

**IN THE HIGH COURT OF JAMMU & KASHMIR AND LADAKH  
AT SRINAGAR**

WP(C) 632/2026  
CM 1609/2026

M/S TRINITY REINSURANCE ...Petitioner(s)/Appellant(s).  
BROKERS LTD TH. ITS  
DIRECTOR

Through: Mr. M.I. Dar, Advocate with  
Mr. Mohammad Yawar Hussain, Advocate

**Vs.**

UT OF J AND K AND ORS. ...Respondent(s).

Through:

**CORAM: HON'BLE MR. JUSTICE MOHD YOUSUF WANI, JUDGE**

**ORDER**

02.04.2026

1. Issue notice in the main petition as well as in the interim application to the respondents, returnable within a period of four weeks, subject to taking of steps within a week's time for filing reply/objections.
2. Heard the learned counsel for the applicant/petitioner in respect of his prayer for grant of relief in the interim application bearing CM No. 1609/2026 and considered his submission.
3. The case of the petitioner, in nutshell, is that the petitioner company is an approved and registered Composite Broker (Insurance and Reinsurance) with the Insurance Regulatory and Development Authority of India (IRDAI), having its Head Office at First Floor, B-2 Sector-7, Noida, Gautam Buddha Nagar, Uttar Pradesh. That his company has been engaged in the field of insurance broking for more than two decades and has consistently provided services to various State/UT Governments and Public Sector Undertakings (PSUs) across India by participating in and securing contracts through competitive tendering processes. That during this period, the performance of company has been duly acknowledged, commended, and appreciated

nationwide. That notably, in the last two decades, no State/UT Government or PSU has ever debarred or blacklisted his company from participating in any tender.

That, however, for the first time, the Government of Jammu & Kashmir has arbitrarily and without any cogent or justified reason issued a debarment/blacklisting order dated 12.01.2026 issued nearly seven years after the suo-moto termination of the Contract by the J&K Government. That the said debarment/blacklisting order was uploaded on the website of the Finance Department of the J&K Government without furnishing any prior notice, information, or copy of the order to his company. That moreover, the order was issued without considering detailed reply submitted by him in response to the Show Cause Notice dated 29.05.2025.

That the Government of Jammu & Kashmir floated a national-level tender on 15.06.2017 for submission of technical bids and appointment of IRDAI-registered Insurance Brokers for designing and implementing a Group Mediciclaim Insurance Policy intended for more than 3.5 lakh Government employees. That upon completion of all codal formalities, the said tender was awarded to the his Company vide Letter of Intent/Award dated 08.09.2017, and thereafter a formal Contract dated 27.11.2017 was executed between the Government of J&K, through the Director Budget, Finance Department (Nodal Officer Insurance), and his Company.

That thereafter, the Government of J&K floated another tender on 16.02.2018 for submission of financial bids and appointment of IRDAI-registered Insurance Companies for the implementation of the aforesaid Group Mediciclaim Insurance Policy. That since only one bid was received, the said tender was withdrawn. That with the objective of ensuring wider and

competitive participation, a fresh tender was issued on 01.06.2018 with modified eligibility criteria for appointment of IRDAI-registered Insurance Companies. That Reliance General Insurance Company Limited (RGICL) emerged as the L1 bidder, having quoted nearly 40% lower than the L2 bidder, and was accordingly awarded the tender.

That subsequently, a Tripartite Agreement dated 15.10.2018 was executed between the Government of J&K, through the Joint Director (Resources), Finance Department, the Petitioner Company, and RGICL for implementation of the aforesaid Insurance Scheme. That upon execution of the contract dated 27.11.2017, his Company immediately commenced performance of all obligations assigned to it under the tender. That he has not only fulfilled the contractual scope of work but also, at the specific request of the State Government and in terms of the additional scope inserted in the contract dated 27.11.2017, undertook the manual collection and digitization of data of more than 3.5 lakh employees. That this additional work was executed by deploying substantial manpower entirely at its own cost, without receiving a single penny from the Government of Jammu & Kashmir, since the nature of the contract was purely technical and not financial.

