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

% *Judgment reserved on: 24.08.2026*
Judgment pronounced on: 07.09.2026
Judgment uploaded on: 10.09.2026

\# **CNR No. DLHC010260442025**

\+ **W.P.(C) 5777/2025, CM APPL. 26357/2025 & CM APPL. 633/2026**

PRAFULL GOYAL .....Petitioner

Through: Mr. Manu Bansal, Advocate.

versus

INDIRA GANDHI NATIONAL OPEN UNIVERSITY .....Respondent

Through: Mr. Amit Gupta, Senior Advocate with Mr. Kshitij Vaibhav and Ms. Muskan Nagpal, Advocates

CORAM:
HON'BLE DR. JUSTICE SWARANA KANTA SHARMA

JUDGMENT

DR. SWARANA KANTA SHARMA, J

1. By way of the present petition, the petitioner seeks, *inter alia*, quashing of the warning letters dated 24.07.2023, 02.08.2023 and 30.04.2024, issued by the respondent in relation to the alleged delay in supply of study material; quashing of the letter dated 17.03.2025 [hereafter '**impugned order**'], whereby the petitioner was blacklisted; and a direction to the respondent to release the

Performance Security Deposit of ₹25,00,000/- lying deposited with it.

FACTUAL BACKGROUND

2. As set out in the petition, the petitioner is proprietor of M/s P Square Solutions, and is engaged in the business of printing. The respondent, Indira Gandhi National Open University (**IGNOU**), had floated a tender for carrying out printing of study material for a period of 18 months, pursuant to which the petitioner was declared the successful bidder *vide* acceptance letter dated 18.03.2019. Between 2019 and 2022, the respondent placed more than 550 job orders upon the petitioner, involving work valued at over Rs. 20 crores, which, according to the petitioner, were duly printed and successfully supplied. Thereafter, on 18.10.2021, the respondent invited bids from eligible offset printers across India for empanelment as offset printers for printing and supply of study material for a further period of 18 months. Pursuant thereto, the petitioner was again empanelled on 26.04.2022. Between 2022 and 2024, the respondent placed more than 550 work orders upon the petitioner, against which, according to the petitioner, the printing and supply of study material/books were duly completed. However, the petitioner states that, despite repeated reminders, the respondent failed to clear its outstanding dues for the work executed during the period 2019–2022. Consequently, in May 2023, the petitioner initiated proceedings against the respondent under the MSME Act for recovery of an amount of ₹1.24 crores (approximately). It is the

petitioner's case that, thereafter, the respondent, acting with a vindictive approach on account of the said recovery proceedings, commenced issuing warning letters alleging delay in the supply of study material. The said warning letters were issued on 24.07.2023, 02.08.2023 and 30.04.2024. In the meantime, on 11.12.2023, the respondent invited bids from eligible offset printers across India for empanelment for a further period of 18 months, and the petitioner was again empanelled on 14.10.2024.

3. However, prior thereto, on 09.05.2024, the respondent had issued a letter blacklisting it and forfeiting its Performance Security Deposit of Rs.25,00,000/-, without issuing any show cause notice or affording an opportunity of hearing. Aggrieved by the aforesaid action, the petitioner approached the respondent and submitted a representation dated 20.05.2024, seeking recall of the order dated 09.05.2024. Thereafter, in *W.P.(C) No.7927/2024*, the Coordinate Bench of this Court, *vide* order dated 29.05.2024, quashed the said letter of blacklisting dated 09.05.2024, as the said letter was issued without issuing any prior show cause notice.

4. It is the petitioner's case that, despite the aforesaid order, the respondent stopped assigning any further printing work to the petitioner from May 2024 onwards, notwithstanding repeated requests. Subsequently, on 11.06.2024, the respondent issued show cause notices proposing to blacklist the petitioner. The petitioner submitted its reply on 18.06.2024, raising, *as stated by it*, only

preliminary objections owing to the time constraints. Finally, on 17.03.2025, the respondent issued the impugned letter blacklisting the petitioner for a period of two years. Aggrieved by the aforesaid action, the petitioner has preferred the present petition.

