IN THE HIGH COURT OF JUDICATURE AT PATNA
CIVIL REVISION No. 41 of 2022

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M/S Vishwanath Singh Vinay A Partnership Firm through its Power of Attorney Holder Sri Bipin Kumar Singh, aged about 47 years (Male) S/o Baidyanath Singh, Resident of Mohalla- Gangjala Ward No. 18, P.S.- Saharsa, District- Saharsa.

... ... Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Department of Road Construction Department, Government of Bihar, Patna.
2. The Infrastructure Development Authority, an Authority wholly owner and controller by the Bihar State Government, Having its office at 1st Floor, Udyog Bhawan, East Gandhi Maidan, Patna- 4 through its Managing Director.
3. The Chief Consultant (P.D.A.), Infrastructure Development Authority, Bihar 1st Floor, Udyog Bhawan, East Gandhi Maidan, Patna- 4.
4. The Director (Finance), Infrastructure Development Authority, Bihar 1st Floor, Udyog Bhawan, East Gandhi Maidan, Patna- 4.
5. The Chief Consultant (BOT), Infrastructure Development Authority, Bihar 1st Floor, Udyog Bhawan, East Gandhi Maidan, Patna- 4.
6. The Executive Engineer, Road Construction Department, Road Division, Saharsa.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Prasoon Kumar, Advocate
For the State	:	Mr. Sharan Singh, Advocate
For the Respondent	:	Mr. Parth Gaurav, Advocate
		Ms. Pallavi Pandey, Advocate

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CORAM: HONOURABLE MR. JUSTICE RAMESH CHAND MALVIYA

CAV ORDER

19 15-12-2025 This civil revision application is filed under Section 13 of the Bihar Public Works Contracts Disputes Arbitration Tribunal Act, 2008 (hereinafter referred to as the Act 2008) for setting aside the awards passed by the Bihar Public Works Contracts Disputes Arbitration Tribunal, Patna, (hereinafter referred to as the Tribunal) by which the Tribunal has dismissed the Reference Case No. 59 of 2014, holding that

the petitioner had already accepted the final bill in full and final settlement and therefore had no remaining dispute or entitlement to claim any additional amount.

2. Heard the learned counsel for the petitioner and the learned counsel for the respondents.

3. The case of the petitioner in brief is that the petitioner was awarded the work of constructing a "Fertilizer-cum-Pesticides Bio-Control Laboratory" at Saharsa pursuant to Tender Notice No. 01 of 2010, and the work order was issued in his favour on 04.03.2010. A formal agreement bearing No. 04F2/2010-11 dated 09.03.2010 was executed, fixing the contract value at Rs. 1,29,71,052.56 and the completion period at one year. Under the agreement, the sanctioned lead for carriage of coarse sand and stone chips was fixed at 149 km from Kuel and 168 km from Jamalpur, respectively. The petitioner initially procured materials strictly in accordance with the sanctioned leads; however, during execution of the work, the Dumari/B.P. Mandal bridge collapsed on 30.08.2010, resulting in a complete ban on the movement of heavy vehicles. Due to this disruption, it became impossible to transport materials from the originally sanctioned sources. The petitioner immediately informed the authorities on 08.09.2010, and upon site inspection on 15.09.2010, the respondent-consultant directed the petitioner to procure the materials through an alternative route via Purnea. The delay arising from the disruption was condoned, and the time for completion was accordingly extended. After completion of the work, although the final bill was prepared, the petitioner was not granted payment for the extra carriage cost occasioned by the mandatory change in route. Despite several representations dated 07.10.2013 and 01.03.2014, the claim remained unpaid, compelling the petitioner to file Reference Case No. 59 of 2014 before the Tribunal. The Tribunal vide order dated 22.06.2022, rejected the petitioner’s claim for extra lead charges. Aggrieved thereby, the petitioner has preferred the present Civil Revision.

4. Further stated by the petitioner that the dispute arose between the parties in relation to said contract, the petitioner filed Reference case no. 59 of 2014 before the learned tribunal under Section 9 of the Act, which was dismissed vide order dated 22.06.2022. Learned petitioner demanded an award of Rs. 21,19,241.47. The Learned Tribunal dismissed the petitioner’s claim for extra lead charges on the basis that the petitioner had already received the agreement value without any objection, and thereafter, only he raised the present claim without there being any order or direction by the respondent authorities.

