

(2026) 01 JH CK 1753

In the Jharkhand High Court

Case No : Writ Petition (C) No. 3443 of 2025

Waris Buildcon (I), Private Limited

APPELLANT

Vs

State Of Jharkhand, through the Secretary

RESPONDENT

Date of Decision : 09-01-2026

Acts Referred:

Constitution of India, 1950 — Article 14, 226

Citation : (2026) 01 JH CK 1753

Hon'ble Judges : M.S. Sonak, CJ; Sujit Narayan Prasad, J

Bench : Division Bench

Advocate : Rahul Kumar, Piyush Chitresh

Final Decision : Dismissed

Judgement

Deepak Roshan, J

1. Heard the learned counsel for the parties.
2. The petitioner challenges letter dated 22.02.2025 whereunder the decision has been taken to treat the period from 30.03.2022 to 31.07.2024 as a period of debarment of the petitioner as a contractor.
3. Admittedly, this period has concluded. However, the learned counsel for the petitioner submitted that the order casts stigma on the petitioner and, therefore, this petition should be entertained to find out whether the impugned letter/ debarment passes the constitutional muster.
4. The learned counsel for the petitioner submitted that the petitioner had raised a dispute which was referred to Arbitration. In the arbitration proceedings, a preliminary award has been made holding that the termination of the petitioner's contract was not legal and proper. He submitted that once such a decision was made by the arbitrator, the very foundation the impugned letter of debarment collapsed. He submitted that the impugned letter should now be considered as a "nullity".

5. Without prejudice, the learned counsel for the petitioner submitted that even assuming without admitting in any manner that there was a breach of some contractual terms, the same would not fall for an order of debarment. He relies on a judgment rendered in "Techno Prints v. Chhattisgarh Textbook Corporation and Another" [2025 SCC OnLine SC 343] and "Blue Dreams Advertising Pvt. Ltd.&Anr. V. Kolkata Municipal Corporation & Ors." [2024 SCC OnLine SC 1896] to support this proposition.

6. The learned counsel for the petitioner also submitted that the Arbitrator held that the issues of termination and debarment are distinct, and that the issue of debarment was not part of the reference to the Arbitrator. The learned counsel, therefore, submitted that the petitioner has no other alternative or efficacious remedy to challenge the letter of debarment save and except instituting the present petition.

7. The learned counsel for the petitioner also submitted that the action of debarment is grossly disproportionate to the allegations made in the show-cause notice. He submitted that proportionality is one of the aspects of non-arbitrariness guaranteed by Article 14 of the Constitution.

8. The learned counsel for the respondents defended the impugned letter based on the reasoning reflected therein. He submitted that the preliminary award has not attained finality and, therefore, no reliance can be placed on it without the respondents having an opportunity to challenge it once a final award is made in the matter. He submitted that there is inherent contradiction in the petitioner's case because on one hand, the petitioner seeks a declaration of nullity of the impugned letter of debarment relying upon the Arbitrator's award, and in the same breath, the petitioner admits that the issue of debarment was not gone into by the Arbitrator since, the same was not a part of the reference to the Arbitrator.

9. The learned counsel for the respondents submitted that the principles of natural justice were complied with and that the petitioner was given a full opportunity. He submitted that this is a case where the petitioner virtually abandoned a contract for the construction of a road, thereby causing prejudice not only to the respondents but to the public, which had an interest in the early completion and repairs of the road. He also pointed out that the petitioner had claimed damages of Rs. 25 crores due to wrongful debarment from future tendering for five years. His claim was also not accepted by the Arbitrator.

10. Learned counsel for the respondents submitted that this was not some case of minor breach of contractual terms, rather this was a case where the petitioner, by abandoning the construction of the road, virtually held the respondents and the public whom the respondents were duty bound to serve, to ransom. He submitted that the facts in the case of "Techno Prints" (supra) and "Blue Dreams" (supra) were entirely different and offer no parallel to the facts of the present case.

11. Learned counsel for the respondents submitted that there was nothing disproportionate in the impugned action because the debarment was only for the period which had passed and not for the future period. He pointed out that the breaches coupled with the virtual abandonment of a road project were a case where the respondents were entitled to debar such a contractor, lest such a contractor repeat the same modus operandi in other contracts.

12. For all the above reasons, the learned counsel for the respondents submitted that this petition is meritless and may be dismissed.