SUBMISSIONS BEFORE THE COURT

5. **The learned counsel appearing for the petitioner** argues that the impugned order is liable to be set aside, inter alia, on the ground that the petitioner was not afforded a fair, reasonable and effective opportunity of hearing before the order of blacklisting was passed. It is contended that the show cause notice dated 11.06.2024 granted the petitioner only four working days to respond to serious allegations which could result in blacklisting. Further, although the respondent was aware that the petitioner was based in Mathura, the date of personal hearing was fixed on the very same date, i.e. 18.06.2024, thereby rendering the opportunity of hearing illusory. The learned counsel further submits that the petitioner had sought time to file an additional reply and had also requested an opportunity of personal hearing. However, no further opportunity was granted, and the respondent proceeded to pass the impugned order. It is further contended that the impugned order was passed after a gap of about nine months from the issuance of the show cause notice, which itself demonstrates that there was no urgency warranting denial of reasonable time to the petitioner.

6. On the merits, the learned counsel submits that the warning

letters dated 24.07.2023, 02.08.2023 and 30.04.2024 were issued in a vindictive manner after the petitioner had initiated recovery proceedings against the respondent before the MSME Council. Further, the warning letters were issued after a considerable delay, ranging from about eight to sixteen months after acceptance of delivery against the respective job orders. The learned counsel draws attention to Clause 13(e) of the IGNOU Terms and Conditions of Contract, which, according to the petitioner, contemplates cancellation of the job order and issuance of a warning letter in cases of delay in delivery beyond 28 days. It is submitted that, in the present case, none of the job orders in question was cancelled. On the contrary, the printed material was accepted by the respondent without protest, and part payments were also released in favour of the petitioner. The learned counsel further argues that there was, in fact, no delay attributable to the petitioner in respect of the three job orders specifically relied upon by the respondent, i.e., Job Order Nos. 5332, 6777 and 8000. The learned counsel explains the circumstances surrounding each of the said job orders and contends that the alleged delays were either not attributable to the petitioner or were otherwise satisfactorily explained. It is submitted that the respondent had accepted the supplies and had released almost the entire payment, ranging between 80% and 90%, in respect of the said job orders. The learned counsel also contends that, although the respondent has alleged delay on the part of the petitioner on 129 occasions, no such allegation was ever communicated to the petitioner at the relevant time. No complaint letters were issued in respect of these alleged delays, and the deliveries against the said job orders were accepted without protest. Further, payments in respect thereof were also released. It is also contended that the penalty of blacklisting is grossly disproportionate to the alleged delays. It is contended that all the alleged delays, numbering 129+3, relate to the period 2021–2022, and that no delay has been alleged for any period prior to 2021 or after 2022. The learned counsel submits that the COVID-19 pandemic had severely disrupted global supply chains during 2020 and 2021, and that the printing and publishing industry had faced an acute shortage of raw material, particularly paper, resulting in unavoidable delays in printing timelines. The learned counsel therefore submits that, even assuming some delay on the part of the petitioner, the imposition of a two-year blacklisting order is wholly disproportionate and warrants interference by this Court.

7. **The learned senior counsel appearing for the respondent**, on the other hand, argues that the impugned order has been passed after due compliance with the directions issued by the Coordinate Bench of this Court *vide* order dated 29.05.2024 in *W.P.(C) No.7927/2024*. It is contended that a detailed show cause notice dated 11.06.2024 was issued to the petitioner, and a personal hearing was afforded to it on 18.06.2024. Despite due service of the said notice, the petitioner chose not to appear in person and submitted only an interim reply. The learned senior counsel further submits that, after considering the petitioner's reply and finding no merit in its

explanation, the respondent passed the impugned order dated 17.03.2025, blacklisting the petitioner for a period of two years from the date of issuance of the blacklisting letter. It is contended that the petitioner, having failed to avail the opportunity afforded to it, cannot now challenge the outcome of a process which was fair, transparent and in conformity with law.

