

**In the High Court at Calcutta
Constitutional Writ Jurisdiction
Appellate Side**

The Hon'ble Justice Sabyasachi Bhattacharyya

WPA No. 4795 of 2020

**IA No: CAN 3 of 2020 (Old CAN 3106 of 2020),
CAN 4 of 2020 (Old CAN 3107 of 2020),
CAN 5 of 2020 (Old CAN 4563 of 2020)
and
CAN 6 of 2020 (Old CAN 4564 of 2020)**

**Hindustan Steelworks Construction Limited
Vs.**

The Board of Trustees for the Port of Kolkata and others

For the petitioner : Mr. Jishnu Saha,
Mr. Dhiraj Trivedi,
Mr. Ishan Saha,
Mr. Shrisendu Chaudhury,
Mr. Saket Sharma

For the
Kolkata Port Trust : Mr. Abhrajit Mitra,
Mr. Amit Nag,
Mr. Swarajit Dey,
Ms. Ranjabati Ray

For the private
respondent no.4 : Mr. Bijay Adhikari,
Mr. Siddhartha Lahiri

Hearing concluded on : 28.01.2021

Judgment on : 04.02.2021

Sabyasachi Bhattacharyya, J:-

1. The Kolkata Port Trust (respondent no.1) issued a “Letter of Intent” (LoI) to the petitioner-Company (a Government Company), upon the petitioner having emerged a successful bidder in a tender floated by the Kolkata Port Trust, for supply, installation, operation and maintenance of two road weighbridges at the Haldia dock Complex,

KoPT on June 16, 2017. The LoI comprised of a contract given to the petitioner for above purpose. The contract was granted for 10 years from the date of awarding of the LoI and also contemplated buying back two existing weighbridges.

- 2.** Respondent no.1, vide show-cause notice dated January 9, 2017, issued to the petitioner, stated that, instead of the petitioner, the weighbridges were manned by personnel belonging M/s. Fairfax Industries Limited (proforma respondent no.4), it was further indicated that as per the Memorandum of Understanding entered into between petitioner no.1 and proforma respondent, all investments in weighbridges, equipment and related items were to be done by the proforma respondent. The latter was to install its own equipment to the satisfaction of the Port Trust authority. The proforma respondent was to be awarded the entire work for full tenure and would incur all revenue and recurring expenditure for installation, operation and maintenance of the weighbridges with no financial assistance of the petitioner. As per the MoU, all investments in the weighbridges, equipment and related items were also to be done by the proforma respondent, which would install its own equipment for weighment, incurring 100 per cent expenditure.
- 3.** The petitioner, in its reply dated February 8, 2017, to the show-cause notice, explained that all the weighbridges were registered and operational under the name of the petitioner, who also assumed full responsibility of the weighment, operation, etc.

4. Respondent no.1, by its letter dated April 1, 2017, declared that the tender submitted by the petitioner was found to be techno commercially qualified. The tender was accordingly awarded to the petitioner by issuing the LoI on June 16, 2017.
5. Subsequently on January 12, 2018, the petitioner explained its business model in writing to the respondent no.1. On January 17, 2018, the respondent sought certain clarifications but indicated that in the meantime, the petitioner might go ahead in taking possession of the rooms, electrical and water connections and other works for implementation of the project.
6. The petitioner provided the clarifications sought by the respondent no.1 on January 22, 2018. However, on February 21, 2018, respondent no.1 again wrote to the petitioner stating that respondent no.1 was yet to get reply from the petitioner's end regarding the role of the proforma respondent and the arrangements between the petitioner and the proforma respondent in the contract. Such clarification, it was mentioned, was required prior to giving commissioning certificate.
7. On June 1, 2018, the petitioner wrote to the respondent no.1 that the two weighbridges were fully commissioned, certified and ready for operation. On July 2, 2018, the KoPT issued the commissioning certificate to the petitioner.
8. On November 25, 2019, respondent no.1 served another show-cause notice on the petitioner, stating that non-compliance of Clauses 1.12

to 1.16 of the tenders constituted an event of default under Clause 7.9 of the tender conditions, making the contract liable for termination.

