IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.1372 of 2026

CNR No. BRHC011344002025

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Aman Enterprises Bahadurpur, Ward No. 26, Samastipur District-Samastipur, through its Proprietor Aman Kumar @ Aman Kumar Gupta, Male aged about 38 years son of Ashok Sah having the same address mentioned above.

... ... Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Urban Development and Housing Department, Bihar Patna.
2. The District Collector, Samastipur, District Samastipur.
3. Samastipur Municipal Corporation through its Municipal Commissioner, Administrative Block, Samastipur Municipal Corporation Office, Samastipur, District-Samastipur.
4. The Municipal Commissioner, Samastipur Municipal Corporation, Samastipur, District-Samastipur.letter

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Akshansh Shankar, Adv. Mr. Abhay Shankar Singh, Adv.
For the State	:	Ms. Supragya, AC to SC-2
For the Corporation	:	Mr. Prince Kumar Mishra, Adv. Ms. Priyanka Kumari, Adv. Mr. Sanjiv Kumar, Adv.

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CORAM: HONOURABLE MR. JUSTICE HARISH KUMAR
ORAL JUDGMENT
Date : 23-11-2026

Heard Mr. Akshansh Shankar, learned Advocate for the petitioner, and Mr. S.P. Parasar, learned Advocate for the State. The Municipal Corporation, Samastipur is represented through Mr. Prince Kumar Mishra, learned Advocate.

2. Invoking the extraordinary jurisdiction of this Court, the petitioner has challenged Letter No. 3632 dated 04.12.2023, issued by the Municipal Commissioner, Municipal

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Corporation, Samastipur (hereinafter referred to as the 'Corporation'), whereby the petitioner's purported legitimate claim for payment of outstanding contractual dues, including 10% contractor's margin/profit, has been rejected. The impugned order is assailed as arbitrary, unreasonable, non-speaking and contrary to the contemporaneous official records.

3. The brief facts, giving rise to the present writ petition, lie within a narrow compass. The respondent Corporation had floated an Expression of Interest-cum-Tender Notice bearing No. 1/2017-18 dated 19.02.2018, inviting quotations for outsourcing sanitation and cleaning work in different wards of Samastipur Nagar Parishad. The petitioner participated in the tender process and submitted its financial estimate dated 16.03.2018, incorporating 10% of the total bill amount towards contractor's margin/profit. The petitioner's proposal, along with the financial estimate, was duly accepted by the Empowered Standing Committee of the Nagar Parishad on 31.03.2018. Thereafter, vide communication dated 05.04.2018, the petitioner was informed about the acceptance of its proposal and was directed to execute the agreement. Accordingly, an agreement dated 11.05.2018 was executed between the petitioner and the Nagar Parishad.

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4. Mr. Akshansh Shankar, learned Advocate for the petitioner, adverting to the aforesaid facts, submitted that the financial estimate, which formed the basis of the petitioner's accepted proposal, expressly provided for payment of 10% of the total bill amount towards contractor's margin/profit. The said component was neither subsequently introduced nor unilaterally claimed by the petitioner; rather, it formed an integral part of the financial proposal submitted during the tender process itself. Despite repeated representations, the outstanding dues remained unpaid, compelling the petitioner to approach this Court by filing C.W.J.C. No. 9327 of 2023.

5. This Court, vide order dated 02.11.2023, directed the Municipal Commissioner, Samastipur, to examine the petitioner's claim and, if the same was found to be genuine, pass appropriate orders for payment. In the event of rejection, the authority was required to assign reasons by passing a speaking order. Pursuant to the aforesaid direction, the petitioner submitted a detailed representation, which ultimately came to be rejected by the Municipal Commissioner vide the impugned communication bearing Letter No. 3632 dated 04.12.2023.

6. Learned Advocate for the petitioner, while assailing the impugned order, submitted that the fundamental error in the

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decision-making process lies in the respondent's repeated assertion that there was no provision for payment of 10% contractor's margin, an assertion which is demonstrably contrary to the official records. It is contended that three contemporaneous documents, particularly the financial estimate submitted by the petitioner, expressly incorporated the component of 10% contractor's margin. Further, the remarks of the Executive Officer acknowledging the petitioner's entitlement to 10% contractor's margin upon approval of the Empowered Standing Committee, as well as the legal opinion obtained by the Nagar Parishad itself acknowledging such entitlement, unequivocally establish that the petitioner's claim has its foundation in the original tender process and the respondent's own official records.