That under the regulatory framework, his Company was entitled only to the brokerage payable by the Insurance Company, i.e., Reliance General Insurance Company Ltd. (RGICL), in accordance with IRDAI guidelines, and has never received any payment from the J&K Government to date. That from the date of execution of the contract on 27.11.2017 up to the suo-moto termination of the contracts by the J&K Government on 30.11.2018, his Company incurred an expenditure of Rs. 5.94 Crores, against which the total brokerage revenue received from RGICL was only Rs. 3.63 Crores (net of

TDS), that too paid belatedly in two installments on 20.11.2018 and 12.03.2019. That thus, he suffered a net loss of Rs. 2.31 Crores in implementing the Scheme.

That thereafter, the General Administration Department (GAD), Government of Jammu & Kashmir, vide communication dated 08.11.2018, requested the Anti-Corruption Bureau (ACB), Jammu, to examine the entire process relating to the allotment of the Group Mediclaim Insurance Scheme to RGICL so as to determine whether the process was fair and transparent. That, however, without awaiting the outcome of the inquiry by the premier investigating agency, the Principal Secretary to the Finance Department issued a Termination Notice dated 30.11.2018, abruptly terminating the Group Mediclaim Insurance Scheme and the Contracts dated 27.11.2017 and 15.10.2018 with effect from 31.12.2018, without assigning any justified or cogent reason.

That the ACB, Jammu, after conducting a thorough verification for nearly one year, issued its Final Verification Report dated 27.11.2019, categorically concluding that no irregularity has been found out during the course of verification. That despite the unequivocal exoneration of his Company by the said agency, nearly 2½ years later, due to certain political developments in the UT and public statements made by political figures with apparent political vendetta, the matter was reopened purely on account of political pressure and media sensationalism. That consequently, the already-concluded and closed matter was referred on 23.03.2022 to the Central Bureau of Investigation (CBI) for reinvestigation. That the CBI, without considering or referring to the ACB Final Verification Report dated 27.11.2019, registered FIR No. RC1232022A0004 on 19.04.2022.

That during the pendency of the CBI investigation, the Enforcement Directorate (ED) also took cognizance and registered a separate case bearing ECIR/SRZO/03/2023-437 to 441 dated 06.06.2023, initiating investigation under the Prevention of Money Laundering Act, 2002. That his Company had no role or involvement in the alleged offences investigated either by the CBI or by the ED. That nevertheless, due to political vendetta and pressure, his Company was compelled to undergo unwarranted hardship and harassment, despite having already been exonerated by the competent and premier agency ACB. That FIR No. RC1232022A0004 dated 19.04.2022 registered by the CBI was challenged before the Hon'ble High Court of J&K and Ladakh at Srinagar in WP(C) No. 295/2024, which, however, came to be dismissed vide judgment dated 27.03.2024. Aggrieved thereby, his Company filed LPA No. 88/2024, which is presently pending adjudication. That the ECIR No. ECIR/SRZO/03/2023-437 to 441 dated 06.06.2023 registered by the ED was challenged through WP(C) No. 2682/2023, which too was dismissed vide judgment dated 11.07.2024. That against the said judgment, his Company filed LPA No. 237/2024, which was later withdrawn with liberty to avail all remedies available in law, since a Prosecution Complaint No. 04/2025 came to be filed before the Hon'ble Court of Special Judge, Anti-Corruption (CBI Cases) on 20.06.2025. That the said Prosecution Complaint has been stayed by this Hon'ble Court in a batch of petitions, the lead case being CRM(M) No. 522/2025. That during the pendency of the LPA, the CBI filed Final Report/Charge Sheet No. 08 under Section 173 Cr.P.C. before the Court of the Ld. Special Judge, Anti-Corruption (CBI Cases), Srinagar, on 12.12.2024. Significantly, the CBI exonerated the principal beneficiary, namely Reliance General Insurance Company Ltd. (RGICL), from all allegations, while wrongly implicating his Company,