13. We have considered the rival contentions and perused the materials on record.

14. First, we note that there is no allegation of non-compliance with the principles of natural justice. In the earlier round of litigation between the same parties, the allegation was that the show-cause notice had made no reference to the issue of debarment and, therefore, the petitioner had no opportunity to meet the case of debarment.

15. The earlier order was set aside, and the matter was remanded to the respondents to issue a fresh show-cause notice, if they so desire, and proceed in accordance with the law. Such a fresh show-cause notice was issued, which was duly responded to by the petitioner.

16. From the perusal of the impugned letter dated 22.02.2025, we find that the reply has been duly considered, and the order of debarment has been made. Though the show-cause notice proposed a five-year debarment, the respondents have issued the debarment order for only two years and four months, i.e., from 30.03.2022 till 31.07.2024. Thus, the order of debarment has been made only for the past period; this itself, coupled with other factors, belies the charge of disproportionality.

17. In this case, the petitioner was awarded the works of widening and strengthening of the two-lane road with paved shoulder and geometric improvement from KM65.5 to 87.530 of NH 114A on an EPC mode in the State of Jharkhand. There is material on record to show that the petitioner abandoned this work by alleging several factors, including the right-of-way not being demarcated. All these defenses have been duly considered by the respondents.

18. This is not a case of simple breach of contractual terms. This is a case where a public project has been virtually stalled, causing prejudice not only to the respondents but also to the members of the public to whom the respondents are duty-bound to serve. The facts in the case of "Techno Prints" (supra) were not at all comparable to the facts in the present case. Hon'ble Supreme Court, in Paragraph No.20, clarified that their Lordships were testing the reasonableness of the order of blacklisting based on the facts which were before the Hon'ble Court.

19. "Blue Dreams" (supra) also holds that invoking debarment for ordinary cases of breach of contract where there was bona fide dispute is not permissible. After

stating this in paragraph no. 27, the Hon'ble Supreme Court went on to clarify that each case, no doubt, would turn on the facts and circumstances thereof. After a detailed examination of the facts which bear no comparison to the present case, the Hon'ble Supreme Court interfered with the action of the authorities.

20. In this case, we do not think it is a simple breach of contract. Here, the petitioner sought to hold the respondents and, through them, the general public to ransom by abandoning the contract and delaying the works. In such a situation, it cannot be said that there was a simple breach of contract for which action of debarment could not have been taken.

21. That apart, in exercising our writ jurisdiction under Article 226 of the Constitution, we are more concerned with the decision-making process than with the ultimate decision. Again, while exercising summary jurisdiction, we normally do not enter the thicket of disputed questions of fact to determine whether there were contractual breaches. This is precisely what the petitioner wishes us to do, but we decline, given the limited parameters of interference in such matters.

22. The petitioner is blowing hot and cold; on the one hand, he relies on the preliminary arbitral award holding that the termination of his contract was not legal or justified. On the other hand, coming to the issue of debarment, the petitioner contends that that was not an issue before the Arbitrator and, therefore, the Arbitrator's award can have no bearing on the said issue. Such contradictory pleas are normally not entertained by this Court when exercising its extraordinary and discretionary jurisdiction under Article 226 of the Constitution.

23. Besides, the record shows that the finding that termination was not legal or proper was made in a preliminary award. The arbitration proceedings continued to pend. Only after the final award is made would the respondents be able to challenge, inter alia, this finding that the termination was not legal or proper. Therefore, based upon such a finding, it is too much to say that the very foundation of the debarment order has collapsed, and the debarment order should be declared as "nullity".

24. There is nothing disproportionate in the respondents' action. As noted earlier, this was not a case of mere breach of contract as was sought to be made out or as was the case in the decisions of "Techno Print" (supra) and "Blue Dreams" (supra) the impugned letter, substantially considers all the aspects of the matter and imposes debarment only for the period that has already passed and not for the future. This is yet another indication of the due obligation of mind not only to the facts but also to the principle of proportionality.

25. It is necessary to note that in the arbitration claim before the Arbitrator, the petitioner claimed damages of Rs. 25 crores due to the wrongful debarment of the applicant from future tendering for five years. This claim was denied by the Arbitrator. The petitioner, thus, is not entitled to contend that the finding in the Arbitrator's award about the termination being bad renders the impugned action

a “nullity”. These are all matters of factual disputes that can be agitated before the fora chosen by the parties or the civil court where there is no anathema to adjudicating disputed questions of fact.

26. For all the above reasons, we dismiss this petition without any order for costs.