7. It is further submitted that the Municipal Commissioner failed to examine the aforesaid documents and record any reasons for accepting or rejecting their evidentiary and contractual significance. Such complete omission to consider material documents renders the impugned decision arbitrary and unsustainable. It is also contended that the respondents cannot rely upon the agreement in isolation while ignoring the tender documents and financial estimate, which

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formed the foundation of the contractual arrangement between the parties. The validity of an administrative order must be examined on the basis of the reasons recorded therein and not on the basis of fresh justifications subsequently introduced through pleadings. Accordingly, the impugned order is liable to be quashed for failure to comply with the mandate of this Court and for non-application of mind to the relevant materials available on record.

8. The petitioner fairly acknowledges that there has been an interval between the issuance of the impugned communication and the institution of the present proceeding. However, it is contended that, in the facts and circumstances of the present case, such interval does not constitute an unexplained or unreasonable delay sufficient to disentitle the petitioner from invoking the extraordinary jurisdiction of this Court, particularly when no statutory period of limitation is prescribed for invoking the writ jurisdiction under Article 226 of the Constitution of India. It is lastly contended that the petitioner cannot be penalised for having initially pursued an administrative resolution, particularly when such efforts were undertaken in the hope of receiving payment of legitimate contractual dues from a public authority.

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9. Per contra, Mr. Prince Kumar Mishra, learned Advocate for the respondent Corporation, controverting the aforesaid submissions, contended that the tender document governing the subject work did not contain any clause whatsoever providing for payment of 10% of the total bill amount towards contractor's profit/margin. In the absence of any such stipulation in the tender conditions, any subsequent claim seeking payment of 10% margin *dehors* the tender documents is wholly misconceived and unsustainable in law and is, therefore, liable to be rejected outrightly.

10. It is further submitted that the so-called acceptance letter relied upon by the petitioner was neither specific nor did it expressly endorse, reiterate or incorporate any provision relating to 10% contractor's profit margin, as suggested in the petitioner's estimate. Learned Advocate for the respondent Corporation vehemently contended that the terms of the formal agreement, which was ultimately executed between the parties and governs their contractual relationship, contain no stipulation providing for payment of such 10% margin. The petitioner cannot be permitted to rely upon a unilateral pre-contractual proposal or vague and non-specific correspondence to introduce a financial claim which finds no place in the

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binding agreement.

11. It is also argued that, in view of Section 94 of the Bharatiya Sakshya Adhiniyam, 2023, which mandates that where the terms of a contract have been reduced into writing, no evidence shall be led in proof of such terms except the document itself, reliance upon extraneous material to vary or supplement the written contract is legally impermissible.

12. Mr. Mishra further contended that the grievance relating to EPF dues has already been fully resolved and the applicable EPF dues were duly sanctioned and paid to the petitioner vide office order contained in Memo No. 666 dated 10.05.2021. It is also submitted that, upon finding the petitioner's services unsatisfactory, a show-cause notice was issued to the petitioner. However, despite being afforded a fair opportunity to explain and rectify the lapses, the petitioner failed to furnish any satisfactory rectification plan, which ultimately culminated in the termination of the agreement with effect from 01.10.2019.

13. Learned Advocate for the respondent Corporation further submitted that the petitioner has already been paid all admitted and verified dues for the actual work executed, a fact which also stands corroborated by the payment chart annexed

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by the petitioner himself. The inflated claim of Rs. 54,10,445/-, along with the arbitrary and unilateral demand for interest at the rate of 18% on the alleged contractor's margin/profit, is nothing but an attempt to illegally extract public money. It is further contended that the petitioner's claim was duly examined in the light of the order passed by this Court in C.W.J.C. No. 9327 of 2023 and the relevant records, and the same was rightfully rejected on the specific finding that the petitioner had failed to produce any valid documentary evidence in support of the inflated claim. On these grounds, learned Advocate for the respondent Corporation sought dismissal of the present writ petition.

14. This Court has carefully heard learned Advocates for the respective parties and perused the materials available on record.

