

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.19706 of 2025

M/s R.S. Construction having its Registered Office at Kali Asthan Chowk, Begusarai, Bihar, through its authorised signatory, Deepak Kumar, Aged about 52, S/o Sri Rameshwar Prasad Singh, Resident of Village- Sihma, Post Office- Sihma, Police Station Matihani District- Begusarai, Bihar, Pin- 851101.

... .. Petitioner

Versus

1. The State of Bihar through the Principal Secretary, Food and Consumer Protection Department, Government of Bihar, Patna.
2. The Managing Director, Bihar State Food and Civil Supplies Corporation Ltd. Daroga Rai Path, R Block, Road No. 2, Patna - 800001.
3. The Chief General Manager (Technical), Bihar State Food and Civil Supplies Corporation Ltd., Corporate Headquarters, Patna.
4. General Manager (Technical), Bihar State Food and Civil Supplies Corporation Ltd., Corporate Headquarters, Patna.
5. Deputy General Manager (Finance), Bihar State Food and Civil Supplies Corporation Ltd., Corporate Headquarters, Patna.
6. The Executive Engineer, South Bihar Works Division, Bihar State Food and Civil Supplies Corporation Ltd., Multipurpose Building, Atal Path, Patna.
7. Gyan Prakash, At and PO- Tejbigha, PS- Bhelwar, Dist-Jehanabad, (Bihar), Pin-804420.

... .. Respondents

Appearance :

For the Petitioner	:	Mr. Kumar Anjaneya Shanu, Advocate Mr. Ranvir Pratap Singh, Advocate
For the Corporation	:	Mr. Nirmal Kumar, Advocate
For the State	:	Mr. Dharmendra Kumar, AC to GP-5

CORAM: HONOURABLE THE ACTING CHIEF JUSTICE

and

HONOURABLE MR. JUSTICE RAJESH KUMAR VERMA

ORAL JUDGMENT

(Per: HONOURABLE THE ACTING CHIEF JUSTICE)

Date : 14-07-2026

Heard learned counsel for the parties.

2. The brief facts of the present case are that the petitioner earlier was awarded the work of construction of a 5000 MT capacity godown at Sikarvira, Jhajha, in the district of Jamui



under the Bihar State Food and Civil Supplies Corporation Ltd. The said work could not be completed within the stipulated period on account of delay in execution. Consequently, the Executive Engineer, South Bihar Works Division, Patna, by order dated 29.03.2025, debarred the petitioner from participating in the immediately succeeding tender.

3. Thereafter, the petitioner completed the aforesaid work to the satisfaction of the respondent authorities. Upon completion of the work, the competent authority issued a work experience certificate dated 17.07.2025 acknowledging successful execution of the project. Following completion of the work, the petitioner submitted representations before the concerned Executive Engineer as well as the Corporation Headquarters seeking revocation of the debarment on the ground that the work, on account of which the debarment had been imposed, had already been completed and accepted by the department.

4. Subsequently, the respondent authorities issued NIT No. 01/SBD/2025-26 dated 28.08.2025 inviting bids for construction of a Prefab Composite Godown of 1000 MT storage capacity at Karian, Block Shivajinagar, District Samastipur. The petitioner participated in the tender process by submitting its technical bid. However, the Technical Bid Evaluation Committee,



in its meeting held on 25.09.2025, rejected the petitioner's technical bid vide Letter No. 4176 dated 25.09.2025, inter alia, relying upon the debarment order dated 29.03.2025. The petitioner thereafter submitted a representation dated 29.09.2025 requesting reconsideration of the decision. The said representation, however, did not find favour with the authorities and, by Letter No. 4312 dated 03.10.2025, the rejection of the petitioner's technical bid was reaffirmed. Thereafter, the financial bids were opened on 06.10.2025 and the work was awarded to Respondent No. 7 by issuance of the Letter of Intent and execution of the agreement on the same date.

5. Aggrieved thereby, the petitioner instituted the present writ petition challenging, inter alia, the rejection of its technical bid, the consequential award of the work in favour of Respondent No. 7, and the debarment order dated 29.03.2025. During the pendency of the writ petition, the tender process stood concluded and the contract was awarded and acted upon, rendering the challenge to the tender process infructuous. Consequently, by order dated 30.06.2026, this Court recorded that the petitioner was confining the relief in the present writ petition only to Relief No. 1(vi), which reads as under:

“1(vi) Issuance of an appropriate writ/s, order/s or direction/s, particularly in the nature of writ of



Mandamus to declare that the alleged debarment dated 29.03.2025 is no longer operative following the completion of the concerned work dated 17.05.2025 and issuance of the work experience certificate vide Letter No. 721 dated 17.07.2025 under the signature of Executive Engineer, South Bihar Works Division BSFCSCCL, Patna.”

6. Learned counsel for the petitioner submits that the debarment order dated 29.03.2025 has outlived its purpose since the work, on account of which the petitioner was debarred, has been completed to the satisfaction of the respondent authorities and a work experience certificate dated 17.07.2025 has also been issued by the competent authority. Despite completion and acceptance of the work, the respondent authorities have neither revoked the debarment nor considered the petitioner's repeated representations seeking withdrawal of the said order.

7. It is further submitted that the continued operation of the debarment order is arbitrary and contrary to law, as an order of debarment cannot continue indefinitely after the purpose for which it was imposed has ceased to exist. In support of the said contention, reliance is placed on the decisions of the Hon'ble Supreme Court in ***Kulja Industries Ltd. v. Chief General Manager, Western Telecom Project, BSNL***, reported in (2014) 14 SCC 731, to submit that debarment must be proportionate and for



a definite period. It is, accordingly, prayed that the debarment order dated 29.03.2025 be quashed.

