

IN THE HIGH COURT OF JHARKHAND AT RANCHI

W.P.(C) No. 1025 of 2018

Manoj Kumar Singh, S/o Sri Shama Nand Singh, Aged about 56 years,
R/o Village Jharudih, P.O. Dhanbad, P.S. Dhanbad, District Dhanbad

... Petitioner

Versus

1. East Central Railway, through its Divisional Railway Manager, having office at DRM Office, Court More, P.O. & P.S. Dhanbad, District Dhanbad
2. The Sr. Divisional Engineer (4) having office at DRM Office, Court More, P.O. & P.S. Dhanbad, District- Dhanbad
3. The Divisional Engineer (4), East Central Railway having office at DRM Office, Court More, P.O. & P.S. Dhanbad, District Dhanbad

... Respondents

CORAM: HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE DEEPAK ROSHAN

For the Petitioner: Mr. Lukesh Kumar, Advocate
For the Respondents: Mr. Anil Kumar, Addl. S.G.I.
Mr. Ravi Prakash, C.G.C.

08/Dated: 25.02.2025

M.S. Ramachandra Rao, C.J.(Oral)

1. In this writ petition, the petitioner has challenged order dt. 19.01.2018 passed by the respondent terminating the contract against tender issued for general work, pipe, sanitary and wood work of Renukoot Sub-Division under Assistant Engineer, EC Railway, Renukoot for Zone No.29.

2. It is not in dispute that the petitioner had participated in a tender dt. 13.06.2017 invited by the respondents for the said work and on 18.10.2017, communication was sent to the petitioner by the Sr. Divisional Engineer of the respondents stating that it is the successful bidder and its bid has been accepted by the competent authority. The said letter asked the petitioner to provide performance guarantee and also make the security deposit. It informed the petitioner that the work is to be

completed in all respects within 30th June 2018 and so he should contact the Assistant Engineer, E.C. Railway, Renukoot for obtaining further instructions about the job, start the work immediately and complete it in time. It was further communicated to the petitioner that the letter of acceptance will constitute a binding contract and remain operative till the formal agreement is signed by the petitioner and the Railway administration, after which it will merge in the said formal agreement.

3. Admittedly, the petitioner was also issued the 48 hours' notice on 29.12.2017 asking him to commence work or show adequate progress of work in terms of Clause 62 of the Standard General Conditions of Contract, but he did not do anything. Prior thereto, a seven days' notice was also issued to the petitioner on 07.12.2017 under the same clause, but he did not do anything.

4. Therefore, vexed with the attitude of the petitioner, the impugned order was passed on 19.01.2018 terminating the contract and also barring the participation of the petitioner in the tender for executing the balance work after forfeiting the security deposit and performance guarantee.

5. Petitioner contends that there has to be a formal agreement/contract which has to be entered into between the parties under Clause 8 of the Indian Railways Standard General Conditions of Contract, and that a formal work order is also required to be issued to him to commence work.

6. We do not accept the said submission, since, even in the tender floated by the respondents it was specifically mentioned in Clause 5 of the Instructions to Tenderers and Conditions of Tender that till a formal agreement is prepared and executed, acceptance of the tender would constitute a binding contract subject to modifications, as may be mutually agreed to between the parties and indicated in the letter of acceptance offer for this work. It is the same condition which has also been mentioned

in the letter dt. 18.10.2017 accepting the petitioner's bid to the tender floated by the respondents.

7. When the petitioner is fully aware of the terms of the tender, he cannot now insist that unless there is a formal contract drawn up and a formal work order issued, he will not commence work.

8. In this view of the matter, we are of the opinion that there is no illegality committed by the respondents in terminating the contract against the tender issued through the impugned order dt. 19.01.2018. Therefore, the claim of the petitioner for return of security deposit and performance guarantee, which were forfeited/encashed during the pendency of the writ petition, is also rejected.

9. Writ petition is dismissed accordingly.

(M.S. Ramachandra Rao, C.J.)

(Deepak Roshan, J.)