8. On the merits, the learned senior counsel submits that the warning letters dated 24.07.2023, 02.08.2023 and 30.04.2024 were issued on account of delays in delivery against Job Order Nos. 5332, 6777 and 8000. It is further submitted that the petitioner had, on numerous previous occasions, delayed the delivery of study material and, during the year 2022–2023 alone, had defaulted in timely supply on 129 occasions. The learned senior counsel emphasises that such delays directly affect the students of IGNOU. The learned senior counsel also draws attention to Clause 13(e) of the IGNOU Terms and Conditions of Contract, which prescribes the consequences of delay in delivery. It is submitted that delays from the 1st to the 7th day attract a penalty of 1% of the total bill, those from the 8th to the 14th day attract a penalty of 3%, those from the 15th to the 21st day attract a penalty of 6%, and those from the 22nd to the 28th day attract a penalty of 9%. In the event of delay beyond 28 days, the job order is liable to be cancelled and a warning letter is to be issued. The clause further stipulates that, where three such warning letters are issued against a particular printer, the printer shall be blacklisted and the Performance Security shall be forfeited. The learned senior

counsel submits that the petitioner did not submit any response to the aforesaid warning letters and approached this Court only after the respondent issued the earlier blacklisting letter dated 09.05.2024. It is contended that, pursuant to the order dated 29.05.2024 passed in *W.P.(C) No.7927/2024*, the respondent duly issued the show cause notice dated 11.06.2024 and afforded the petitioner an opportunity of personal hearing on 18.06.2024. However, the petitioner failed to appear and filed only an interim reply. Upon consideration of the said reply, the respondent passed the impugned order dated 17.03.2025. It is therefore contended that the impugned order is a reasoned order passed after following the due process of law, and that the petitioner cannot be permitted to challenge an order merely because the outcome is adverse to it. It is accordingly prayed that the present petition be dismissed.

9. This Court has **heard** arguments addressed on behalf of petitioner as well as the respondent, and has perused the material available on record.

<u>ANALYSIS & FINDINGS</u>

10. The principal challenge raised by the petitioner is that the impugned order has been passed in violation of the principles of natural justice, as the petitioner was not granted sufficient time to respond to the show cause notice and was not afforded a meaningful opportunity of personal hearing.

11. In the present case, it is pertinent to note that the earlier order

of blacklisting dated 09.05.2024 had been set aside by the Coordinate Bench of this Court *vide* order dated 29.05.2024 passed in *W.P.(C) No.7927/2024*, on the ground that the same had been issued without issuance of a prior show cause notice. It is significant to note that the said order did not prohibit the respondent from taking fresh action in accordance with law. Rather, the Court had observed that it was always open for the respondent to issue a show cause notice and afford the petitioner an opportunity of hearing before taking any such decision of blacklisting. Pursuant thereto, the respondent had issued a detailed show cause notice dated 11.06.2024, setting out the allegations against the petitioner and proposing action under the applicable terms and conditions of the contract. The petitioner was required to submit its response by 18.06.2024 and was also afforded an opportunity of personal hearing on the said date. *Admittedly*, the petitioner admittedly received the show cause notice through e-mail on 11.06.2024 itself.

12. During the course of arguments, the learned counsel for the petitioner submitted that two days intervening between the date of receipt of the notice and the date fixed for response were non-working days in the petitioner's office and, therefore, the time granted was insufficient. However, this submission does not persuade the Court. In the opinion of this Court, the petitioner herein was granted one week to respond to the show cause notice, and the fact that certain days may have been holidays or non-working days in the petitioner's office cannot, by itself, render the opportunity granted by

the respondent inadequate, particularly when the notice was received electronically on the same day itself, i.e. 11.06.2024, Tuesday, and the petitioner was admittedly aware of the allegations and the earlier proceedings.

13. The petitioner had itself approached this Court against the earlier blacklisting order and had argued that the order had been passed without affording an opportunity to respond to the allegations. As noted above, the Coordinate Bench had given the liberty to the respondent to issue a show cause notice and afford an opportunity of personal hearing to the petitioner before passing any order of blacklisting. The respondent complied with these requirements by issuing the show cause notice and fixing a date for personal hearing. The petitioner cannot, after having secured such an opportunity from the Court, contend that the opportunity granted pursuant thereto was wholly illusory merely because it did not find the time granted sufficient. It is also relevant that the petitioner did not appear for the personal hearing. Instead, it sent an eight-page reply to the show cause notice, describing the same as a preliminary reply and seeking further time to file an additional reply and documents. It is apposite to note that, thereafter, the petitioner neither submitted any further reply nor furnished any additional documents to the respondent, although the impugned order was passed nearly ten months later.