5. Learned counsel for the petitioner submits that the Tribunal failed to properly consider the material evidence demonstrating that the sanctioned routes for transporting sand and stone chips became unusable due to the collapse of the Dumari bridge. This disruption was promptly reported and independently verified by the respondent authorities, following which the Chief Consultant issued written directions in the site order register requiring procurement of materials through Purnea, resulting in a significantly longer lead and unavoidable additional expenditure. The petitioner completed the work strictly as instructed and repeatedly sought reimbursement of the extra carriage cost; however, despite earlier assurances, the respondents wrongfully denied the claim. The inconsistencies in the counter affidavit further reveal an attempt to repudiate their own recorded directions. As the additional cost arose solely due to circumstances beyond the petitioner’s control and was incurred on the basis of departmental instructions, the petitioner is entitled to reimbursement. The impugned order, passed without due appreciation of these facts, therefore warrants interference.

6. Learned counsel for the respondents submits that the revision is meritless, as all payments were made strictly as per the agreed lead distances and were accepted by the petitioner without protest. No approval was ever granted for any alternative route, and the petitioner's unilateral change of lead was at his own risk. He further submitted that the bridge collapse was not the cause of delay, as no materials had been transported even by 15.09.2010. The claim for extra carriage cost, raised only after full and final payment in 2013, is an afterthought. The Tribunal's order is proper and requires no interference.

6.i. He further contended that the Tribunal, upon consideration of the records, found that the site order book entries relied upon by the petitioner were merely consultant's noting without any sanction of the competent authority. It held that no contemporaneous demand for extra lead was ever made and that acceptance of the final bill without objection amounted to full and final satisfaction of the contract. Consequently, the Tribunal dismissed the reference.

6.ii. Learned counsel for the respondents relied upon the legal position taken into consideration by the learned tribunal in the case of ***New India Insurance Co. Ltd. v. Genus***

Power Infrastructure Ltd., reported in ***(2015) 2 SCC 423***, after examining the effect of acceptance of payment without protest, held that when a contractor voluntarily accepts full and final settlement and issues discharge/subrogation, a subsequent plea of coercion or undue influence without particulars cannot be entertained to invoke the arbitration clause. The Court observed that the execution of a voluntary discharge extinguishes any arbitrable dispute.

6.iii. Similarly, the learned tribunal considered another case of ***ONGC Mangalore Petrochemicals Ltd. v. ANS Constructions Ltd.***, reported in ***(2018) 3 SCC 373***, reaffirmed that once the contractor accepts the final bill in full and final satisfaction without lodging a contemporaneous protest, later claims are barred and no arbitrable dispute survives.

7. The central issue before this Court is whether the learned Tribunal was justified in dismissing the Reference Case no. 59 of 2014 on the ground that petitioner has already received the agreement value without any objection in its earlier order dated 22.06.2022.

8. Upon consideration of the pleadings, materials on record, and the submissions advanced, this Court finds that the Tribunal's conclusion is firmly rooted in binding principles repeatedly affirmed by the Hon'ble Supreme Court and therefore warrant no interference in revisional jurisdiction. The starting point of the analysis is the admitted fact that the petitioner unconditionally accepted the final bill in the year 2013 without recording any protest, reservation, or contemporaneous objection. The legal consequence of such acceptance has been definitively settled in a long line of decisions, beginning with ***New India Assurance (supra)*** where the Hon'ble Supreme Court held that voluntary execution of a subrogation letter signifying full and final settlement leaves no arbitrable dispute, observing: *"There was full and final settlement of the claim so no arbitrable dispute existed."* That decision underscores the principle that once a contractor or claimant consciously accepts the settled amount, he is thereafter barred from reopening the matter unless he proves coercion or undue influence with specific pleadings and evidence, mere allegations being insufficient.