- 9.** The petitioner replied to the show-cause notice by a letter dated November 30, 2019.
- 10.** However, on January 1, 2020, respondent no.1 issued a notice to the petitioner, thereby terminating the contract-in-question as per Clause 7.10 of the tender conditions. The petitioner was directed to peacefully remove the weighbridges along with associated facilities installed/deployed by them under the contract from the allotted premises within three months from the date of the letter, following the provisions of Clause 7.10(a) of the contract. During the termination period of three months, it was mentioned in the notice, the petitioner might continue to discharge its obligations as per Clause 7.10(b) of the tender. It was further specified that the other provisions of the tender under Clauses 7.10(c) and 7.10(d) would be applicable.
- 11.** The present writ petition has been filed, challenging the show-cause notice dated November 25, 2019 and the subsequent termination of contract dated January 1, 2020. The petitioner has also challenged the order dated February 26, 2020, issued by respondent no.1 to the petitioner, answering a letter dated January 20, 2020 of the petitioner and reiterating the termination of the contract.
- 12.** Learned senior counsel appearing for the petitioner submits that there has been no violation of the terms of the LoI dated June 16, 2017, issued in favour of the petitioner.

13. Learned senior counsel places particular reliance on Clause 1.16, which provides that the contractor (petitioner) shall not assign the contract to any other agency without approval of KoPT, non-compliance of which was the primary ground for termination.
14. It is submitted that, although the show-cause notice also relied on Clause 1.12, which stipulates that the contractor shall comply with the requirements of all the Acts, Laws, statutes, etc., but contravention of the said clause was not a ground for termination, as indicated in the impugned termination notice. It is further pointed out by learned senior counsel for the petitioner that Clause 1.18 of the contract stipulates that the contractor shall be responsible for payment of taxes, duties, cess, assessment or any other charges which may be levied by any statutory authority during the currency of the contract.
15. It is submitted by the petitioner that there was no assignment of contract by the petitioner, let alone without the consent of respondent no.1, since the weighbridge are registered in the name of the petitioner and the petitioner continues to be responsible and liable to respondent no.1 for performance of the same.
16. Learned senior counsel for the petitioner places reliance on *B L Sreedhar & Ors. vs. K.M. Munireddy (Dead) & Ors.*, reported at (2003) 2 SCC 355, in support of the proposition that Estoppel itself may be a foundation of a right against the person estopped. Though Estoppel is

described as a mere rule of evidence, it may have the power of creating substantive rights as against the person estopped.

- 17.** That apart, it is argued, the respondent no.1 had full knowledge of the MoU entered into in the year 2009 between the petitioner and the proforma respondent, at least on January 9, 2017, when the initial show-cause notice was issued. Thereafter, the petitioner replied to the show-cause notice on February 8, 2017, only after which respondent no.1, vide letter dated April 1, 2017, declared that the petitioner's bid was techno commercially qualified. Subsequently, the tender was awarded to the petitioner by issuing, in its favour, the LoI on June 16, 2017.
- 18.** That apart, although certain clarifications were given by the petitioner on query from the respondent no.1, the respondent no.1, on January 17, 2018, specifically asked the petitioner to go ahead in taking possession of the rooms, electrical and water connections and other works for implementation of the project.
- 19.** Even thereafter, the respondent no.1 issued the commissioning certificate to the petitioner on July 2, 2018.
- 20.** As such, the respondent no.1 is estopped from contending now that the petitioner contravened the clauses of the contract as mentioned in the show-cause and termination notices.
- 21.** That apart, respondent no.1 had accepted the terms of the MoU entered into between the petitioner and proforma respondent and categorically asserted that the petitioner was an eligible tenderer, in

connection with a writ petition filed by one Uma Corporation, which had been dismissed by this court on July 13, 2017. An appeal preferred against such order also met with dismissal before a Division Bench on September 6, 2017. Thus, the said MoU could not be cited as a ground for termination of contract, by respondent no.1, after almost one-and-half years of commissioning and continuous operation of the weighbridges by the petitioner without any complaint.

- 22.** Learned senior counsel appearing for the respondent no.1 argues that there was no implied approval by respondent no.1 for engagement of the proforma respondent no.4 by the petitioner. Moreover, the same being a question of fact, cannot be decided in a writ petition.
- 23.** As far as the submission made by respondent no.1 in a different writ petition, it is submitted that the same was in the context of a separate contract, which is not the subject-matter of the instant writ petition.
- 24.** Even in *Fairfax Industries Ltd. vs. Commissioner of Customs (Port) and others*, reported at 2019 SCC OnLine Cal 6468, it was held by this court that the present proforma respondent no.4 was occupying the land of respondent no.1 without its permission and were, thus, not entitled to allotment of containers for weighment at their weighbridges.
- 25.** Learned senior counsel relies on *Indian Oil Corporation Ltd. vs. Amritsar Gas Services and Ors.*, reported at (1991) 1 SCC 533 for the proposition that, since the contract between the petitioner and respondent no.1 is a terminable contract, no specific enforcement of

the contract can be granted even if the termination was wrongful. At best, the petitioner would be entitled to damages.

