

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.18551 of 2025

M/s Khushee Construction through its Partner, namely Rajeev Kumar @
Rajeev Ranjan Kumar, aged about 37 years (Male), son of Virendra Singh,
resident of village- Rampur, Dumra, P.S.-Maranchi, District- Patna.

... .. Petitioner

Versus

1. The State of Bihar through the Principal Secretary, Public Health Engineering Department, Government of Bihar, Patna.
2. The Principal Secretary, Public Health Engineering Department, Government of Bihar, Patna.
3. The Engineer-in-Chief-cum- Special Secretary, Public Health Engineering Department, Government of Bihar, Patna.
4. The Chief Engineer, Design, Public Health Engineering Department, Government of Bihar, Patna.
5. The Chief Engineer (Zonal), Public Health Engineering Department, Purnea Zone, Purnea.
6. The Superintendent Engineer, Public Health Engineering Department, Purnea Circle, Madhepura.
7. The Executive Engineer, Public Health Engineering Division Purnea, Bihar.
8. The Executive Engineer, Public Health Engineering Division Dhamdaha, Bihar

... .. Respondents

Appearance :

For the Petitioner	:	Mr. Vikas Kumar, Advocate Mrs. Aradhana Kumari, Advocate Mr. Akash Deep, Advocate
For the Respondents	:	Mr. Addl. Advocate General-3

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

(Per: HONOURABLE MR. JUSTICE SUDHIR SINGH)

5 23-02-2026 In the present writ petition, the petitioner has prayed
for the following relief(s):-

*“(i) For quashing of office order no. 176, 178 to
183 all dated 28.08.2025 contained in
respective memo no. 2788, 2800 to 05 all dated*



28.08.2025 issued by the Executive Engineer, Public Health Division, Purnea, whereby and where-under altogether 7 agreements i.e SBD No. 149, 147, 146, 143, 142, 140 and 148 of 2019-20 for "Design, Construction, Supply, Testing, commissioning of Water supply Scheme with Electric Driven Pumps and Iron Removal Treatment Plant having Technology (Adsorption/ Nano Technology) of CSIR or certified by CSIR or any other Technology endorsed/ approved by GOI in the Iron effected Habitations under different wards/ Panchayat under different Blocks in the Purnea division, District-Purnea of Bihar on turnkey basis with 3 month Trial Run after Commissioning and comprehensive operation and maintenance of 60 months after successful completion of Trial Run Period under Mukhyamantri Nishchay (Quality Affected)" (herein after to be referred as 'the work in question'), has been terminated and security money has also been forfeited along with decision has been taken to recommend the higher officials to blacklist the registration of the petitioner without issuance of any show-cause notice and affording any opportunity of hearing to the petitioner.

(ii) For direction to the respondent authorities to allow the petitioner to complete the work pursuant to aforesaid agreements as mentioned in sub-para- (i) as petitioner has completed almost more than 90% of work in the ward/panchayat of the work in question.



(iii) For any other appropriate relief/reliefs on the facts and circumstances of the present case for which the petitioner is found entitle too.”

2. From perusal of the record and the General Conditions of contract forming part of the agreement executed between the employer and the contractor, it appears that Clause 25 of the agreement provides as under:-

“CLAUSE-25

Settlement of Disputes & Arbitration

Except where otherwise provided in the contract all questions and disputes relating to the meaning of the specifications, design, drawings and instructions here-in-before mentioned and as to the quality of workmanship or materials used on the work or as to any other question, claim right matter or thing whatsoever in any way arising out of or relating to contract, designs, drawings, specifications, estimates, instructions, orders or these conditions or otherwise concerning the works or execution or failure to execute the same whether arising during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be dealt with as mentioned hereinafter.

(i) If the contractor considered any work demanded of him to be outside of the requirements of the contract, or dispute any drawings, record or decision given in the



writing by the Engineer-in-Charge on any matter in connection with or arising out of the contract or carrying out of the contract or carrying out of the work, to be unacceptable, he shall promptly within 7 days request the Superintending Engineer in writing for the written instruction of decision. Thereupon, the Superintending Engineer shall give his written instructions of decision within a period of fifteen days from the receipt of the contractor's letter. If the Superintending Engineer fails to give his instructions or decision in writing within the aforesaid period or if the contractor is dissatisfied with the instructions or decision of the Superintending Engineer, the contractor may, within 15 days of the receipt of Superintending Engineer's decision, appeal to the Chief Engineer who shall afford an opportunity to the contractor to be heard, if the later so desires, and to offer evidence in support of his appeal. The Chief Engineer shall give his decision within 30 days of receipt of contractor's appeal. If the contractor is dissatisfied with this decision, the contractor shall within a period of 30 days from receipt of the decision, give notice to the Chief Engineer for appointment of arbitrator failing which the said decision shall be final binding and conclusive and not referable to adjudication by the arbitrator.

(ii) Except where the decision has become final, binding and conclusive in terms of Sub Para (i)



above disputes or difference shall be referred for adjudication through arbitrator appointed by Engineer-in-Chief or the administrative head of the said PHED. If the arbitrator so appointed is unable or unwilling to act or resign his appointment or vacates his office due to any reason whatsoever another sole arbitrator shall be appointed in the manner aforesaid. Such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.

It is a term of this contract that the party invoking arbitration shall give a list of disputes with amounts claimed in respect of each such dispute along with the notice for appointment of arbitrator and giving reference to the rejection by the Chief Engineer of the appeal.

It is also a term of this contract that no person other than a person appointed by such Engineer-in-Chief or the administrative head of the department as aforesaid should act as arbitrator and if for any reason that is not possible, the matter shall not be referred to arbitrator at all. It is also a term of this contract that if the contractor does not make any demand for appointment of arbitrator in respect of any claims in writing as aforesaid within 45 days of receiving the intimation from the Engineer-in-Charge that the final bill is ready for payment, the claim of the contractor shall be deemed to have been waived and absolutely barred and the Government shall be discharged and released of



all liabilities under the contract in respect of these claims.

The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) or any statutory modifications or re-enactment thereof and the rules made there under and for the time being in force shall apply to the arbitration proceeding under this clause.

It is also a term of the contract that if any fees are payable to the arbitrator these shall be paid equally by both the parties.

It is also a term of the contract that the arbitrator shall be deemed to have entered on the reference on the date the issues notice to both the parties calling them to submit their statement of claims and counter statement of claims. The venue of the arbitration shall be such place as may be fixed by the arbitrator in his sole discretion. The fees, if any, of the arbitrator shall, if required to be paid before the award is made and published, be paid half and half by each of the parties. The cost of the reference and of the award (including the fees, if any, of the arbitrator) shall be in the discretion of the arbitrator who may direct to any by whom and in what manner such costs or any part thereof shall be paid and fix or settle the amount of costs to be so paid.

All arbitration shall be held at PATNA and at no other place.”



3. In view of the aforesaid, the petitioner shall be at liberty to avail the remedy available under Clause 25 of the Agreement. While invoking the remedy under Clause 25, the petitioner shall be at liberty to raise all permissible grounds in accordance with law.

4. Accordingly, with the aforesaid liberty, the present application stands disposed of.

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

(Sudhir Singh, J.)

(Rajesh Kumar Verma, J.)

*Gaurav Kumar,
Ibrar/-*

U			
---	--	--	--

