

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.15485 of 2025

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Avian Infrastructure and Energy Pvt. Ltd. Through its Director Ankit Kumar,
Male-aged 38 years, Son of Umesh Kumar Singh, House No.4, Road No.11,
Patel Nagar, P.S. Rajeev Nagar, District- Patna, Bihar.

... .. Petitioner/s

Versus

1. The State of Bihar through the Secretary, Public Health Engineering Department, Govt. of Bihar, Patna.
2. The Engineer-in-Chief cum Special Secretary, Public Health Engineering Department, Govt. of Bihar, Patna.
3. The Chief Engineer, Public Health Engineering Department, Purnea, Bihar.
4. The Superintending Engineer, Public Health Engineering Department, Purnea.
5. The Executive Engineer, Public Health Engineering Department, Katihar Division, Katihar.

... .. Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Naresh Dikshit, Advocate Ms. Shruti Singh, Advocate Mr. Utkarsh Pathak, Advocate
For the State	:	Mr. P.K. Shahi, Advocate General

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CORAM: HONOURABLE MR. JUSTICE SUDHIR SINGH
and
HONOURABLE MR. JUSTICE SHAILENDRA SINGH
ORAL ORDER

(Per: HONOURABLE MR. JUSTICE SUDHIR SINGH)

3 18-03-2026 Heard learned counsel for the parties.

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

*“ i. For issuance of an appropriate writ
in the nature of “Certiorari” for quashing and
setting aside the impugned office order bearing no.
98, 97 and 96 bearing memo no.3145, 3144 and
3143 dated 13.09.2025 (Annexure P/5 series),
issued by the Respondent no. 5 whereby the
agreements dated 22.08.2025 bearing Group no.2,*



SBD-04/2025-26, Group no.3, SBD-05/2025-26, and Group no.4, SBD-06/2025-26 respectively executed with the Petitioner following the tender awarded, has been cancelled and annulled.

ii. For issuance of an appropriate writ, order or direction in the nature of Certiorari, for quashing and setting aside the impugned Notice / Letter dated. 12.09.2025 (Annexure-P/6 series) issued by the impugned Departmental Tender Committee, whereby the tender already awarded to the Petitioner has been cancelled, despite the fact that the agreement had been executed and the Petitioner had already commenced the work.

iii. For holding and declaring that the Agreements executed with the Petitioner pursuant to LOAs via Letter Nos. 2568, 2569 and 2570 dated 12.08.2025 are valid, subsisting and binding upon the Respondents.

iv. For any other relief/reliefs for which the petitioner is entitled in the facts and circumstances of the instant case.”

3. The brief facts of the case are that the petitioner, a commercial entity engaged in execution of government contracts, participated in NIT No. 13-PHED_KTR_2024-25 dated 29.01.2025 issued by the respondent department for execution of piped water supply schemes in District Katihar under the Mukhyamantri Gramin Peyjal Nishchay Yojna. Upon due evaluation, the petitioner was declared the lowest bidder (L-1) and Letters of Acceptance dated 12.08.2025 were issued in its favour, pursuant to which formal agreements were executed for multiple groups of work having a cumulative value exceeding



Rs. 220 crores. The petitioner furnished performance bank guarantees and commenced execution of the work after mobilising requisite resources and incurring substantial expenditure. However, on the basis of a complaint made by one Aman Anand, the respondents, vide impugned office orders dated 13.09.2025, cancelled the entire tender process and annulled the agreements already executed with the petitioner.

4. The impugned orders are the office orders dated 13.09.2025 (Annexure P/5 series), whereby the Agreements executed were cancelled and the Letter dated 12.09.2025 (Annexure- P/6 series) cancelling the awarded tenders.

5. Learned counsel for the petitioner submits that the petitioner was declared to be a successful bidder and an agreement was executed with the Respondent-Department. The work had also progressed and a huge amount of money was invested by the petitioner in mobilizing and starting the work in question. It is further submitted that a complaint was filed by one Aman Anand on 28.08.2025, who is a third party and had not even participated in the bid process. In the said complaint, no allegation was made against the petitioner; at best, there was some allegation that the tenders of other participants were wrongly rejected by the Department. It is submitted that the



persons whose tenders were rejected never approached this Court and, on the basis of such a vague complaint by a third party, the impugned order has been passed. It is further submitted that the impugned order is a cryptic one, as no valid reason have been assigned therein, and the same has been passed without giving any opportunity of hearing to the petitioner, inasmuch as neither any notice nor any show cause was issued, thus being in contravention to the principles of natural justice.

6. Learned counsel for the State, while referring to the counter affidavit, has not disputed the fact that the impugned action was taken pursuant to the complaint made by the said Aman Anand, and the said stand is reflected in the counter affidavit as well.

7. The limited issue that arises for consideration before this Court is that whether the respondent authorities were justified in cancelling the tender and annulling concluded agreements on the basis of a complaint made by a third party, who was a stranger to the tender process as well as the contract.