14. The petitioner's conduct, therefore, does not indicate that it was denied an opportunity of hearing. Rather, the material on record

shows that an opportunity was afforded, but the petitioner chose not to avail of it in the manner expected. The principles of natural justice require a reasonable and effective opportunity to meet the allegations. They do not require that the authority must indefinitely await a detailed reply or repeatedly extend the time granted to a party. In the present case, the petitioner was informed of the allegations, was given time to respond, and was also granted an opportunity of personal hearing. The mere fact that the petitioner chose to submit a preliminary reply, or that the final order was adverse to it, cannot lead to the conclusion that the principles of natural justice were violated. The impugned order also deals with the petitioner's objection concerning the period granted for responding to the show cause notice. The respondent has observed that the petitioner's contention regarding four working days was contradictory, since the show cause notice had been received by e-mail on 11.06.2024 itself. The respondent has, therefore, considered and rejected the objection raised by the petitioner.

15. This Court therefore finds no illegality or procedural irregularity in the aforesaid approach of the respondent.

16. The next submission of the petitioner concerns the merits of the alleged delays and the action of blacklisting. In this regard, it must be kept in mind that the present proceedings arise out of a contractual arrangement between the parties. The Court, while exercising writ jurisdiction, is primarily concerned with the decision-

making process and the legality, fairness and reasonableness of the action taken by the authority. The Court is not required to undertake a detailed examination of every disputed question relating to the performance of the contract.

17. This Court notes that the impugned order records that the action against the petitioner was taken under Clause 13(e) of the IGNOU Terms and Conditions of Contract. The said clause contemplates the issuance of warning letters in cases of delay beyond 28 days and further provides for blacklisting where three such warning letters have been issued against a printer. The petitioner itself admits that warning letters dated 24.07.2023, 02.08.2023 and 30.04.2024 were issued to it. Thus, the basic contractual requirement of issuance of three warning letters was admittedly satisfied. The impugned order further records that penalties were imposed in respect of the relevant defaults. In particular, the respondent has stated that a penalty at the rate of 9% was deducted from Bill No. 421 dated 22.10.2022 in relation to Job Order No. 5332 concerning the course MMEL-303 (E), and that a similar penalty was deducted from Bill No. 737 dated 29.12.2022 in relation to the course OSEI-042. The respondent has also stated that the penalty clause was invoked in respect of the course MPSE-009 and that the warning letter dated 30.04.2024 was issued in that regard.

18. The impugned order contains specific particulars concerning the three job orders relied upon by the respondent. In respect of Job

Order No. 5332 dated 28.06.2022, the target date was 16.08.2022, whereas the complete printed material was received on 30.09.2022, resulting in a delay of 45 days. In respect of Job Order No. 6777 dated 12.10.2022, the target date was 29.11.2022 and the complete material was received on 30.12.2022, resulting in a delay of 31 days. In respect of Job Order No. 8000 dated 06.10.2022, the target date was 23.11.2022 and the complete material was received on 30.12.2022, resulting in a delay of 36 days. Therefore, the impugned order, as well as the show cause notice which was issued to the petitioner on 11.06.2024, mentions the relevant job orders, the target dates, the dates of actual receipt and the extent of delay in each case. The respondent has also referred to the penalties imposed and the warning letters issued in accordance with the contractual conditions.

19. Insofar as the petitioner's contention that the job orders were not cancelled and that the printed material was ultimately accepted by the respondent is concerned, this Court notes that the impugned order specifically explains that the respondent consciously decided not to cancel the job orders, in terms of Clause 13(e), as cancellation would have caused further delay in the printing and supply of study material and would have adversely affected the learners of IGNOU. The respondent has relied upon Clause 13(d), which permits the competent authority, depending upon the circumstances, either to cancel the job order or to order recovery of liquidated damages by way of penalty, including issuance of a warning letter. In these circumstances, the mere fact that the job orders were not cancelled

cannot lead to the conclusion that the respondent had waived its right to take further action under the contract. The respondent has explained that it exercised its discretion in favour of continuation of the job orders in order to protect the academic interests of the students. Such an explanation cannot be said to be either arbitrary or irrational.