- 26.** Relying on *Sri Ram Builders vs. State of M.P. & Ors.*, reported at (2014) 14 SCC 102, counsel submits that courts generally do not grant specific performance by way of a writ petition.
- 27.** Counsel cites *Rajasthan State Industrial Development & Investment Corporation & Anr. vs. Diamond & Gem Development Corporation Limited & Anr.*, reported at (2013) 5 SCC 470, in support of the proposition that, in a non-statutory contractual dispute, the matter is not amenable to the writ jurisdiction merely because one of the parties is a State.
- 28.** Learned senior counsel for respondent no.1 next contends that paragraph nos. 13 to 19 of *B L Sreedhar (supra)*, cited by the petitioner, would go to show that Estoppel is a rule of evidence. Counsel submits that, since there is no scope of taking evidence in a writ petition, the ratio of the said judgment is not applicable to the present case. Moreover, the report arose out of a civil suit.
- 29.** Learned Senior Counsel further submits that Sections 202 and 204 of the Indian Contract Act, 1872 are not applicable to the present case, in the absence of any pleading in that regard.
- 30.** Learned counsel further relies on *Oil and Natural Gas Corporation Ltd., Mumbai vs. M/s Streamline Shipping Co. Pvt. Ltd.* reported at AIR 2002 Bom 420, for the proposition that where the contracts are freely entered into with the State, there is no scope for invoking the doctrine

of fairness and reasonableness for the purpose of altering or adding to the terms and conditions of the contract.

- 31.** Counsel cites *M/s. Polimer Media Pvt. Ltd. vs. Zee Entertainment Enterprises Ltd.* reported at 2016 SCC OnLine Bom 7699 for the proposition that, under Section 14(1)(c) of the Specific Relief Act, 1963, a contract which in its nature is determinable, cannot be specifically enforced.
- 32.** Learned counsel appearing for the proforma respondent no.4 argues that the said respondent has the technical skills and experience in installation, operation and maintenance of weighbridges, which is a specialised and technical sector. A Memorandum of Understanding (MoU) dated October 21, 2009 was entered into between the proforma respondent and the petitioner, by virtue of which the former became an agent/contractor of the latter.
- 33.** Clause 1.16 of the contract between the petitioner and respondent no.1, it is argued, is contrary to the letter and spirit of Section 111 of the Major Port Trust Act, 1963 and, as such, the clause is void. Section 111 of the 1963 Act vests the Central Government with power to issue directions, which are obviously statutory in nature. The policy decision of the Central Government, to adopt Public-Private Partnership (PPP) with reference to activities between two CPSUs (Central Public Sector Undertakings), govern issues like the present one. In pursuance of such decision, the petitioner can legally engage proforma respondent no.4 as an outside agency, in relation to works

like installation, operation and maintenance of equipment for specialised purposes.

- 34.** Learned counsel relies on the judgment of *United Port and Dock Employees Union vs. The Government of India* [MANU/AP/0535/2014], wherein the Andhra Pradesh High Court relied on two judgments of the Supreme Court, being *Fertilizer Corporation Kamgar Union (regd.), Sindri and others vs. Union of India and others* [(1981) 1 SCC 568] and *Bajaj Hindustan Limited vs. Sir Shadi Lal Enterprises Limited and another* [(2011) 1 SCC 640]. In *Fertilizer Corporation (supra)*, on maintainability of a writ petition by a Union, it was observed that the Union can maintain a writ petition to espouse the cause against the sale of a private property. In *Bajaj Hindustan Limited (supra)*, it was held that the judiciary should never interfere with administrative decisions, except within narrow limits, e.g., when there is clear violation of the statutes or a constitutional provision, or there is arbitrariness in the Wednesbury sense. The court should not ordinarily interfere with policy decisions, unless clearly illegal.
- 35.** In such context, it was held by the Andhra Pradesh High Court that the policy choice of the Central Government to adopt PPP mode, under Section 111 of the 1963 Act, is a question of policy left to the Central Government to decide. As such, it is argued that Clause 1.16 of the said contract, being contrary to such powers of the Central Government, is void.

