amount received by it has already been paid back."

26. In other words, where the case is of an ordinary breach of contract and the explanation offered by the person concerned raises a bona fide dispute, blacklisting/debarment as a penalty ought not to be resorted to. Debarring a person albeit for a certain number of years tantamounts to civil death inasmuch as the said person is commercially ostracized resulting in serious consequences for the person and those who are employed by him."

11. In view of the order passed by Hon'ble Apex Court in catena of decisions

including the matters of **Erusian Equipment's case (supra)**, **UMC Technologies's case (supra)** and **The Blue Dreamz Advertising Pvt. Ltd.'s case (supra)**, the law is well settled that before blacklisting an opportunity has to be accorded to the person, who is being blacklisted and as such, the impugned order is hit by the principles of natural justice and is unsustainable in the eyes of law.

12. In the light of facts and circumstances as stated above, we are of the considered opinion that the blacklisting order is illegal and liable to be set aside. Accordingly, the blacklisting order is hereby set aside.

13. Since we have already observed that the order passed by the Authority is dual in nature, therefore, doctrine of severability is applicable in the present case. Even if the order of blacklisting is set aside, the order of termination would still be valid as the various deficiencies pointed out in the notices have not been adequately replied by the petitioner in his reply. As such we are not inclined to interfere with regard to termination order.

14. As observed above, as the petitioner is having efficacious remedy with regard to cancellation of Memorandum of Understanding (MOU), we are not inclined to interfere in the matter in the light of dispute resolution mechanism provided in MOU itself. It would be in the interest of justice to let the petitioner avail the same, if so advised. Accordingly, in case the petitioner approaches to the concerned authority in terms of Article 14.2 and 14.3 of the agreement within one week, we expect that the same shall be finalised in accordance with law expeditiously.

15. The writ petition stands **disposed of** accordingly.

(Kunal Ravi Singh,J.) (Mahesh Chandra Tripathi,J.)

August 10, 2026

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