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

% *Date of Decision : 25.08.2026*

CNR No. DLHC010392432026

+ **W.P.(C) 12201/2026 CM APPL. 56519/2026**

CEIGALL INDIA LTD

.....Petitioner

Through: Mr. Kartik Nayar, Mr. Krish Kalra,
Mr. Anupam Verma and Mr.
Shashank Shekhar, Advs.

versus

**PUBLIC WORKS DEPARTMENT GOVT OF NCT OF DELHI
AND ORS**

.....Respondents

Through: Mr. Chetan Sharma, ASG with, Mr.
Tushar Sannu, SC, Mr. Naman, Mr.
Vaibhav Tripathi, Ms. Diksha Punia,
Advs., Mr. Bharat AE, MCD and Mr.
Pranav Suhag, CE, MCD.
Mr. Akshay Sharma, Adv., Mr.
Ramayan Prasad Gupta, CE, PWD
and Mr. Chandra Bhushan Singh, SE,
PWD and Mr. Anil Kumar, Ex. E.

CORAM:

HON'BLE MR. JUSTICE V. KAMESWAR RAO

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

V. KAMESWAR RAO, J. (ORAL)

1. This petition has been filed with the following prayers:-

*“A. Issue a writ of certiorari or any other
appropriate writ, order or direction in the nature*



of certiorari quashing and setting aside the impugned MoM alongwith the order dated 04.08.2026 as issued by Respondent No.2;

B. Issue a writ of certiorari or any other appropriate writ, order or direction in the nature of certiorari quashing and setting aside the impugned order dated 17.08.2026 issued by Respondent No.1 i.e. Public Works Department, Govt. of NCT of Delhi, whereby the Subject Tender has been arbitrarily and unilaterally cancelled by the Respondent no.1;

C. Issue a writ of certiorari or any other appropriate writ, order or direction in the nature of certiorari quashing and setting aside the impugned Debarment Letter dated 14.08.2026 issued by the Respondent No. 3 to the Petitioner;

D. Issue a writ of certiorari or any other appropriate writ, order or direction in the nature of certiorari quashing and setting aside the Notice Inviting Tender No. 33/CE/South/PWD/2026-27 for the work of "Strengthening and other works of various roads under South Maintenance Zone, PWD during 2026-27 issued by the Respondent No.1 i.e. Public Works Department, Govt. of NCT of Delhi on 17.08.2026;

E. Issue a writ of mandamus or any other appropriate writ, order, or direction, directing the Respondent No.1 to strictly adhere to the terms and conditions stipulated in the NIT of the Tender bearing NIT No. 17/CE/South/PWD/2025-26 dated 28.03.2026, and to award the Tender to the Petitioner as the Petitioner has already been declared the Lowest Bidder (L1) upon the opening of both the Technical and Financial Bids.

F. Issue a writ of mandamus or any other appropriate writ, order, or direction, directing the Respondent No.1 to finalize and issue the Letter of Award/Contract in favour of the Petitioner



Company in terms of the NIT of the Tender bearing NIT No. 17/CE/South/PWD/2025-26 dated 28.03.2026.”

2. Mr. Kartik Nayar, learned counsel for the petitioner states as of now, without prejudice to the rights and contentions of the petitioner, he will press the prayer (C) inasmuch as the respondent no.3 in terms of the impugned letter dated 14.08.2026 has debarred the petitioner from participating in the re-tendering process of the work related to strengthening and other works of various roads under South Maintenance Zone, PWD during 2026-27, without issuing a Show Cause Notice as is required under Article 3(1) of the Integrity Pact, which reads as under:-

“Article-3: Consequences of Breach

xxx xxx xxx

(1) If the Bidder(s)/ Contractor(s)/ Concessionaire(s)/ Consultant(s), either before award or during execution of contract has committed a transgression through a violation of Article 2, above or in any other form such as to put his reliability or credibility in question, the Principal after giving 14 days' notice to the contractor shall have powers to disqualify the Bidder(s) Contractor(s) from the Tender process or terminate/determine the contract, if already executed or exclude the Bidder/ Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of transgression and determined by the principal. Such exclusion may be forever or for a limited period as decided by the principal.”

(Emphasis supplied)

3. Mr. Sannu, learned Standing Counsel for the respondents, on the other hand, has drawn our attention to paragraphs Q and R of the counter-affidavit



at page nos. 25 & 26 to vehemently contend that the said Article will not be applicable during the tendering process. According to him, the same is applicable to a concluded contract. Paragraphs Q and R of the counter-affidavit reads as under:-

“Q. CHALLENGE TO REJECTION OF BID AND CANCELLATION OF TENDER ON THE GROUND OF ABSENCE OF SHOW CAUSE NOTICE IS MISCONCEIVED

74. That the Petitioner's challenge to the rejection of its bid and cancellation of the Subject Tender on the sole ground that no prior Show Cause Notice was issued is wholly misconceived and untenable. The proceedings dated 03.08.2026 and 04.08.2026 were undertaken by the competent authorities in the course of departmental scrutiny, evaluation and decision-making pertaining to the tender process. The said proceedings neither constituted adjudicatory proceedings against the Petitioner nor were they proceedings for imposition of any penal consequence.

