

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.1530 of 2026

PSR Enterprises under the proprietorship of Ashok Prasad Pankaj @ Ashok Prasad, aged about 66 year (M), S/o Late Ramlagan Prasad, R/o Birpur, Main Road, near Cinema Hall, Thana-Birpur, District-Supaul.

... .. Petitioner/s

Versus

1. The State of Bihar through Secretary Town Development and House Department, Bihar, Patna.
2. The Secretary Town Development and House Department, Bihar, Patna.
3. The Chief Engineer, Water Supply Drainage and Sevarage North Bhar, Sub Division, Bihar, Patna.
4. Md. Rajjan Shamim, The Superintendent Engineer, Town Development Anchal-Kosi, Saharsa.
5. Executive Engineer, Town Development Sub Division-Madhepura, Supaul, Madhepura.
6. The Town Executive Officer, Nagar Panchayat Virrpur, Supaul.

... .. Respondent/s

Appearance :

For the Petitioner/s	:	Mrs. Sweta Priya, Advocate
For the State	:	Mr. P.K. Verma AAG-3
		Mr. Saroj Kumar Sharma, AC to AAG-3

CORAM: HONOURABLE MR. JUSTICE SUDHIR SINGH
and
HONOURABLE MR. JUSTICE RAJESH KUMAR VERMA
ORAL ORDER

(Per: HONOURABLE MR. JUSTICE SUDHIR SINGH)

2 12-02-2026 Heard learned counsel for the parties.

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

“That this writ application is being filed for Issuance of appropriate writ for quashing the letter dated 25.9.2025 issued by the respondent authority whereby the NIT no.3/26-26 has been cancelled with a direction to proceed further and also for quashing the consequential re-tender



notice dt. 1.12.25 NIT No.9/25-26 issued by the respondent authority.

And

For issuance of a writ of mandamus directing the respondents to proceed with the earlier tender process from the stage prior to the illegal cancellation and to Restrain the respondents from finalizing the re-tender pending disposal of the writ petition.

And

Further also for any other other relief(s) as this Hon'ble Court may deem fit in the interest of justice."

3. The brief facts of the case are that the respondent authority issued a Notice Inviting Tender (hereinafter referred to as the 'NIT') No. 3/25-26 for construction of drainage system from Hanuman Temple to the house of Ashok Singh in ward no.6 in Birpur Nagar Panchayat, wherein, the petitioner was found technically qualified. Thereafter, the financial bid was opened and, the petitioner emerged as L-1 (lowest bidder) having quoted 0.5% below. Subsequently, the respondent authority invoked "darwarta/negotiation clause" and called the petitioner for negotiation. It was alleged that, under the guise of negotiation, the petitioner was pressurised to enhance the quoted rate from 0.5% to 16.5%. Despite being under no legal obligation, the petitioner, voluntarily agreed to enhance the



quoted rate from 0.5% to 1%. The respondent authority, however, refused to consider the said offer and decided that if the petitioner was not willing to work at the rate of 16.5%, a fresh tender process would be initiated. Thereafter, the respondent authority proceeded to cancel the first tender and issued a fresh tender for the same work. Being aggrieved by the aforesaid action of the respondent authority, the petitioner has preferred the present writ application before this Court.

4. Learned counsel for the petitioner submits that cancellation of the tender and issuance of a fresh re-tender after disclosure of financial bids is illegal. It was further submitted that petitioner agreed to enhance the rate from 0.5% to 1%, but respondent authority refused to consider the said offer and decided that if the petitioner is not ready to work at the rate of 16.5% then fresh process may be initiated. Such action of respondent authority is liable to be set aside on the ground of unreasonableness, because the petitioner was found fully technically qualified.

5. Learned counsels for the respondent submit that the respondent authority had expressly reserved the right to cancel the tender without assigning any reason, as stipulated in the NIT. It is a settled principle of law that a bidder who participates



in the tender process after accepting the terms and conditions thereof is bound by the same. In the present case, the action of the respondent authority in canceling the tender and issuing a fresh tender is strictly in consonance with the terms of the NIT.

6. The limited question that arises for consideration is, whether, in the facts and circumstances of the present case, any interference is warranted by this Court, in exercise of its writ jurisdiction.

7. It is not in dispute that the petitioner participated in the tender process with full knowledge and acceptance of the terms and conditions including Clause 39 of the NIT. The petitioner, cannot, at a belated stage, be permitted to challenge the cancellation of the tender or the issuance of a fresh tender merely because the decision has gone against him. Clause 39 of the NIT, annexed as Annexure- P/1, expressly reserved the right of the competent authority to cancel the tender, in whole or in part. Clause 39 of the NIT is extracted hereinbelow:

“39. सक्षम प्राधिकार को बिना कोई कारण बताये निविदा के सभी/किन्ही कार्यों को या किसी कार्य के किन्ही अंश को रद्द करने का अधिकार सुरक्षित रहेगा। इसके लिए किसी भी प्रकार का कोई दावा मान्य नहीं होगा।

8. It is pertinent to take note of the decision of



Hon'ble supreme Court in the case of ***State of Jharkhand & Ors. vs. CWE-SOMA Consortium***, reported in ***(2016) 14 SCC 172***, wherein it was observed:-

“13. In case of a tender, there is no obligation on the part of the person issuing tender notice to accept any of the tenders or even the lowest tender. After a tender is called for and on seeing the rates or the status of the contractors who have given tenders that there is no competition, the person issuing tender may decide not to enter into any contract and thereby cancel the tender. It is well settled that so long as the bid has not been accepted, the highest bidder acquires no vested right to have the auction concluded in his favour....

23. The right to refuse the lowest or any other tender is always available to the Government. In the case in hand, the respondent has neither pleaded nor established mala fide exercise of power by the appellant. While so, the decision of the Tender Committee ought not to have been interfered with by the High Court. In our considered view, the High Court erred in sitting in appeal over the decision of the appellant to cancel the tender and float a fresh tender. Equally, the High Court was not right in going into the financial implication of a fresh tender.”

9. In the present case, considering the clear stipulation contained in Clause 39 of the NIT and the discussions made above, this Court is of the view that the issue



before us for consideration is to be answered in the negative. The respondent authority acted in accordance with the said clause while cancelling the NIT and issuing a fresh tender. The said clause was part of the tender conditions and was well within the knowledge of the petitioner at the time of participation in the tender process. Having accepted the terms and conditions of the NIT, the petitioner is bound thereby. Consequently, no ground is made out for interference by this Court.

10. Accordingly, the present writ application stands dismissed.

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

(Sudhir Singh, J)

(Rajesh Kumar Verma, J)

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