- 36.** Learned senior counsel for the petitioner, in reply, contends that Sections 192, 194 and 197 of the Indian Contract Act, 1872 apply in the present case. The ratification expressed, or at least necessarily implied, by the conduct of respondent no.1 in accepting the tender and issuing commissioning certificate to the petitioner even after having full knowledge of the MoU between the petitioner and proforma respondent no.4, validates the agency granted by the petitioner to the proforma respondent.
- 37.** It is further reiterated that the control over the assigned works was retained by the petitioner. Merely an agency was granted to the proforma respondent no.4 to act under the supervision of the petitioner for performance of specialised operations.
- 38.** As such, it is argued that the impugned show-cause notice, termination notice and the consequential order ought to be set aside.
- 39.** At the outset, the objection taken by respondent nos. 1 and 2 regarding maintainability of the writ petition is taken up for consideration. There is a fallacy in the argument that a question of fact cannot, as a matter of principle, be decided in the writ petition. Disputed questions of fact which require adduction of evidence and a detailed inquiry are generally not entered into under Article 226 of the Constitution. Yet, where the admitted facts of the case, which are evident from the materials-on-record, are sufficient for deciding the questions involved, there is no bar to the writ court in exercising

its jurisdiction.

40. In the present case, in order to decide the question of approval and validity of the termination of contract, further evidence need not be taken. The admitted communications between the parties and the attending circumstances are sufficient to adjudicate upon the disputed issues.
41. As regards the limitations of a writ court to grant specific performance and allied reliefs in non-statutory contractual disputes, the cited reports relied on by the respondents state the settled law in that regard. However, the nature of the work, which is the subject-matter of the contract-in-question, is of a public nature. The Kolkata Port Trust (respondent no.1) engaged the petitioner (also a Government Company discharging public functions) for the purpose of installing and operating of weighbridges at the Haldia Dock Complex. The nature of the said work falls within the domain of public functions discharged by the State, thus involving an ingredient of public interest. The question which arises in the present case relates to the termination of the contract awarded to the petitioner for discharging such public duties. Hence, the issue of compliance of the clauses of the contract partake a public character in such context.
42. A pertinent question which arises in the present case is, whether the petitioner violated the terms of the LoI granted in its favour on June 16, 2017 by the respondent no.1. The impugned show-cause

notice dated November 25, 2019 cited contravention of Clauses 1.12 and 1.16 of the contract. However, the termination notice dated January 1, 2020 restricted itself to violation of Clause 1.16 as the only ground for termination.

43. Clause 1.16 stipulates that the contractor shall not assign the contract to any other agency without approval of the KoPT. However, there is clear distinction between the assignment of the contract itself and assignment of the work granted under the contract to a third party. While assignment of the contract, as a whole, occurs when the contract, in its entirety, is transferred to a third party, including the rights, liabilities and obligations flowing therefrom. In contrast, assignment of work done under the contract to a specialized agency merely operates as a grant of agency for specified purposes. The salient point which is to be seen is whether the contract and superintendence regarding the contract was retained with the contractor.

44. In the instant case, certain other clauses in the contract (LoI) between the petitioner and first respondent are to be looked into for the purposes interpreting Clause 1.16 in appropriate perspective. Clause 1.1 provides that the contractor shall supply, install, operate and maintain two weighbridges along with all associated civil, electrical and other installations, at his cost, charges, expenses, risk, responsibilities, manpower and other arrangements. Clause 1.6 says that the contractor shall deploy required manpower for

operation and maintenance of all the weighbridges. Clause 1.8 reiterates that the contractor shall, at its cost and arrangements, ensure all the weighbridges to be supplied, installed, operated and maintained by it and ensure that those are revalidated from time to time throughout the period of the contract. Clause 1.9 states that the contractor shall, at its own cost and arrangement, obtain and maintain all required statutory clarifications and permissions as may be required by law for operation and maintenance of the weighbridges. Clause 1.12 requires the contractor to comply with legal requirements.

- 45.** Clause 1.18 stipulates that the contractor shall be responsible for payment of taxes, duties and cess, assignment, etc. which may be levied by any statutory authority. Vide letter dated January 12, 2018, the petitioner categorically clarified its business model to the respondent no.1. It was clarified that the petitioner was the sole beneficiary of the tender and would be the sole custodian of the land and all assets so awarded. It was further indicated that the petitioner would be solely responsible for execution of the project and all compliance would be done by the petitioner in its own name. The weighbridge equipment installed, it was stated, would be registered in the name of the petitioner with the registering authority.
- 46.** In the said letter, the petitioner further clarified that its business strategy included having the weighbridges in its own name at its

own cost, charges, expenses, responsibilities and manpower in compliance with the Clause 1.1. It was further indicated, on the strength of a Division Bench judgment of this court passed in MAT 1261 of 2017, that there was no absolute bar to the effect that a successful tenderer cannot appoint an agency for completion of the work-in-question.

