

**IN THE HIGH COURT AT CALCUTTA
CONSTITUTIONAL WRIT JURISDICTION
APPELLATE SIDE**

**Before:
The Hon'ble Justice Hiranmay Bhattacharyya**

**WPA 7742 of 2026
Sk. Karim
VS.
State of West Bengal & Ors.**

For the petitioner : Mr. Sukanta Chakraborty
Mr. Soumya Kanti Sinha
Ms. Suparna Das
Mr. Anindya Halder
..... advocates

For the State : Mr. Lalit Mohan Mahata, Ld. AGP
Mr. Rudranil De
..... advocates

Reserved on : 07.04.2026

Judgment on : 09.04.2026

Hiranmay Bhattacharyya, J.:-

1. Petitioner has prayed for setting aside the Memo dated 02.02.2026 by virtue of which the e-Auction vide Request for Proposal being **RFP No. WBIW/SE/WC-II/RFP-25(e)/2025-26** was cancelled and the Office Order dated 03.02.2026, by virtue of which the petitioner was debarred from participating in all e-Auction for a period of next 3(three) years and the Bid Security was forfeited, in this writ petition.
2. A Request for Proposal (for short "RFP") being **RFP No. WBIW/SE/WC-II/RFP-25(e)/2025-26** was issued by the Superintending Engineer, Western Circle II, Irrigation & Water ways Directorate, Paschim Medinipur i.e., the 5th respondent for selection of Contractor for the work

“Dredging/Desilting/Removal of river bed materials from Sila Khal from Mugbosan to Kanunya under “No Cost to State Exchequer” Basis. Petitioner submitted its Bid. In the Auction Evaluation Summary Sheet, petitioner was declared as the H1 bidder. Petitioner submitted a representation dated 05.03.2026 alleging “collusive bidding” and/or “bid rigging” by the 6th and 7th respondent.

3. The 3rd respondent issued an Office Order dated 03.02.2026 debarring the petitioner from participating in all e-Auction for a period of next 3 years and forfeiting the Bid Security of the petitioner and the 5th respondent issued an order dated 02.02.2026 cancelling the Auction.
4. Challenging the decision of cancellation of e-Auction, and the order of debarment and forfeiture of Bid Security, petitioner has approached this Court.
5. Mr. Chakraborty, learned advocate for the petitioner contended that the order forfeiting the bid security and debarment of the petitioner from participating in future e-auction for a specified period without affording any opportunity of hearing to the petitioner is arbitrary, unreasonable and is in violation of the principles of natural justice and as such the said order is liable to be set aside. He placed reliance upon the decision in ***M/s. Erusian Equipment & Chemicals Limited vs. State of West Bengal and another*** reported at **(1975) 1 SCC 70**; ***Techno Prints vs. Chattisgarh Textbook Corporation and Another*** reported at **2025 SCC Online SC 343**; ***Raman Kalra vs. Govt. of NCT of Delhi and others*** reported at **2017 SCC Online Del 9414**; ***AL. Sudais Haj Umrah Service vs. Union of India and another*** reported at **2023 SCC Online Del 476** and an unreported judgment of the co-ordinate bench delivered on 24.02.2026 in ***WPA 561 of 2026*** in the case of ***M/s. Rahaman Construction and Another vs. The State of West Bengal and others*** in support of his contention that an order of debarment could be passed only after issuance of a show cause notice and hearing the petitioner.