9. The aforesaid principle is fortified in ***ONGC Mangalore (supra)*** wherein at para 16 the Court held that acceptance of final measurement and payment without protest *"amounts to accord and satisfaction and no further claim can be entertained."* The Court emphasized that once the final bill is accepted without any recorded protest, *"all claims, rights and obligations merge with the Final Bill."*

10. Similar doctrinal clarity emerges from ***National Insurance Co. Ltd. v. Boghara Polyfab Pvt. Ltd.***, reported in ***(2009) 1 SCC 267 (paras 26–27)***, wherein the Hon'ble Supreme Court classified disputes into three categories and held that where discharge is voluntary, no dispute survives for adjudication. Likewise, in ***Union of India v. Master Construction Co.***, reported in ***(2011) 12 SCC 349 (para 18)***, the Hon'ble Supreme Court reiterated that voluntary execution of a discharge voucher results in complete settlement and extinguishment of claims. In ***R.L. Kalathia & Co. v. State of Gujarat***, reported in ***(2011) 2 SCC 400 (para 18)***, while acknowledging that in rare cases a contractor may still raise claims after settlement, the Hon'ble Supreme Court expressly held that such exception applies only when the contractor records contemporaneous protest at the time of receiving the payment something completely absents in the present case. Therefore, by operation of these principles, the petitioner's belated attempt to assert a monetary claim after full and final satisfaction stands squarely barred.

11. Equally significant is the settled law that noting's, endorsements, or remarks made by engineers or consultants do not constitute decisions, authorizations, or sanctions of the State, unless expressly approved by the competent authority through proper administrative procedure. In ***State of Maharashtra v. Nav Bharat Builders*, 1995 Supp (3) SCC 83**, the Supreme Court held in **para 12** that *"a mere noting or recommendation of an engineer does not constitute an order of the State; financial liability must arise only from valid sanction of the competent authority."* This principle is vital in public works contracts, where fiscal liability of the State can arise only from orders legally issued by empowered authorities, not from informal instructions.

12. The Hon'ble Supreme Court further affirmed in ***Rashtriya Ispat Nigam Ltd. v. Dewan Chand Ram Saran*, *(2012) 5 SCC 306 (para 43)*** that *"acts of lower officials or engineers cannot bind the corporation unless approved by competent authority."* This decision clarifies that not only do informal noting's lack legal force, they cannot override statutory, contractual, or procedural requirements for incurring financial obligations. Reinforcing this, ***State of Rajasthan v. Nav Bharat Construction Co.*, *(2019) 13 SCC 75***, held at **para 19** that unilateral endorsements by the engineer-in-charge cannot alter contractual terms nor impose extra liability, thereby confirming that contractual modifications must follow statutory procedure. Applying these authoritative pronouncements, the petitioner's reliance on *site-order book entries* which are unilaterally written noting's by a consultant and not orders issued by competent authority is wholly misplaced and cannot form the basis of any financial claim. The absence of a written sanction approving extra lead is fatal to the petitioner's case.

13. This legal position has also been consistently recognized by the Hon'ble Patna High Court in ***M/s Agastya Engineers Pvt. Ltd. v. State of Bihar (C.R. No. 144 of 2014, judgment dated 21.07.2017)***, the Court categorically held that "*no liability can be imposed upon the Department unless the claim is duly admitted or sanctioned by the competent authority*", and that consultant noting do not create enforceable rights.

14. Further, in ***M/s Lakhandeo Construction Pvt. Ltd. v. State of Bihar***, the Division Bench held in **paras 15 and 16** that entries made in the site-order book do not bind the Department, and that no financial liability can arise without a written order or sanction issued by the competent authority, also reiterating that voluntary acceptance of the final bill without objection amounts to full and final settlement, leaving no subsisting arbitral dispute. These authoritative pronouncements apply squarely to the present case, where the petitioner relies solely upon unsanctioned consultant noting's in the site-order register and has failed to produce any written approval from a competent authority permitting alteration of the sanctioned lead or authorizing additional payment.