15. Before adverting to the rival submissions on merits, it would be apposite to notice the relevant chronology of events. The agreement between the parties was executed on 11.05.2018 and was subsequently rescinded with effect from 01.10.2019 vide contract cancellation Letter No. 1423 dated 05.09.2019. Thereafter, the petitioner raised a claim regarding outstanding contractual dues by filing C.W.J.C. No. 9327 of

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2023, which came to be disposed of vide order dated 02.11.2023, directing the Municipal Commissioner, Samastipur, to examine the petitioner's claim. Pursuant to the representation submitted by the petitioner, the claim was considered and rejected vide the impugned Letter No. 3632 dated 04.12.2023. Aggrieved thereby, the petitioner has approached this Court by filing the present writ petition on 28.01.2026.

16. This Court is conscious of the settled legal position that, although the statutory law of limitation does not strictly govern proceedings under Article 226 of the Constitution of India, constitutional or legal rights cannot be enforced after an unreasonable lapse of time. Unexplained delay and inordinate laches operate as a bar to the grant of discretionary relief under the writ jurisdiction. The Hon'ble Supreme Court has repeatedly cautioned that a writ petitioner must approach the Court within a reasonable period and that stale claims cannot be permitted to be revived by invoking the extraordinary jurisdiction of the High Court.

17. In ***S.S. Balu and Anr. Vs. State of Kerela and Ors., (2009) 2 SCC 479***, the Hon'ble Supreme Court held that delay and laches defeat equity and that a party who sleeps over its rights and approaches the Court after a prolonged and

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unexplained delay disentitles itself to discretionary relief under Article 226 of the Constitution of India.

18. Another aspect which merits consideration is the nature of the relief sought by the petitioner. Where the rights sought to be enforced are purely of a private contractual character, the issuance of a writ of mandamus does not ordinarily arise. In ***Joshi Technologies International Inc. Vs. Union of India & Ors., (2015) 7 SCC 728***, the Hon'ble Supreme Court, while examining the maintainability of writ petitions in contractual matters, observed that there is no absolute bar to the maintainability of a writ petition even in contractual matters, or where disputed questions of fact arise, or where a monetary claim is involved. However, the exercise of such jurisdiction remains discretionary, and the High Court may decline to exercise the same in appropriate circumstances. In particular, the Hon'ble Supreme Court observed that ordinarily, the Court would not exercise its writ jurisdiction in cases involving money claims arising purely out of contractual obligations, save in exceptional circumstances.

19. In the earlier round of litigation, the petitioner had approached this Court seeking consideration and payment of its alleged outstanding contractual dues. However, without entering

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into the merits of the claim, this Court disposed of the writ petition by granting liberty to the petitioner to submit a fresh representation along with supporting documents and directing the competent authority to examine the same. It was pursuant to the aforesaid direction that the impugned order came to be passed.

20. This Court, while exercising the power of judicial review in contractual matters, is not oblivious to the settled principle that interpretation and implementation of contractual terms ordinarily fall within the domain of ordinary civil and contractual law and not within the scope of writ jurisdiction. The scope of judicial review in such matters is limited to examining the legality, fairness and rationality of the decision-making process. In ***Banshidhar Construction Private Limited Vs. Bharat Coking Coal Limited and Ors., (2024) 10 SCC 273***, the Hon'ble Supreme Court reiterated that judicial review in contractual matters is confined to examining whether the decision-making process is reasonable, rational and non-arbitrary, in conformity with Article 14 of the Constitution of India. The Court is also required to exercise restraint in matters relating to government contracts, and due deference is ordinarily required to be accorded to the interpretation of tender conditions

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by the tendering authority.