6. Mr. Chakraborty contended that RFP issued by the 5th respondent on 24.10.2025 did not contain Clause 6.10.3. Such clause was added by way of a Corrigendum-I issued by the 5th respondent dated 18.11.2025. Mr. Chakraborty further contended that the auction process was initiated with the issuance of the RFP dated 24.10.2025 and the tender conditions could not have been changed after initiation of the auction process, more particularly, the incorporation of the penal provision vide clause 6.10.3. In support of such contention he placed reliance upon the decision of the Hon'ble Supreme Court in the case of **Tej Prakash Pathak and others vs. Rajasthan High Court and ors.** reported at **(2025)2 SCC 1**.
7. Mr. Chakraborty further contended that the Tender Evaluation Committee comprising of the Chairman and two other members after evaluating the Bids declared the petitioner as H1 bidder. He contended that the decision to forfeit the bid security and debarring the petitioner taken by any authority other than the Tender Evaluation Committee comprising of the Chairman and two members is without jurisdiction. He, thus, submitted that the decision of the 3rd respondent debarring the petitioner and forfeiting the Bid Security is without jurisdiction.
8. Mr. Chakraborty contended that, the private respondents reached the bid value within few minutes of the opening of the auction on 12.12.2025 thereby leaving no scope for the petitioner to participate in the bid process by putting the highest bid value within the total estimated volume of riverbed materials to be dredged. He further contended that the private respondent indulged in "collusive bidding" and "bid rigging" and the petitioner submitted a representation before the respondent authorities by a letter dated March 05, 2026 and immediately thereafter the impugned orders were issued. He submitted that no decision on such representation was communicated to the petitioner.
9. Mr. Mahata Learned Additional Government Pleader appeared for the respondents and seriously disputed the submissions made by the learned advocate for the petitioner. He contended that the bid quoted by the

petitioner exceeded the estimated volume of river bed materials to be dredged for which the entire e-auction had to be cancelled, bid security for the petitioner was forfeited and the petitioner was debarred from participating in e-auction for the next three years. In support of such contention he placed reliance upon Clause 6.10.3 of RFP.

10. He further contended that since the petitioner quoted a bid value exceeding total estimated volume of river bed materials to be dredged, clause 6.10.3 automatically stood attracted. He contended that the petitioner was aware of the consequences of quoting a bid exceeding the total volume of river materials to be dredged and, therefore, there was no necessity to issue a show cause notice and to afford an opportunity of hearing to the petitioner.
11. Mr. Mahata, the learned Additional Government Pleader contended that the petitioner participated in the auction process by way of uploading Techno Commercial Bid after the issuance of the Corrigendum, and, therefore, the petitioner was aware of the consequences of quoting a bid exceeding the total estimated volume of river bed materials to be dredged. He, therefore, submitted that the petitioner could not have complained against issuance of Corrigendum incorporating various clauses including clause no. 6.10.3 after the issuance of the said RFP. He also placed reliance upon clause 5.9 of the RFP in support of his contention that the said document permits issuance of corrigendum and amendment to the bid document at any time prior to the Bid due date. The learned Additional Government Pleader placed reliance upon the decision of the Hon'ble Supreme Court in the case of ***N.G. Projects Limited vs. Vinod Kumar Jain and others*** reported at ***(2022) 6 SCC 127*** in support of his contention that the writ court should refrain itself from imposing its decision over the decision of the employer as to whether or not to accept the bid of a tenderer.
12. Mr. Mahata further contended that the petitioner has not challenged the terms of the RFP and the Corrigendum in this writ petition. He submitted that the High Court cannot grant any relief that has not been prayed for by the petitioner in a petition under Article 226 of the Constitution of India and

in support of such contention he placed reliance upon the decision of the Hon'ble Supreme Court in the case of ***Bharat Amratlal Kothari and another vs. Dosukhan Samadkhan Sindhi and others*** reported at **(2010) 1 SCC 234**.

13. In support of his contention that no show cause notice is necessary prior to passing an order of debarment, Mr. Mahata placed reliance upon a decision of the Hon'ble Supreme Court in the case of ***M/s. A.K.G Construction and Developers Pvt. Ltd. vs. State of Jharkhand & Ors.*** reported at **(2026) INSC 312**.
14. Heard the learned advocates for the parties and perused the materials placed.
15. The 5th respondent issued the RFP No. 25(e)/2025-26 on 24.10.2025 (for short the "said RFP") for selection of Contractor for the work "Dredging/Desilting/Removal of river bed materials Sila Khal from Mugbosan to Kanunya (for short the "said work"). The said RFP contains the Schedule Sheet mentioning the last date and time for Online Submission of Techno-Commercial Bid and for Offline Submission of Techno-Commercial Bid Documents (Physical copy) as well as the date for conduct of electronic auction. The total estimated volume of River Bed Materials to be Dredged/Desilted/Removal is 49,51,805.73 cubic feet and the Floor volume for bidder was 5% thereof i.e., 2,47,590.29 cu.ft.
16. The Eligibility Criteria has been specifically laid down under various sub-clauses of clause 5.3. General conditions for Online submission of Techno-Commercial Bid and for offline submission of Supporting Documents to Techno-commercial Bid have been stated under Sub-clauses 6.1 and 6.2 respectively. Non-compliance of the provisions contained in sub-clause 6.1 and 6.2 under Clause no. 6 would result in rejection of Bid(s) under sub-clause 6.9.
17. Sub-clause 6.10 deals with Financial Bid through e-auction and sub-clause 6.10.1 states that the Bidder shall quote Financial Bid greater than Floor

volume as mentioned in Date Sheet and the Financial Bid may be quoted in multiples of 5000 cubic feet over and above the Floor volume.