- 47.** In reply to the communication of respondent no.1 dated January 17, 2018, the petitioner indicated in its letter dated January 22, 2018 that the weighbridges would belong to the petitioner, who would exercise full control over the assets. It was also stated that the supervisory and technical manpower deployed at the site would be under the registration and responsibility of the petitioner.
- 48.** The petitioner also clarified that it would employ contractor(s) from time to time which would be intimated to respondent no.1.
- 49.** Not stopping there, respondent no.1 asked the petitioner, by a letter dated February 21, 2018, to give a reply regarding the role of proforma respondent no.4 and the arrangements between the petitioner and the proforma respondent which, according to respondent no.1, was required prior to issuing commissioning certificate.
- 50.** Thereafter, by its letter dated June 1, 2018, the petitioner gave elaborate clarifications.
- 51.** Even after the above development, on July 2, 2018, commissioning certificate was issued in favour of the petitioner by respondent no.1.

As per the own version of respondent no.1 in its previous communications, clarifications regarding the mutual role of the petitioner and proforma respondent no.4 was a pre-requisite for grant of commissioning certificate. As such, it can easily be concluded that issuance of the commissioning certificate was a ratification by respondent no. 1 of such mutual juristic and functional relationship *inter se* the petitioner and the proforma respondent.

52. In view of the preceding discussions, it cannot be doubted that the control and supervision of the project was retained with the petitioner. Even examining the MoU dated October 21, 2009, it is seen that the proforma respondent was assigned the responsibility for installation, operation and maintenance of weighbridges. Investment in that regard was also to be done by the proforma respondent, which would install its own equipment to the satisfaction of the Port Trust authority.
53. However, Clause 2.3 of the said Agreement stipulated that the beneficiary of land allotment by Port Trust would always be the petitioner, with no private party as part beneficiary or otherwise during the full tenure of land allotment. Although all liabilities of the weighbridge business in the Port were cast on the proforma respondent in such MoU, the said arrangement was mutual between the petitioner and proforma respondent.
54. Clause 3.7 of the instrument provided that the petitioner shall

appoint a Project Manager at the Port area who would be the supervisory authority of the weighbridge business and would be a staff of the petitioner and on the petitioner's payroll. All staff appointed/hired by proforma respondent no.4 were to be under the supervision of the petitioner, who would be at liberty to direct the proforma respondent to remove any staff appointed/hired by it if their activities, in the petitioner's opinion, were prejudicial to the interest of the petitioner's business with the Port Trust.

55. Clause 3.6 of the MoU provided that any application to the Department of Weight and Measures would be done by the petitioner and the proforma respondent. Applications for permits, licenses, corporation sanctions, electricity meters, customs formalities and the like, as per Clause 3.5 of the MoU, would be made directly by the petitioner and the proforma respondent. Although the proforma respondent was to submit Guarantee Bond indemnifying the petitioner against loss, damage, theft, etc., such provision, *ipso facto*, cannot indicate that control of the work was transferred to the proforma respondent. For example, if a job, to be done by a particular juristic person, is insured with an insurer, it does not tantamount to the responsibility of the job being assigned to the insurer. Such protection, in the form of the above-discussed provisions of the MoU, was only to cover the risks incurred by the petitioner, given by the proforma respondent.

56. Thus, a composite reading of the MoU does not indicate unerringly

that the contract itself, handed to the petitioner by respondent no.1, was assigned as a whole to the proforma respondent.

57. That apart, the argument of respondent no.1, that Estoppel was a rule of evidence and could not be applied to a writ petition, does not stand a moment's scrutiny.
58. Paragraph nos. 18 and 19 of *B L Sreedhar (supra)* categorically lay down that, though Estoppel is described as a mere rule of evidence, it may have the effect of creating substantive rights as against the person estopped. Estoppel, it was held, may itself be the foundation of a right as against the person estopped and, if it were not so, it is difficult to see what protection the principle of Estoppel can afford to the person by whom it may be invoked or what disability it can create in the person against whom it operates in cases affecting rights. Where rights are involved, it was held, Estoppel may with equal justification be described both as a rule of evidence and as a rule creating or defeating rights.
59. The conduct of respondent no.1, in the present case, manifestly precludes the respondent no.1, by operation of the doctrine of Estoppel, from contending that the petitioner was in contravention of Clause 1.16 of the agreement between the two.
60. The initial show-cause notice dated January 9, 2017, prior to award of the contract, clearly raised question about the MoU entered into between the petitioner and the proforma respondent no.4, it was adequately replied to on February 8, 2017 by the

petitioner. It is only thereafter that respondent no.1, vide letter dated April 1, 2017, declared that the petitioner's tender had been found to be techno commercially qualified. The tender was awarded to the petitioner accordingly by issuing the LoI on June 16, 2017.