21. In this regard, it would be pertinent to refer to paragraph 20 of the judgment rendered by the Hon'ble Supreme Court in ***Silppi Construction Contractors Vs. Union of India & Anr., (2020) 16 SCC 489***, wherein the Hon'ble Supreme Court, while emphasising the principle of judicial restraint in matters relating to tenders and contractual decisions, observed as follows:

> *"20. The essence of the law laid down in the judgments referred to above is the exercise of restraint and caution; the need for overwhelming public interest to justify judicial intervention in matters of contract involving the State instrumentalities; the courts should give way to the opinion of the experts unless the decision is totally arbitrary or unreasonable; the court does not sit like a court of appeal over the appropriate authority; the court must realise that the authority floating the tender is the best judge of its requirements and, therefore, the court's interference should be minimal. The authority which floats the contract or tender, and has authored the tender documents is the best judge as to how the documents have to be interpreted. If two interpretations are possible then the interpretation of the author must be accepted. The courts will only interfere to prevent arbitrariness, irrationality, bias, mala fides or perversity. With this approach in mind we shall deal with the present case."*

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22. Coming to the facts of the present case, the materials available on record clearly demonstrate that the agreement between the parties was duly executed on 11.05.2018 pursuant to the invitation of the Expression of Interest-cum-Tender Notice No. 1/2017-18 dated 19.02.2018. It is not in dispute that the petitioner was required to submit a financial estimate, which was accordingly submitted and accepted by the Empowered Standing Committee on 31.03.2018. The petitioner was thereafter intimated about the acceptance of its proposal by the Nagar Parishad and, acting upon such intimation, the petitioner and the Nagar Parishad executed the agreement dated 11.05.2018, incorporating the terms and conditions governing the work to be performed pursuant to the aforesaid tender notice.

23. It is also not in dispute that the executed agreement stipulates that, upon completion of the sanitation work, the petitioner was required to furnish monthly bills, which were to be paid by the competent authority after proper verification and enquiry. However, a careful perusal of the agreement reveals that it does not contain any specific provision providing for payment of 10% of the total bill amount towards contractor's margin/profit to the petitioner. Significantly, neither

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was any clarification sought nor was any objection raised by the petitioner at the time of execution of the agreement or at any point during the subsistence of the contractual arrangement.

24. Even if, for the sake of argument, this Court accepts the petitioner's contention that the financial estimate was placed before the Empowered Standing Committee and was duly accepted, such acceptance, by itself, cannot override the express terms and conditions of the agreement subsequently executed between the parties. At best, the acceptance of the financial estimate may be regarded as one of the circumstances leading to the execution of the agreement. Once the formal agreement was executed, it was incumbent upon the petitioner to ensure that the terms and conditions incorporated therein adequately reflected the financial components forming part of its accepted proposal. In the event of any ambiguity, omission or requirement for clarification, the petitioner ought to have sought appropriate clarification before entering into the contractual arrangement.

25. Having consciously entered into the agreement without raising any objection regarding the alleged omission of the 10% contractor's margin/profit, the petitioner cannot, at this belated stage, seek to introduce a financial component which

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does not find specific mention in the executed agreement. The contention that the respondent Corporation failed to consider the financial estimate and other contemporaneous documents, therefore, cannot, by itself, confer an enforceable contractual entitlement upon the petitioner in the face of the terms of the formal agreement.

26. This Court also cannot lose sight of the fact that the agreement stood terminated with effect from 01.10.2019, whereas the petitioner approached this Court for the first time in the year 2023 by filing C.W.J.C. No. 9327 of 2023. Even after the rejection of its claim by the Municipal Commissioner vide the impugned Letter No. 3632 dated 04.12.2023, the petitioner instituted the present writ petition only on 28.01.2026. Thus, the petitioner approached this Court after a substantial lapse of time from the date of termination of the agreement as well as from the date of rejection of its claim. The explanation furnished by the petitioner does not sufficiently justify such delay, particularly when the claim essentially arises out of a contractual relationship and involves the adjudication of monetary entitlements.

27. In the considered opinion of this Court, the nature of the claim, the terms of the executed agreement, the absence

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of any specific stipulation regarding payment of 10% contractor's margin/profit and the unexplained delay in approaching this Court, taken together, do not warrant the exercise of extraordinary discretionary jurisdiction under Article 226 of the Constitution of India.

28. In view of the aforesaid facts and circumstances, this Court does not find any justifiable ground to interfere with the impugned order. Accordingly, the challenge laid by the petitioner fails. The writ petition stands dismissed.

(Harish Kumar, J)

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AFR/NAFR	NAFR
CAV DATE	NA
Date of Pronouncement	23.11.2026
Uploading Date	26.11.2026
Transmission Date	NA

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