18. The 5th respondent issued the Corrigendum-I dated 18.11.2025. By virtue of the said corrigendum some addendum was incorporated in RPF No. 25(e)/2025-26 and a new clause no. 6.10.3 was incorporated which deals with cancellation of entire auction process; forfeiture bid security and for debarment from participating in future e-auction. The said sub-clause is extracted hereinafter-

“6.10.3. In case of Bid quoted equal to or exceeding the estimate quantity of earth, entire auction process will be cancelled and Bid Security for the Bidder(s) quoting rate equal to/excess of the estimated volume will be forfeited and debarred from participating in e-Auction for next 3 (three) years.”

19. After going through Clause 5-9 of the RFP, this Court finds that the power to amend the RFP document by issuing a corrigendum has been specifically reserved under Sub-clause 5.9.1 and in view of Sub-clause 5.9.2, the said Corrigendum should be considered as an integral part of the RFP.
20. That apart, the date for Online submission of Techno Commercial Bid, Offline submission of Technical Bid Documents etc. were also extended by the said Corrigendum and the petitioner submitted his Techno Commercial Bid within the extended time limit. Petitioner took advantage of the extension of the time limit for submission of Bid as per the corrigendum. Thus, the petitioner participated in the Auction being fully aware of the Clauses incorporated by way of corrigendum more particularly Clause 6.10.3 and it does not lie in the mouth of the petitioner to contend that the corrigendum cannot apply to e-auction in question.
21. In **Tej Prakash Pathak** (supra), it was held that the eligibility criteria for being placed in the select list, notified at the commencement of the recruitment process, cannot be changed midway through the selection process unless the extant rules so permit or the advertisement, which is not contrary to the extant rules, so permit. The said decision cannot come to the

aid of the petitioner as Clause 5.9 of the RFP empowered the authority to issue Corrigendum subsequently.

22. Clause 7.2 of the said RFP deals with Evaluation of Techno-Commercial Bid. Sub-clause 7.2.1 states that High Value Tender Evaluation Committee comprising of (i) Chief Engineer (D&R), Chairman, (ii) Chief Engineer S.W., Member, (iii) Superintending Engineers of Western Circle-II, Member-Secretary will evaluate the Techno-Commercial Bid received during the e-auction process.
23. Sub-clause 7.2.7 states that the Techno-Commercial Proposal which meet the Eligibility Criteria shall be considered as technically qualified by the Superintending Engineer, Western Circle II, and the list of technically qualified bidder will be uploaded as per “Document approval end date” mentioned in the Schedule Sheet. It further states that the final Technical Evaluation Sheet of the technical qualified bidders would be published /uploaded and the qualified bidders will be eligible to participate in e-auction.
24. After going through clause 7.2 of the said RFP, this Court is of the considered view that the High Value Tender Evaluation Committee has been vested with the task of evaluation of the Techno Commercial Bid only and not the Financial Bid.
25. It is not in dispute that the petitioner was declared as a qualified bidder and was eligible to participate in e-auction as per sub-clause 7.2.7.
26. Clause 7.3 of the said RFP deals with e-auction and declaration of preferred bidder. Sub-clause 7.3.2 of the said RFP states that the Bidder quoting the highest share of volume (in cum/cft) of Dredged/Desilted silt/soil/Earth shall be declared as H1. It further states that the Bid Evaluation Sheet containing quoted bids in the e-auction will be downloaded and duly Test Checked by the DAO, West Midnapore Division before uploading the same in the portal by the Superintending Engineer, W.C.-II. The Superintending

Engineer, W.C.-II will then recommend the H1 Bidder to the concerned EE/SE/CE, as the case may be, for acceptance.

