

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.16389 of 2025

Shivmay Construction Equipments Private Limited having its registered office at - C/o Ravishankar Kumar, Near Sudhir Hospital, Purandaha, Deoghar, Jharkhand-814112 through its Director, Ratan Kumar, Gender-Male, aged about - 29 years, Son of - Onkar Yadav, Resident of - Prakhand Colony, Katoria, P.O.-Inrawaran, P.S.-Katoria, District-Banka, Bihar-813106.

... .. Petitioner/s

Versus

1. The State of Bihar through the Additional Chief Secretary, Rural Works Department, Vishweshwaraiya Bhawan, Bailey Road (Nehru Path), Patna.
2. The Additional Chief Secretary, Rural Works Department, Vishweshwaraiya Bhawan, Bailey Road (Nehru Path), Patna.
3. The Engineer in Chief cum Chairman Technical Bid Evaluation Committee, Rural Works Department, Vishweshwaraiya Bhawan, Bailey Road (Nehru Path), Patna.
4. Choubatia Construction Private Limited through its Director, Ajit Kumar, Gender-Male, aged about - Not known, Son of - Not Known, Resident of - At Choubatia, P.O.-Kojhi Gora, District-Banka, Bihar-813116.

... .. Respondent/s

Appearance :

For the Petitioner/s : Mr. Ashish Kumar Jha, Advocate
For the Respondent/s : Mr. Government Advocate-5

CORAM: HONOURABLE THE ACTING CHIEF JUSTICE
and

HONOURABLE MR. JUSTICE RAJESH KUMAR VERMA
ORAL JUDGMENT
(Per: HONOURABLE THE ACTING CHIEF JUSTICE)

Date : 21-07-2026

Heard learned counsel for the parties.

2. The present writ application has been filed for the following reliefs:

"(a) For quashing of the order dated 12.09.2025 passed by the Respondent Additional Chief Secretary whereby and whereunder the Work Order issued under the signature of the Executive Engineer, Rural Works Division, Banka-2, dated 28.07.2025



contained in Letter No. 2047 pursuant to the successful award of contract to the petitioner in Package No.-SETU/MGSY/24-25/Banka-2/04, falling under the Works Division, Banka-2 and bearing Tender Id - 140510, has been cancelled and re-tender has been ordered without issuing notice to the petitioner."

(b) For a direction to the Respondents to:

i. keep the implementation of the aforesaid order in abeyance till the disposal of the present writ application.

ii. refrain from taking any steps to rescind, terminate, or otherwise interfere with the contract entered into between the petitioner and the Executive Engineer, Rural Works Division, Banka-2, dated 28.07.2025 during the pendency of the present writ application.

iii. pay costs and compensation to the petitioner on account any loss suffered due to the illegal cancellation of the aforesaid Work Order.

(c) For any other relief(s) or consequential relief(s) to which the petitioner may be found entitled to in the facts and circumstances of this case."

3. The present writ application arises out of a tender process initiated by the Rural Works Department, Government of Bihar, for construction and five years' routine maintenance work of a rural bridge under the *Mukhyamantri Gramin Setu Yojana (MGSY)* pursuant to NIT No. RWD/MGSY/HQ/ET/06/24-25/Banka-2/04 dated 01.05.2025.

4. The petitioner participated in the tender process for



Package No. SETU/MGSY/24-25/Banka2/04. Upon technical evaluation, the petitioner as well as the private respondent were declared technically qualified. Thereafter, the petitioner submitted a complaint questioning the technical qualification of the private respondent, particularly with regard to the Bank Credit Facilities Certificate furnished by him. On verification sought by the Executive Engineer from Canara Bank, the Bank informed that the certificate contained a typographical error. Thereafter, the Technical Bid Evaluation Committee, in its meeting held on 01.07.2025, declared the private respondent technically disqualified.

5. Following the technical disqualification of the private respondent, the petitioner was declared the lowest responsive bidder (L-1) in the financial bid. A Letter of Acceptance and a Work Order, both dated 28.07.2025, were issued in favour of the petitioner and, on the same day, an agreement was executed between the petitioner and the Executive Engineer, Rural Works Division, Banka-2. The petitioner thereafter commenced execution of the work.