- 61.** Even subsequently, respondent no.1 raised the question of the mutual role and arrangements between the petitioner and the proforma respondent which, it stated in its letter dated February 21, 2018, was required prior to giving commissioning certificate. Upon being satisfied with the reply thereto given by the petitioner, respondent no.1 issued the commissioning certificate to the petitioner on July 2, 2018.
- 62.** Even by the prior letter dated January 17, 2018, despite seeking clarifications, respondent no.1 had given a go-ahead to the petitioner in taking possession of the rooms, electrical and water connection and other works "for implementation of the project".
- 63.** As such, there was no doubt that, only upon being satisfied and having full knowledge of the MoU between the petitioner and proforma respondent no.4, respondent no. 1 awarded the contract to the petitioner.
- 64.** In the writ petition filed by Uma Corporation, respondent no.1 took a specific stand that the petitioner was an eligible tenderer despite the MoU. The writ petition of Uma Corporation was dismissed on such premise and affirmed in appeal.

- 65.** As such, respondent no.1 is bound by Estoppel from alleging contravention of Clause 1.16 by the petitioner.
- 66.** As regards the contention raised by respondent no.1 that a determinable contract cannot be enforced by the writ court, *Amritsar Gas (supra)* dealt with such issue. It was held by the Supreme Court that, the agreement being revocable by either party, the only relief which could be granted was the award of compensation for the period of notices. In the said case, the contract was determinable by either party at its will, without any event of default, unlike in the present case.
- 67.** In the instant case, the contract between the petitioner and respondent no.1 specifically stipulated eligibility criteria in Clause 7.9. The event of default relevant to the present case appears at Sub-clause (e) of Clause 7.9, which contemplates the contractor assigning or transferring the weighbridges and associated facilities to any third party without permission from respondent no.1, followed by termination under Clause 7.10(a).
- 68.** In the present case, as considered above, the weighbridges were never transferred or assigned to any third-party. The petitioner all along retained the ownership of the weighbridges and control and supervision of the operations undertaken by proforma respondent no.4. As such, what was granted to the proforma respondent was merely an agency to complete the work assigned to the petitioner. All liabilities and rights pertaining to the contract between the

petitioner and respondent no.1 were retained by the petitioner itself, as between the petitioner and respondent no.1. Thus, the appointment of an agent to implement the contract does not tantamount to contravention of Clause 1.16, which could give rise to an event as contemplated in Clause 7.9(e) to entail termination under Clause 7.10 of the LoI dated June 16, 2017.

- 69.** In any event, the respondent no.1 was barred by Estoppel from raising such question in view of its own express conduct.
- 70.** The MoU between the petitioner and the proforma respondent had been entered into much prior to even the award of LoI to the petitioner and was within full knowledge of the respondent no.1 from even before such award of contract.
- 71.** Thus, respondent no.1 acted arbitrarily and patently *de hors* the law and the LoI in issuing the show-cause notice dated November 25, 2019 and consequently terminating the contract on January 1, 2020 and passing the impugned order dated February 26, 2020.
- 72.** Such arbitrary action of respondent no.1, which is a public authority discharging public function in awarding the LoI for a public duty, is fit to be visited by quashing under Article 226 of the Constitution of India.
- 73.** Accordingly WPA No.4795 of 2020 is allowed, thereby setting aside the impugned show-cause notice dated November 25, 2019 as well as the consequential termination notice dated January 1, 2020 and the impugned order dated February 26, 2020.

- 74.** IA No: CAN 3 of 2020 (Old CAN 3106 of 2020), CAN 4 of 2020 (Old CAN 3107 of 2020), CAN 5 of 2020 (Old CAN 4563 of 2020) and CAN 6 of 2020 (Old CAN 4564 of 2020) are disposed of accordingly.
- 75.** There will be no order as to costs.
- 76.** Urgent certified copies of this order shall be supplied to the parties applying for the same, upon due compliance of all requisite formalities.

(Sabyasachi Bhattacharyya, J.)