27. The said three member High value Tender Evaluation Committee do not have any role to play after final Technical Evaluation Sheet of the technically qualified bidder are published. The evaluation of the Financial Bid falls within the domain of the one member Tender Evaluation Committee of the 5th respondent.
28. In the case on hand, the cancellation of the Tender was made after declaration of the H1 bidder. For such reason this Court is not inclined to accept the submission of Mr. Chakraborty that it is only the three member High Value Tender Evaluation Committee which can take a decision to cancel the auction.
29. Record reveals that the Auction Evaluation Sheet was uploaded on 15.12.2025 by the 5th respondent, who is the appropriate authority under sub-clause 7.3.2.
30. Mr. Chakraborty would vehemently contend that upon declaration as H1 bidder, a vested right accrued in favour of the petitioner for issuance of LOI/LOA in its favour.
31. This Court is not inclined to accept the aforesaid contention of Mr. Chakraborty for the reasons as set out hereinafter.
32. Note 3 appearing after sub-clause 6.10.1 read with the first limb of sub-clause 7.3.2 states that the bidder quoting the highest share of volume shall be declared as H1. The Auction Evaluation Summary Sheet dated 15.12.2025 has been prepared in the descending order of quoted sharing of volume by the bidders and the bidder quoting the highest share of volume i.e., the petitioner has been ranked as H1 and the other bidders have been ranked as H2 to H5 in descending order.
33. Ranking of a bidder as H1 in the Auction Evaluation Sheet does not amount to crystallization of right to be issued with the LOI/LOA as such decision is

subject to the decision of the “Authority” to accept or reject the bid as clarified under the “Remarks” column of the Auction Summary Sheet. Auction Summary Sheet has been uploaded by the 5th respondent, who is only the Tender Evaluation Committee and the recommending authority for issuance of LOI/LOA.

34. Though it is well settled that the State or an instrumentality of the State has the freedom to contract or not to contract with a party but it is equally settled that such decision shall be subject to Judicial Review. Such a decision shall be open to scrutiny not only on the touchstone of the principles of natural justice but also on the doctrine of proportionality.
35. Court in exercise of the power of Judicial Review can interfere where there is arbitrariness in the action of the State or its instrumentalities even at a stage prior to execution of a contract. In other words, the decision of entering or not entering into contracts by the State or its instrumentalities is also subject to Judicial Review where there is arbitrariness. It is well settled that actions uninformed by reason may be questioned as arbitrary in a proceeding under Article 226 of the Constitution of India.
36. The Hon’ble Supreme Court in **Kulja Industries Ltd. vs. Western Telecom Project BSNL** reported at (2014) 14 SCC 731) held thus –

20. It is also well settled that even though the right of the writ petitioner is in the nature of a contractual right, the manner, the method and the motive behind the decision of the authority whether or not to enter into a contract is subject to judicial review on the touchstone of fairness, relevance, natural justice, non-discrimination, equality and proportionality. All these considerations that go to determine whether the action is sustainable in law have been sanctified by judicial pronouncements of this Court and are of seminal importance in a system that is committed to the rule of law. We do not consider it necessary to burden this judgment by a copious reference to the decisions on the subject. A reference to the following passage from the decision of this Court in Mahabir Auto Stores v. Indian Oil Corpn. should, in our view, suffice:

"12. It is well settled that every action of the State or an instrumentality of the State in exercise of its executive power, must be informed by reason. In appropriate cases, actions uninformed by

reason may be questioned as arbitrary in proceedings under Article 226 or Article 32 of the Constitution.

Reliance in this connection may be placed on the observations of this Court in Radhakrishna Agarwal v. State of Bihar. In case any right conferred on the citizens which is sought to be interfered, such action is subject to Article 14 of the Constitution, and must be reasonable and can be taken only upon lawful and relevant grounds of public interest. Where there is arbitrariness in State action of this type of entering or not entering into contracts, Article 14 springs up and judicial review strikes such an action down. Every action of the State executive authority must be subject to rule of law and must be informed by reason. So, whatever be the activity of the public authority, in such monopoly or semi-monopoly dealings, it should meet the test of Article 14 of the Constitution. If a governmental action even in the matters of entering or not entering into contracts, fails to satisfy the test of reasonableness, the same would be unreasonable... It appears to us that rule of reason and rule against arbitrariness and discrimination, rules of fair play and natural justice are part of the rule of law applicable in situation or action by State instrumentality in dealing with citizens in a situation like the present one. Even though the rights of the citizens are in the nature of contractual rights, the manner, the method and motive of a decision of entering or not entering into a contract, are subject to judicial review on the touchstone of relevance and reasonableness, fair play, natural justice, equality and non-discrimination in the type of the transactions and nature of the dealing as in the present case."
(emphasis supplied)