8. Learned counsel appearing for the respondents submits that the debarment order dated 29.03.2025 was validly passed on account of the petitioner's failure to complete the earlier work within the stipulated period. It is submitted that the debarment was imposed in accordance with the terms governing the contract and cannot be rendered invalid merely because the petitioner subsequently completed the work. The respondents further submitted that completion of the work at a later stage does not obliterate the earlier contractual default on the basis of which the debarment was imposed.

9. It is further submitted that the petitioner was debarred only from participating in the immediately succeeding tender and, therefore, the debarment cannot be said to be indefinite or arbitrary. According to the respondents, the impugned order does not warrant interference as it was passed in accordance with the applicable contractual conditions and administrative requirements.

10. The limited issue which arises for consideration before this Court is as to whether the continued operation of the debarment order dated 29.03.2025, despite completion and acceptance of the work and issuance of the work experience



certificate, amounts to an indefinite debarment and, if so, whether such continued debarment is legally sustainable.

11. The challenge in the present writ petition is confined to the continued operation of the debarment order dated 29.03.2025. A perusal of the said order reveals that the petitioner was debarred on account of delay in completion of the earlier work relating to construction of a 5000 MT capacity godown. The order further records that if the petitioner failed to complete the work by 31.01.2025, it would not be permitted to participate in the *next tender* ("अगली निविदा में भाग लेने से वंचित (debar) किया जाता है"). Significantly, the order neither specifies any definite period for which the debarment would continue nor prescribes the circumstances in which the debarment would cease to operate. Thus, while the debarment was ostensibly linked to participation in the next tender, the order is conspicuously silent as to its cessation upon subsequent completion of the work or issuance of the completion certificate.

12. It is an admitted position that after passing of the debarment order, the petitioner completed the work and the competent authority issued a work experience certificate dated 17.07.2025 acknowledging successful execution of the project. The petitioner also submitted representations seeking revocation of



the debarment. Despite these subsequent developments, the respondent authorities continued to rely upon the debarment while rejecting the petitioner's technical bid in the subsequent tender process, without passing any order clarifying whether the debarment had exhausted its purpose or continued to remain in force.

13. The law governing debarment is no longer res integra. In ***Kulja Industries Ltd. v. Chief General Manager, Western Telecom Project, BSNL***, reported in (2014) 14 SCC 731, the Hon'ble Supreme Court held that while the power to blacklist or debar is inherent in every authority awarding contracts, such power is not unbridled and must be exercised fairly, reasonably and proportionately. The Court observed that debarment cannot be permanent or for an indefinite period, and the period of debarment must bear a reasonable nexus with the gravity of the default. In paragraphs 17, 18 and 25, the Supreme Court emphasized that an order of blacklisting visits a contractor with serious civil consequences and, therefore, cannot continue indefinitely or arbitrarily. The relevant part of the said order reads as follows:

“17. That apart, the power to blacklist a contractor whether the contract be for supply of material or equipment or for the execution of any other work whatsoever is in our opinion inherent in the party allotting the contract. There is no need for any such



power being specifically conferred by statute or reserved by contractor. That is because “blacklisting” simply signifies a business decision by which the party affected by the breach decides not to enter into any contractual relationship with the party committing the breach. Between two private parties the right to take any such decision is absolute and untrammelled by any constraints whatsoever. The freedom to contract or not to contract is unqualified in the case of private parties. But any such decision is subject to judicial review when the same is taken by the State or any of its instrumentalities. This implies that any such decision will be open to scrutiny not only on the touchstone of the principles of natural justice but also on the doctrine of proportionality. A fair hearing to the party being blacklisted thus becomes an essential precondition for a proper exercise of the power and a valid order of blacklisting made pursuant thereto. The order itself being reasonable, fair and proportionate to the gravity of the offence is similarly examinable by a writ court.

18. The legal position on the subject is settled by a long line of decisions rendered by this Court starting with Erusian Equipment & Chemicals Ltd. v. State of W.B. where this Court declared that blacklisting has the effect of preventing a person from entering into lawful relationship with the Government for purposes of gains and that the authority passing any such order was required to give a fair hearing before passing an order blacklisting a certain entity.

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Subsequent decisions of this Court in Southern Painters v. Fertilizers & Chemicals Travancore Ltd.; Patel Engg.



Ltd. v. Union of India ; B.S.N. Joshi & Sons Ltd. v. Nair Coal Services Ltd. ; Joseph Vilangandan v. Executive Engineer (PWD) among others have followed the ratio of that decision and applied the principle of audi alteram partem to the process that may eventually culminate in the blacklisting of a contractor.

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.”

14. Applying the aforesaid principles to the facts of the present case, this Court finds that although the respondents were justified in imposing the debarment on account of delay in execution of the work, the continued operation of the said debarment even after the petitioner completed the work and the department itself acknowledged such completion by issuing the work completion/experience certificate is unsustainable. Once the contractual obligations stood fulfilled and the work was accepted by the respondents, the very basis on which the petitioner had been debarred ceased to survive. In the absence of any fresh order



extending the debarment or assigning reasons for its continuance, the impugned debarment, in effect, assumed the character of an indefinite debarment, which is impermissible in law.

15. In view of the aforesaid, this Court is of the view that the debarment order dated 29.03.2025 cannot be permitted to operate any further after completion and acceptance of the work and issuance of the work experience certificate (Annexure- P/3). Therefore, the issue framed is answered in favour of the petitioner.

16. Accordingly, the debarment order dated 29.03.2025 (Annexure- P/6) is set aside.

17. The writ petition is, accordingly, allowed to the aforesaid extent.

(Sudhir Singh, ACJ)

(Rajesh Kumar Verma, J.)

Gaurav Kumar/-

AFR/NAFR	A.F.R
CAV DATE	N.A.
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