8. Upon hearing learned counsel for the parties and on perusal of the materials on record, this Court finds that it is not in dispute that the petitioner was declared the lowest bidder (L-



1) pursuant to a due tender process, and Letters of Acceptance were issued in its favour, followed by execution of formal agreements between the parties. It is further evident from the record that the petitioner had furnished the requisite performance bank guarantees and had also commenced execution of the work. Thus, the tender process had attained finality and culminated into a concluded and binding contractual relationship between the parties, creating vested rights and corresponding obligations.

9. It further emerges from the record, as also from the stand taken in the counter affidavit filed on behalf of the State, that the entire action leading to cancellation of the tender and annulment of the agreements has been initiated on the basis of a complaint made by one Aman Anand. It is an admitted position that the said complainant was neither a participant in the tender process nor had any contractual relationship with the respondent authorities in respect of the subject work, and thus was a complete stranger to both the tender and the contract.

10. In such circumstances, while the respondent authorities are not restrained of their power to examine complaints; any action having civil consequences, particularly one which results in nullifying concluded contracts, must be



supported by cogent reasons and must adhere to the principles of fairness and due process.

11. However, upon perusal of the impugned order dated 13.09.2025, this Court finds that the same is wholly cryptic and devoid of any reasons, inasmuch as it does not disclose the basis on which such a drastic decision has been taken, nor does it indicate any fault attributable to the petitioner. The Hon'ble Supreme Court in ***Kranti Associates Pvt. Ltd. v. Masood Ahmed Khan*** reported in **(2010) 9 SCC 496** has emphasized that recording of reasons is an essential facet of natural justice and ensures transparency in decision-making. The relevant part of the said order reads as follows:

“47. Summarising the above discussion, this Court holds:

(a) In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.

(b) A quasi-judicial authority must record reasons in support of its conclusions.

(c) Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well.

(d) Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.

(e) Reasons reassure that discretion has been exercised by the decision-maker on relevant grounds and by disregarding extraneous considerations.

(f) Reasons have virtually become as indispensable a component of a decision-making process as observing



principles of natural justice by judicial, quasi-judicial and even by administrative bodies.

(g) Reasons facilitate the process of judicial review by superior courts.

(h) The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the lifeblood of judicial decision-making justifying the principle that reason is the soul of justice.

(i) Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.

(j) Insistence on reason is a requirement for both judicial accountability and transparency.

(k) If a judge or a quasi-judicial authority is not candid enough about his/her decision-making process then it is impossible to know whether the person deciding is faithful to the doctrine of precedent or to principles of incrementalism.

(l) Reasons in support of decisions must be cogent, clear and succinct. A pretence of reasons or “rubber-stamp reasons” is not to be equated with a valid decision-making process.

(m) It cannot be doubted that transparency is the sine qua non of restraint on abuse of judicial powers. Transparency in decision-making not only makes the judges and decision-makers less prone to errors but also makes them subject to broader scrutiny. (See David Shapiro in Defence of Judicial Candor [(1987) 100 Harvard Law Review 731-37] .)

(n) Since the requirement to record reasons emanates from the broad doctrine of fairness in decision-making, the said requirement is now virtually a component of human rights and was considered part of Strasbourg Jurisprudence. See Ruiz Torija v. Spain [(1994) 19 EHRR 553] EHRR, at 562 para 29 and Anya v. University of Oxford [2001 EWCA Civ 405 (CA)] , wherein the Court referred to Article 6 of the European Convention of Human Rights which requires,

“adequate and intelligent reasons must be given for judicial



decisions”.

(o) In all common law jurisdictions judgments play a vital role in setting up precedents for the future. Therefore, for development of law, requirement of giving reasons for the decision is of the essence and is virtually a part of “due process”.

12. Further, it is not in dispute that prior to passing of the impugned order, no opportunity of hearing was afforded to the petitioner. Admittedly, neither any show cause notice was issued nor any explanation was sought from the petitioner, despite the fact that the impugned action has serious civil and financial consequences, including annulment of agreements and disruption of ongoing work. Such action is in clear violation of the principles of natural justice, particularly the rule of *audi alteram partem*.

13. This Court also finds substance in the submission advanced on behalf of the petitioner that the persons whose bids were allegedly rejected during the tender process have not chosen to assail the same before any forum. It is not the case of the respondents that any of such unsuccessful bidders have questioned the tender process or the award of contract in favour of the petitioner. In such circumstances, the initiation of action solely on the basis of a complaint made by a third party, who neither participated in the tender process nor had any direct grievance arising therefrom, assumes significance.



14. This Court is of the considered view that while the authorities are not precluded from examining complaints, especially in public matters, the same cannot form the sole basis for taking drastic action of cancelling a concluded tender and annulling subsisting agreements, particularly when the persons directly affected by the alleged irregularities have themselves not raised any challenge. Such action, in absence of independent application of mind, cogent reasons and adherence to due process, partakes the character of arbitrariness.

15. In view of the aforesaid discussion, the impugned office orders dated 13.09.2025 (Annexure-P/5 series) and the letter dated 12.09.2025 (Annexure-P/6 series) cannot be sustained in the eyes of law and are, accordingly, set aside.

16. Accordingly, the writ application is allowed.

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

(Sudhir Singh, J)

(Shailendra Singh, J)

Maynaz/Anushka/

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