75. That the decision relating to rejection of the bid and cancellation of the tender was taken in accordance with the terms and conditions of the NIT and the applicable provisions governing the tender process. No requirement of issuance of a separate Show Cause Notice arises in respect of such administrative decisions particularly where the action is taken within the framework of the tender conditions and the authority's power to regulate the procurement process.

R. ARTICLE 3(1) OF THE INTEGRITY PACT HAS NO APPLICATION TO REJECTION OF BID OR CANCELLATION OF TENDER

76. That reliance placed by the Petitioner upon Article 3(1) of the Integrity Pact is misplaced and misconceived. The said provision applies only to



an action of disqualification or exclusion of a bidder from future contract award processes and cannot be extended to decisions relating to evaluation, rejection of bids or cancellation of a tender.

77 That rejection of the Petitioner's bid and cancellation of the Subject Tender were independent administrative decisions taken in accordance with the tender conditions and cannot be invalidated on the ground that a 14-day notice under Article 3(1) of the Integrity Pact was not issued.

78. That the validity of the tender decision cannot be questioned merely because the Petitioner subsequently challenges the debarment action on the ground of alleged non-compliance with procedural requirements.

Even assuming, without admitting, that any procedural requirement under Article 3(1) of the Integrity Pact is attracted in relation to the debarment proceedings the same would have no bearing upon the independent decision 20-02-2030 of rejection of the bid and cancellation of the tender.”

4. We are unable to agree with the said submission made by Mr. Sannu for the simple reason that a perusal of Article 3(1) clearly stipulates that under the said Article, the principal is within its right to disqualify the bidder/contractor from the tender process or terminate/determine the contract, if already executed or exclude the bidder/contractor from future contract award processes.

5. The law in this regard is well settled by the Supreme Court in the case of ***Gorkha Security Services v. Government (NCT of Delhi) & Ors., (2014) 9 SCC 105***, wherein the Supreme Court in paragraphs 33 and 34 has clearly



held that even when a blacklisting action is taken, the principles of natural justice have to be followed. The relevant paragraph nos. 33 and 34 are reproduced as under:-

“33) When we apply the ratio of the aforesaid judgment to the facts of the present case, it becomes difficult to accept the argument of the learned ASG. In the first instance, we may point out that no such case was set up by the respondents that by omitting to state the proposed action of blacklisting, the appellant in the show cause notice has not caused any prejudice to the appellant. Moreover, had the action of blacklisting being specifically proposed in the show cause notice, the appellant could have mentioned as to why such extreme penalty is not justified. It could have come out with extenuating circumstances defending such an action even if the defaults were there and the Department was not satisfied with the explanation qua the defaults. It could have even pleaded with the Department not to blacklist the appellant or do it for a lesser period in case the Department still wanted to blacklist the appellant. Therefore, it is not at all acceptable that non mentioning of proposed blacklisting in the show cause notice has not caused any prejudice to the appellant. This apart, the extreme nature of such a harsh penalty like blacklisting with severe consequences, would itself amount to causing prejudice to the appellant.

34) For the aforesaid reasons, we are of the view that the impugned judgment of the High Court does not decide the issue in correct prospective. The impugned order dated 11.9.2013 passed by the respondents blacklisting the appellant without giving the appellant notice thereto, is contrary to the principles of natural justice as it was not



specifically proposed and, therefore, there was no show cause notice given to this effect before taking action of blacklisting against the appellant. We, therefore, set aside and quash the impugned action of blacklisting the appellant. The appeals are allowed to this extent. However, we make it clear that it would be open to the respondents to take any action in this behalf after complying with the necessary procedural formalities delineated above.”

6. In view of our conclusion, we set aside the impugned letter dated 14.08.2026 but by granting liberty to the respondents to proceed in accordance with Article 3(1) by giving a 14 days’ Show Cause Notice to the petitioner and then proceed in accordance with law.

7. It goes without saying, if the petitioner is aggrieved by any order to be passed by the respondents, liberty shall be with the petitioner to seek such remedy as available in law.

8. The petition qua other prayers is dismissed as withdrawn. Pending application is disposed of as having become infructuous.

V. KAMESWAR RAO, J

MANMEET PRITAM SINGH ARORA, J

AUGUST 25, 2026/sr