despite the fact that he had not received even a single penny from the Government of J&K under the contract. That the Ld. Special Judge has not yet taken cognizance of the said Charge Sheet. That, strangely and in a wholly illegal and arbitrary manner, the Respondents, after an unexplained gap of more than seven (7) years, issued a Show Cause Notice No. FD-Code/102/2022-03-15 dated 29.05.2025 to his Company, clearly indicating an intention to debar the Petitioner. That while concluding the notice, the Nodal Officer, Insurance Section, Finance Department, called upon him to "show cause as to why action for debarring you should not be initiated," thereby demonstrating that the Respondents had pre-decided and formed a closed mind to debar his Company. That the Respondents also leveled allegations of breach of contract, despite the fact that the contract had already been terminated by the Respondents themselves vide letter dated 30.11.2018. That the issuance of such a Show Cause Notice after seven years, on allegations relating to a contract already terminated by the Respondents, seriously prejudiced his rights and interests, leaving no option but to invoke Section 9 of the Arbitration and Conciliation Act, 1996 by filing Arbitration Case No. 20/2025 before the Court of the Ld. Additional District Judge, Srinagar on 12.06.2025, wherein an initial interim protection was granted. That however, upon filing of objections by the Respondents, his application for interim measures came to be dismissed vide order dated 16.10.2025. That thereafter, he challenged the said order by filing Arbitration Appeal No. 08/2025 before this Court on 04.11.2025. That this Court was pleased to pass an Order dated 07.11.2025, granting liberty to him to file reply to the Show Cause Notice within two weeks, and directing the Respondents to consider such reply on merits. That in compliance with the said Order of the Hon'ble High Court, he submitted a detailed reply to the Show Cause Notice on

20.11.2015. That, however, the Respondents, without considering the said reply and in utter disregard to the law and principles of natural justice, issued the Impugned Debarment/Blacklisting Order dated 12.01.2026, and uploaded it on the official website without issuing any prior intimation or serving a copy to him. That by the said Impugned Order, the Finance Department of the Government of J&K has debarred/blacklisted his Company for two (2) years from participating in any tender of the J&K Government.

4. It is submitted by learned counsel for the applicant/petitioner that the applicant/petitioner has a strong *prima facie* case in its favour, as is evident from a perusal of the petition, and that it has bright chances of success in the proceedings. It is further submitted that the balance of convenience also tilts in favour of the applicant/petitioner, and that the applicant/petitioner is likely to suffer greater hardship in the event interim relief is not granted, as prayed for.
5. Learned counsel further submits during the course of arguments that the impugned order is in flagrant violation of the principles of natural justice, having been passed at the back of the applicant-company. He further contends that the impugned order is without jurisdiction, inasmuch as the contractual rights and obligations are deemed to have ceased upon termination of the contract. It is also contended that the impugned order travels beyond the contents of the show cause notice.
6. It is further submitted that the impugned order has been passed after a lapse of seven years from the termination of the contract and is, therefore, vitiated by delay and laches. Learned counsel vehemently contends that the blacklisting of the petitioner-company has not been carried out in accordance with the authoritative judgments of the Hon'ble Apex Court. It is submitted that blacklisting of a company, which has far-reaching consequences, is not

permissible for a mere breach of contract. The impugned order, it is urged, has seriously affected the livelihood of hundreds of employees of the applicant/petitioner.

7. In support of his contentions, learned counsel places reliance on the judgments of the Hon'ble Supreme Court of India in *UMC Technologies Private Limited v. Food Corporation of India*, reported as AIR 2021 SC 166; *M/s Techno Prints v. Chhattisgarh Textbook Corporation* (arising out of SLP (C) No. 10042/2023); and *M/s A.K.G. Construction and Developers Pvt. Ltd. v. State of Jharkhand & Ors.* (arising out of SLP (C) No. 22669 of 2025, decided on 2nd April, 2026).
8. Perused the interim application which is supported with an affidavit. Also perused the main petition and the copies of documents enclosed with the same as annexures thereto.
9. *Prima facie* case appears to be made out for indulgence of the Court.
10. List on 4th May, 2026. In the meantime, subject to any variation or modification upon consideration of the objections/arguments of the other side, and till the next date of hearing before the Bench, the operation of impugned Government Order No. 16-FD of 2026 dated 12.01.2026, regarding blacklisting/debarring of M/s Trinity Reinsurance Brokers Ltd., shall remain in abeyance.

**(MOHD YOUSUF WANI)**  
**JUDGE**

**SRINAGAR**  
02.04.2026  
"Mubashir"