6. Subsequently, the Chief Engineer, by order dated 26.08.2025, blacklisted the private respondent under the Bihar Registration of Contractors Rules (Rural Works Department),



2007. Aggrieved thereby, the private respondent preferred an appeal before the Additional Chief Secretary, Rural Works Department.

7. By the impugned order dated 12.09.2025, the appellate authority set aside the order of blacklisting and further directed that the entire tender process stood vitiated, the Work Order issued in favour of the petitioner be cancelled, and a fresh tender be floated.

8. Aggrieved by the said order, particularly insofar as it directs cancellation of the Work Order issued in his favour and issuance of a fresh tender after execution of the agreement and commencement of the work, the petitioner has approached this Court by filing the present writ application.

9. Learned counsel appearing for the petitioner submits that the impugned order dated 12.09.2025 is wholly illegal, arbitrary and unsustainable in law, inasmuch as the same has been passed without affording any opportunity of hearing to the petitioner, despite the fact that the petitioner had already been issued the Letter of Acceptance, the Work Order and had entered into a concluded contract with the department. It is submitted that cancellation of the Work Order and direction for re-tendering, without putting the petitioner on notice, is in gross



violation of the principles of natural justice.

10. It is further submitted that the Appellate Authority travelled beyond the scope of its jurisdiction by declaring the entire tender process to be vitiated and directing cancellation of the Work Order. Once the Work Order had been issued and the agreement executed, the contractual relationship between the parties could not have been annulled by directing cancellation of the Work Order.

11. Learned counsel appearing for the State submits that the impugned order dated 12.09.2025 was passed by the Appellate Authority in exercise of its administrative powers while deciding the appeal preferred by the private respondent against the order of blacklisting. It is submitted that upon consideration of the records, the Appellate Authority found that the entire tender process had been vitiated and, accordingly, directed cancellation of the Work Order and issuance of a fresh tender in public interest. It is further submitted that the order was passed with a view to ensure fairness and transparency in the tender process and to protect public interest.

12. However, learned counsel for the State fairly submits that there is no material on record to show that before passing the impugned order dated 12.09.2025, any notice or



opportunity of hearing was afforded to the petitioner, notwithstanding the fact that the Work Order had already been issued in his favour and an agreement had been executed between the petitioner and the department.

13. The limited issue which arises for consideration before this Court is as to whether the impugned order dated 12.09.2025, whereby the Appellate Authority directed cancellation of the Work Order issued in favour of the petitioner and issuance of a fresh tender, without affording the petitioner an opportunity of hearing after execution of the agreement and commencement of the work, is sustainable in law.

14. At the outset, it is not in dispute that pursuant to the technical evaluation, the petitioner was declared the successful bidder after the private respondent was disqualified by the Technical Bid Evaluation Committee. Thereafter, a Letter of Acceptance dated 28.07.2025, a Work Order of the same date and a formal agreement were executed between the petitioner and the Executive Engineer. Thus, the tender process had culminated in a concluded contract and the petitioner had admittedly commenced execution of the work.

15. The principal basis on which the petitioner assails the impugned order is that the same has been passed without



notice to him. Significantly, learned counsel appearing for the State has been unable to show that before passing the impugned order dated 12.09.2025, any notice or opportunity of hearing was afforded to the petitioner. Thus, the question that remains is whether the petitioner was entitled to be heard before an order affecting his vested contractual rights was passed.

16. In the considered opinion of this Court, the answer has to be in the affirmative. The petitioner was not a stranger to the proceedings. By the date of the impugned order, he had already acquired valuable civil and contractual rights by virtue of the issuance of the Letter of Acceptance, execution of the Work Order and the agreement. The impugned order not only nullifies the award of contract in his favour, but also directs re-tendering, thereby directly affecting his rights and liabilities. Any administrative or quasi-judicial order having such adverse civil consequences could not have been passed behind his back.