37. It, therefore, follows that a decision not to contract with a party is also subject to Judicial Review and such an action not informed with reasons may be questioned in a writ petition on the ground of arbitrariness.
38. In course of hearing of the writ petition, a copy of the Memo dated 27.01.2026 issued by the Secretary, Irrigation and Waterways Department filed by the learned Additional Government Pleader was taken on record and a copy of such letter have also been supplied to the petitioner and the counsels for the respective parties also made submissions on such documents.
39. After going through the aforesaid Memo this Court finds that the Superintending Engineer, reported that during the auction held on 12.12.2025, petitioner exceeded the permitted volume as stipulated in RFP

and as per Clause 6.10.3 the entire auction process will be cancelled and Bid security of the petitioner will be forfeited and the petitioner be debarred from participating in e-auction for next 3 years.

40. The Secretary, by a letter under Memo dated 27.01.2026, conveyed the consent of the Department towards cancellation of the e-auction on the ground of violation of sub-clause 6.10.3 and for taking punitive action as per the provision of RFP.
41. Record reveals that the cancellation order dated 02.02.2026 and the Office Order dated 03.02.2026 debarring the petitioner from participating in e-auction to be initiated by the Irrigation & Waterways Department for a period of three years with immediate effect along with a direction for forfeiture of the Bid Security was issued in terms of the Memo dated 27.01.2026 issued by the Secretary, Irrigation and Waterways Department.
42. It is not in dispute that the petitioner quoted a bid value exceeding the estimated quantity of earth. Thus, Clause 6.10.3 stood attracted which contemplates cancellation of the entire e-auction. The respondents authorities invoked clause 6.10.3 and cancelled the entire e-auction. The decision to cancel do not suffer from the vices of arbitrariness. This Court is, therefore, not inclined to interfere with the decision to cancel the entire e-auction.
43. The question that now falls for consideration is whether the order of debarment is liable to be set aside on the ground of violation of the principles of natural justice.
44. In **M/s. Erusian Equipment & Chemicals Limited** (supra), the Hon'ble Supreme Court held that the blacklisting order involves civil consequences and it casts a slur. It was further held that fundamentals of fair play require that the person concerned should be given an opportunity to represent his case before he is put on the blacklist. The Hon'ble Supreme Court held thus-

“20. Blacklisting has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government

for purposes of gains. The fact that a disability is created by the order of blacklisting indicates that the relevant authority is to have an objective satisfaction. Fundamentals of fair play require that the person concerned should be given an opportunity to represent his case before he is put on the blacklist.”

45. In the case on hand, RFP specifically provides that in case of Bid quoted equal to or exceeding the estimated quantity of earth, the entire auction will be cancelled, Bid security for the Bidder(s) quoting rate equal to or excess of the estimated volume will be forfeited and debarred from participating in e-auction for next 3 years.
46. Therefore, this Court has to decide whether in-corporation of such a clause would entitle the Authority to debar the petitioner without issuing any show cause notice and without affording any opportunity of hearing.
47. In **Techno Prints** (supra), the appellant was assigned a contract of printing books by the Corporation. The contract was entered into sometimes in 2020. Unfortunately, from mid 2020, the entire country was in the grip of Covid-19 pandemic Appellant fairly accepted that the obligations in terms of the contract could not be discharged due to circumstances beyond its control. The terms of the tender document provided that if the party is unable to fulfill its terms of the agreement, he would be liable to be blacklisted. Show cause notice was issued alleging violation of certain clauses of the agreement. Appellant unsuccessfully challenged the show cause notice before the High Court.
48. The Hon’ble Supreme Court after noting the facts of the said case observed that at best it could be a case of breach of contract. The Hon’ble Supreme Court reiterated the proposition of law laid down in **Blue Dreamz Advertising Pvt. Ltd.** (supra) that in case there exists a genuine dispute between the parties based on the terms of the contract, blacklisting as a penalty cannot be imposed. The penalty of blacklisting may only be imposed when it is necessary to safeguard the public interest from irresponsible and dishonest contractors and the corporation being a statutory body, have a

higher threshold to satisfy before passing such blacklisting order and, therefore, the measures undertaken by it should be reasonable.