20. Further, the petitioner has also disputed the alleged delays and has sought to explain the circumstances in which the three job orders were completed. These contentions involve examination of the relevant job orders, correspondence, delivery records, bills and other contractual material. At this stage, this Court is not required to undertake a detailed re-appreciation of such material. It is sufficient to note that the respondent has considered the petitioner's explanation and has briefly recorded reasons for rejecting the same. No such perversity, mala fide or patent error has been demonstrated as would justify interference with the impugned order in exercise of writ jurisdiction.

21. Moreover, the respondent has also drawn this Court's attention to 129 additional instances of delay in the supply of printed study material during the relevant period, excluding the three instances of delay beyond 28 days which form the immediate basis of the impugned blacklisting order. As per the details placed on record by the respondent, these defaults occurred between 07.09.2022 and 26.03.2023 and ranged from 02 days to 27 days, which also have

been referred to by the respondent to assess the petitioner's overall performance and the seriousness of the defaults.

22. This Court also cannot lose sight of the nature of the work entrusted to the petitioner. The petitioner was engaged for printing and supplying study material for students enrolled with IGNOU. The timely availability of such material is directly connected with the students' ability to prepare for their examinations and complete their academic requirements. Delay in the supply of books and study material can, therefore, have consequences beyond the contractual relationship between the printer and the University. The impugned order expressly records that the interest of the learners is paramount and that delay in the supply of printed material adversely affects the performance of students as well as the functioning of the University.

23. The petitioner has also alleged that the warning letters were issued after it initiated proceedings before the MSME Council for recovery of its alleged outstanding dues and that the action was consequently vindictive. The respondent has denied this allegation and has stated that the warning letters were issued in accordance with the contractual conditions on account of actual delays in supply. The impugned order also deals with this contention and rejects the allegation of mala fides. In the opinion of this Court, apart from the timing of the warning letters, no material has been placed before the Court to establish that the respondent acted for an extraneous purpose or that the contractual provisions were invoked only as a measure of

retaliation. The mere fact that the petitioner had initiated proceedings for recovery of its alleged dues does not, by itself, render the subsequent contractual action mala fide, particularly when the respondent has relied upon identified instances of delay, penalties and warning letters. It is also relevant that the petitioner admittedly did not submit any replies or objections to the warning letters at the relevant time. The petitioner has therefore not demonstrated that the respondent was confronted with, and failed to consider, the explanations now sought to be raised in the present proceedings. In any event, the petitioner was subsequently granted an opportunity to respond to the show cause notice, and its objections were considered in the impugned order.

24. In view thereof, this Court is of the view that the impugned order considers the petitioner's objections relating to natural justice, the alleged delay in issuing the warning letters, the non-cancellation of job orders, the alleged outstanding dues, the petitioner's performance history and the effect of delayed supply upon IGNOU learners. The respondent has however concluded that the petitioner had defaulted in performance of the contract and that the conditions for blacklisting were satisfied. The respondent has taken into account three delays beyond the period of 28 days, the issuance of three warning letters as per Clause 13(e) of the IGNOU Terms and Conditions of Contract and the additional instances of delayed supply. The decision cannot, therefore, be said to be wholly arbitrary or shockingly disproportionate. The forfeiture of the Performance

Security has also been ordered by the respondent by relying upon Clause 13(e). Since the blacklisting action has been found to be based upon the contractual terms and the petitioner has failed to establish any procedural or legal infirmity in the impugned order, the consequential action concerning the Performance Security also does not call for interference in the present proceedings.

25. To conclude, this Court is of the opinion that the petitioner was issued a show cause notice pursuant to the order of the Coordinate Bench, was granted time to respond, and was afforded an opportunity of personal hearing. The petitioner has failed to establish that the opportunity granted was illusory or that the impugned order was passed without considering its objections. On merits, the respondent has acted on the basis of the contractual provisions, three admitted warning letters, penalties imposed for the relevant defaults and specific instances of delay beyond 28 days.

26. Consequently, no ground is made out for setting aside the impugned order dated 17.03.2025.

27. The writ petition, along with the pending applications, is accordingly dismissed.

28. The judgment be uploaded on the website forthwith.

DR. SWARANA KANTA SHARMA, J

SEPTEMBER 07, 2026/zp