17. The Hon'ble Supreme Court in ***Canara Bank & Ors. v. Debasis Das & Ors.***, reported in ***(2003) 4 SCC 557***, explained that observance of the *audi alteram partem* rule is intended to ensure fairness in action and that unless specifically excluded by statute, an opportunity of hearing is an indispensable requirement where an order visits a person with



adverse civil consequences. The relevant para of the said order reads as follows:

“19. Concept of natural justice has undergone a great deal of change in recent years. Rules of natural justice are not rules embodied always expressly in a statute or in rules framed thereunder. They may be implied from the nature of the duty to be performed under a statute. What particular rule of natural justice should be implied and what its context should be in a given case must depend to a great extent on the facts and circumstances of that case, the framework of the statute under which the enquiry is held. The old distinction between a judicial act and an administrative act has withered away. Even an administrative order which involves civil consequences must be consistent with the rules of natural justice. The expression “civil consequences” encompasses infraction of not merely property or personal rights but of civil liberties, material deprivations and non-pecuniary damages. In its wide umbrella comes everything that affects a citizen in his civil life.”

18. Applying the aforesaid principles to the facts of the present case, this Court finds that cancellation of the petitioner's Work Order and direction for re-tender undoubtedly visit the petitioner with serious civil consequences. Therefore, the petitioner was entitled to an effective opportunity of hearing before such adverse directions were issued. The admitted failure to comply with this mandatory requirement renders the impugned order vulnerable.



19. The contention that Clause 33 of the NIT empowers the authority to cancel the bidding process also does not advance the case of the respondents. Clause 33 expressly provides that:

“The Engineer in Chief-cum-Additional Commissioner - cum - Special Secretary / Engineer in Chief reserves the right to accept or reject any bid and to cancel bidding process and reject all bids, at any time prior to the award of the contract without assigning any reason thereof.”

20. The language employed in the clause is plain and unambiguous. The power to cancel the bidding process is expressly restricted to the stage prior to the award of the contract. In the present case, admittedly the Letter of Acceptance had been issued, the Work Order had been issued and a formal agreement had been executed on 28.07.2025. Consequently, the stage contemplated under Clause 33 had long crossed. Once the contract stood awarded and had culminated into a concluded agreement, the authority could not invoke Clause 33 to cancel the tender process.

21. The Supreme Court has consistently held that judicial review in contractual matters is primarily concerned with the decision-making process and not merely the decision itself. Equally, fairness in State action remains the governing



constitutional principle under Article 14. Once the decision-making process itself stands vitiated by denial of hearing to an affected party, the resultant order cannot be sustained.

22. Accordingly, this Court is of the considered view that the impugned order dated 12.09.2025, insofar as it directs cancellation of the Work Order issued in favour of the petitioner and issuance of a fresh tender, suffers from a fundamental procedural infirmity. The order has been passed in breach of the principles of natural justice despite affecting the petitioner's accrued contractual rights. Furthermore, Clause 33 of the NIT does not authorize cancellation of the bidding process after the award of the contract. The issue framed is therefore answered in favour of the petitioner.

23. In view of the aforesaid, the order dated 12.09.2025 (Annexure- P/6) is hereby set aside, to the extent it deals with cancellation of the Work Order issued in favour of fresh tender.

24. Consequently, the matter is remitted to the competent authority to pass a fresh order, in accordance with law, after affording due opportunity of hearing to the petitioner as well as all other affected parties. It is made clear that this Court has not expressed any opinion on the merits of the



controversy and all questions of fact and law are left open to be considered by the competent authority independently and uninfluenced by any observation made in this order, except on the issue of violation of the principles of natural justice.

25. With the aforesaid observations, the present writ application stands disposed of.

26. Interim order dated 14.10.2025 stands vacated.

27. Pending application(s), if any, shall also stand disposed of.

(Sudhir Singh, ACJ)

(Rajesh Kumar Verma, J)

Anushka/-

AFR/NAFR	AFR
CAV DATE	
Uploading Date	27.07.2026
Transmission Date	