15. Furthermore, the timing of the petitioner's claim, raised almost one year after receiving final payment, renders the claim palpably an afterthought. In ***South Eastern Coalfields Ltd. v. S. Kumar's Associates AKM (JV)*, *2023 SCC Online SC 1008***, the Hon'ble Supreme Court held in **para 42** that a claim raised after unconditional acceptance of final payment "*lacks legal foundation and cannot be entertained*," squarely applying to the present case. In ***Chief Engineer v. Purushottam Bhujangrao Deshmukh*, *(2022) 5 SCC 481 (paras 22–23)***, the Hon'ble Supreme Court rejected a belated claim raised after completion of contractual obligations and emphasized that the absence of contemporaneous protest is a strong indicator of final settlement. Similarly, in ***State of Bihar v. Jain Plastics, (2002) 1 SCC 216 (para 10)***, the Hon'ble Supreme Court held that once a contractor accepts final settlement without protest, "*any subsequent claim is frivolous and unsustainable*." In the present case, the petitioner not only accepted final settlement but raised the claim only after a significant delay without demonstrating any exceptional circumstance, thereby reinforcing the Tribunal's finding that the claim was an afterthought.

16. Finally, in revisional jurisdiction under Section 13 of the Act, 2008, the Court's authority to interfere with factual findings is severely restricted. The Hon'ble Supreme Court in ***Puri Construction Pvt. Ltd. v. Larsen & Toubro Ltd.***, ***(2015) 3 SCC 227***, held in **para 30** that arbitral findings of fact cannot be interfered with unless wholly perverse or patently illegal. The same position was emphatically reiterated in ***Ssangyong Engineering & Construction Co. Ltd. v. NHAI,*** reported in ***(2019) 15 SCC 131*** (**para 39**), where the Hon'ble Supreme Court held that re-appreciation of evidence is impermissible in proceedings challenging an arbitral award. A similar caution appears in ***Delhi Airport Metro Express Pvt. Ltd. v. DMRC,*** reported in ***2021 SCC Online SC 695*** (**para 29**), which confines judicial review to narrow grounds. Co-ordinate bench of this Court itself, in ***Lakhandeo Construction Pvt. Ltd. v. State of Bihar (supra)***, held at **para 16** that factual findings of the Tribunal cannot be disturbed unless shown to be perverse or unsupported by material.

17. In the present case, the Tribunal has recorded categorical findings supported by documentary evidence that (i) no sanctioned order existed for change of lead; (ii) the petitioner did not raise any contemporaneous objection at the time of receiving final payment; (iii) the consultant's noting's had no legal force; and (iv) the claim was raised only after final settlement. These findings are clearly rooted in evidence and align with governing legal principles. Hence, they cannot be characterized as perverse. Consequently, in view of the consistent and authoritative jurisprudence of the Supreme Court on (i) accord and satisfaction, (ii) inability of engineer noting's to create financial liability, (iii) impermissibility of belated afterthought claims, and (iv) the narrow scope of revisional interference with factual findings, this Court finds no ground whatsoever to disturb the well-reasoned order of the Tribunal.

18. After considering the submissions of both parties, the materials on record, and the legal principles applicable, this Court finds no error in the order dated 22.06.2022 passed by the Tribunal in Reference Case No. 59 of 2014. The petitioner had voluntarily accepted the final bill in

2013 without any protest or reservation, and in view of the law laid down by the Hon'ble Supreme Court in ***New India Assurance Co. Ltd. v. Genus Power Infrastructure Ltd. (supra) (para 9)*** and ***ONGC Mangalore Petrochemicals Ltd. v. ANS Constructions Ltd. (supra) (para 16)***, such acceptance amounts to full and final settlement, leaving no surviving dispute.

19. In revisional jurisdiction under Section 13 of the Act, 2008, this Court cannot re-appreciate factual findings unless they are perverse or unsupported by evidence. The Tribunal's conclusions that no sanctioned order existed for change of lead, that the petitioner accepted the final bill without protest, and that the claim was raised only thereafter, are all findings supported by the record and in consonance with binding judicial principles.

20. For the aforesaid reasons, this Court finds no infirmity in the impugned order dated 22.06.2022. The Civil Revision Application is accordingly dismissed. There shall be no order as to costs.

(Ramesh Chand Malviya, J)

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