49. The Hon'ble Supreme Court held that the aforesaid principles though are guiding principles as to when and in what circumstances, a blacklisting order can be passed, should also be kept in mind by the Authority at the time of issuing the show cause notice in order to determine whether it is a genuine case to blacklist a contractor or visit him with any other penalty like forfeiture of EMD, recovery of damages etc.
50. From the aforesaid decision it follows that in a given case, the penalty of forfeiture of EMD may be a substitute for a penalty by way of debarment.
51. In **Raman Kalra** (supra), the bids submitted by the petitioner were accepted and DTIDC issued a Letter of Acceptance and called upon the petitioner to furnish certain amounts within a specified time limit to avoid forfeiture of EMD. Petitioner sent a letter requesting that he be granted further time to complete the formalities citing illness. On failure on the part of the petitioner to deposit the funds as required in terms of LOAs, petitioner's EMD was forfeited and also debarred him from participating in any further tenders for the specified period.
52. The Hon'ble Delhi High Court in **Raman Kalra** (supra), after reiterating the well settled proposition of law that the bidder cannot challenge the tender conditions after it has participated in the tender did not accept the contention of the petitioner that the action of forfeiture of EMD was unlawful or illegal. However, it was held that debarment would not follow automatically and without affording the bidder a chance to represent against the same.
53. Thus, on the facts of the said case, the action of forfeiture of EMD was held to be lawful.
54. In **AL. Sudais Haj Umrah Service** (supra), the concerned authority originally neither imposed nor contemplated the imposition of the penalty of

debarment and forfeiture of security. The Apex Committee had no authority to either impose such a penalty nor make a recommendation in that regard. The concerned authority acted solely on the basis of the recommendation of the Apex Committee. On such factual matrix the order of blacklisting and forfeiture of security was set aside.

55. In ***Rahaman Construction*** (supra), the co-ordinate bench after noticing that the Standard Bid Document prescribes the procedure for debarment during the contract implementation stage had set aside the blacklisting order after holding that the authorities did not comply with the procedures laid down for debarment.
56. The power to blacklist a contractor whether the contract be for supply of material or equipment or for the execution of any other work whatsoever is inherent in the party allotting the contract. There is no need for any such power being conferred by statute or reserved by contractor as because “blacklisting” signifies a business decision by which the party affected by the breach decides not to enter into any contractual relation with the party committing the breach. (see ***Kulja Industries Ltd. vs. Western Telecom Project BSNL*** reported at **(2014) 14 SCC 731**)
57. However, in the case on hand, RFP specifically provides the power to debar a bidder. The petitioner having participated in the Tender cannot turn around and challenge the terms of the RFP and the corrigendum after the tender was cancelled.
58. The Hon’ble Supreme Court in ***Raghunath Thakur vs. State of Bihar & Others*** reported at **(1989) 1 SCC 229**, after noting that there was no requirement as per the relevant rules for giving any prior notice before black listing any person held that it is an implied principle of the rule of law that any order having civil consequences should be passed only after following the principles of natural justice. The Hon’ble Supreme Court held that even if the rules do not expressly provide so, it is an elementary principle of

natural justice that parties affected by any order should have the right of being heard and making representations against the order.

59. The Hon'ble Supreme Court in ***M/s. A.K.G Construction and Developers Pvt. Ltd.*** (supra) also held that before blacklisting the contractor a show cause notice should be issued calling upon the contractor to explain why a consequential order of blacklisting should not be passed. It was further held that the said letter must be indicative of the proposed decision to blacklist and the requirement of the contractor to respond to it. The said decision, therefore, cannot come to the aid of the respondent.
60. The Hon'ble Supreme Court In ***UMC Technologies Private Limited vs. Food Corporation of India and another*** reported at **(2021) 2 SCC 551** after noticing several decisions including the decision in the case of ***Gorkha Security Services vs. Government (NCT of Delhi) & Others*** reported at **(2014) 9 SCC 105** held that a prior show cause notice granting a reasonable opportunity of being heard is an essential element of all administrative decision making and particular so in decisions pertaining to blacklisting which entail grave consequences for the entity being blacklisted.
61. Though the terms and conditions mentioned in the PPF do not specifically provide for issuance of a prior show cause notice and an opportunity of hearing to be afforded prior to issuing an order of department, it is now a well-established proposition of law that unless a statutory provision either specifically or by necessary implication excludes the application of any rules of natural justice, in exercise of power prejudicially affecting another must be in conformity with the rules of natural justice. It is equally well settled that the rules of natural justice are not embodied rules but their aim is to secure justice and to prevent miscarriage of justice (***see Gorkha Security Services vs. Government (NCT of Delhi) & Others*** reported at **(2014) 9 SCC 105 (paragraph 29)**)
62. To the mind of this Court, the rules of natural justice has to be read into Clause 6.10.3 insofar as it relates to issuance of a debarment order.

63. Though the order of debarment may not be permanent as the same would remain effective only for a limited period but its adverse effect would continue to affect the business of the debarred enterprise even for a period beyond the period of debarment.
64. There may be cases where the act of the bidder in quoting bid exceeding the total volume of river bed materials to be dredged may be unintentional. The question would be whether for an unintentional act on the part of the bidder a harsh punishment of debarment could have been imposed. In a given case it may also appear to the authorities that the period of debarment could have been a period shorter than a period mentioned in clause 6.10.3. Interpretation of Clause 6.10.3 as automatic insofar as the power of debarment is concerned would amount to taking away the power of an authority to decide on a case to case basis whether a penalty should be imposed or not.
65. This Court is, therefore, of the considered view that before taking any punitive action against the bidder/petitioner herein in the form of a debarment order, a prior show cause notice ought to have been issued calling upon the petitioner to show cause stating the grounds on which an action is proposed against the petitioner to enable the petitioner to meet such grounds as such an order has serious civil consequences.
66. This Court finds that the petitioner has submitted a representation dated 05.03.2026 alleging “bid rigging” and “collusive bidding” by some bidders. Petitioner also prayed for refund of the Bid Security. This Court, therefore, feels that the authorities should be directed to decide the issue of “bid rigging” and “collusive bidding” raised by the petitioner as well as refund of Bid security by passing a reasoned order within a specified time. It will be open to the respondent authorities to revisit the order of forfeiture of Bid Security if the same is necessary for considering the prayer for refund of Bid Security.

67. The decision in the case of **N.G. Projects Limited** (supra) is an authority for the proposition of law that whether a term of a contract is essential or not is to be viewed from the perspective of the employer and by the employer. Such an issue did not arise for consideration in this writ petition.
68. There is no quarrel to the proposition of law laid down in **Bharat Amratlal Kothari** (supra) that though the Court has very wide discretion in granting relief, the Court, however, cannot, ignoring and keeping aside the norms and principles governing a relief, grant a relief not even prayed for by the petitioner. Such a situation has not arisen in the case on hand.
69. In the case on hand, no show cause notice, prior to issuing the order of debarment, has been issued. No opportunity of hearing has also been afforded to the petitioner prior to passing the order of the debarment. This Court holds that the action of debarment is in violation of the principles of natural justice.
70. For all the reasons as aforesaid the Office Order dated 03.02.2026 insofar as the petitioner was debarred from participating in auction for next three years is set aside.
71. The 5th respondent is directed to consider the representation dated 05.03.2026 insofar as it relates to “bid rigging” and “collusive bidding” by some of the bidders as well as refund of Bid security by passing a reasoned order after affording an opportunity of hearing to the petitioner and any other party(ies) who may be affected by such decision and communicate the reasoned order to the petitioner as expeditiously as possible but preferably within a period of eight weeks from the receipt of a server copy of this order.
72. The writ petition stands disposed of with the aforesaid observations and directions.
73. It is, however, made clear that this order shall not preclude the respondent authorities from issuing a show cause notice indicating the reasons as to why a debarment order is felt necessary and to call upon the petitioner to

give reply to the same and, thereafter proceed in accordance with law. Before parting, this Court further makes it clear that the order of cancellation of the auction is not interfered with by this Court. There shall be, however, no order as to cost.

74. Urgent photostat certified copies, if applied for, be supplied to the parties upon compliance of all formalities.

(HIRANMAY BHATTACHARYYA, J.)