IN THE HIGH COURT OF JHARKHAND AT RANCHI

W.P.(C) No. 8490 of 2026

M/s. Tejas Cargo India Limited, through its Chief Financial Officer, Abhishek Lunia, son of Sri Rabindra Kumar Lunia, Resident of Flat 1004, 10th Floor, Dhoot Time Residency, Maidawas Road, Beside Paras Trinity, Sector – 63, Ulhawas (83), P.O. – GC CRPF, Kadarpur, P.S. – Sector 65, District – Gurgaon, Haryana – 122101 having its Registered Office at – 3rd Floor, Tower-B, Vatika Mindscape, Plot No. 12/3, Sarai Khwaja, Mathura Road, P.O. – Sector – 27D, Faridabad, P.S. – Sector – 37, Faridabad, District – Faridabad, Haryana, 121003. **… Petitioner**

Versus

1. Central Coalfields Ltd., Through its Chairman – cum – Managing Director, having its office at – Darbhanga House, P.O. and P.S. – Ranchi 834001
2. General Manager, Contract Management Cell, Central Coalfields Ltd., Darbhanga House, P.O. and P.S. – Ranchi, District – Ranchi, 834001. … **Respondents**

CORAM: HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE MANOJ PRASAD

For the Petitioner: MrSaibal Kumar Laik, Advocate
For the CCL: MrAnoop Kumar Mehta, Advocate

02/ **Dated: 28.10.2026**

1. Heard Mr Saibal Kumar Laik, learned counsel for the petitioner and Mr Anoop Kumar Mehta, learned counsel for the respondents.

2. The petitioner challenges the communication dated 05.05.2026, by which the petitioner has been debarred from participating in future tenders invited by the respondents for 12 months and, further, the earnest money deposit (EMD) has been ordered forfeited.

3. Mr Saibal Kumar Laik submitted that, under Clause 2.2(xi), bids submitted by JVs/Consortium/Lead Partner, consisting of common entities as members,may be liable to be rejected. However, he submits that, apart from this consequence, there was

no scope to forfeit the earnest money deposit or debar the petitioner for 12 months from submitting any bids pursuant to tenders invited by the respondents.

4. Mr Saibal Kumar Laik further submitted that the petitioner was unaware of the dual participation of M/S Avinash Transport, a Partnership Firm. He submitted that the petitioner's bonafides are evident from the fact that a police complaint was filed against the partners of M/S Avinash Transport. He therefore submitted that the impugned order should not have been made without adequately considering this aspect.

5. Mr Saibal Kumar Laik further submitted that a 12-month debarment is disproportionate to the charge levelled, particularly since it is accompanied by forfeiture of the EMD. Mr Saibal Kumar Laik submitted that no allegation of fraud or mala fides was made against the petitioner. He submitted that imposing such a disproportionate penalty violates the doctrine of proportionality, an essential concomitant of the Rule of non-arbitrariness enshrined in Article 14 of the Constitution of India.

6. On the above grounds, Mr Saibal Kumar Laik submitted that the impugned order debarring the petitioner and forfeiting the earnest money deposit warrants interference.

7. Mr Mehta defended the impugned order on the basis of the reasoning set out therein. He pointed out that the contractual provisions were clear and that the action was consistent with the contractual terms between the petitioner and the respondents. He further pointed out that the principles of natural justice and fair play

were scrupulously observed, and that no ground of breach of those principles was pressed in this matter.

8. Mr Mehta submitted that the provisions of Clause 2.2(xi) should be read with Clause 4.1 of the 'Additional terms and conditions (ATC)' and when so read, there were ample powers for not only rejecting the petitioner's bid but also forfeiting the EMD and debarring the petitioner for a minimum period of 12 months. He submitted that the petitioner cannot feign ignorance of his partner's actions to avoid the consequences of the contractual terms agreed to between the petitioner and the respondents.

9. Mr Mehta submitted that no disproportionality was involved because the debarment was for the minimum period provided under Clause 4.1 of the ATC.

10. Mr Mehta accordingly submitted that this petition ought to be dismissed.

11. The rival contentions now fall for our determination.

12. First, we remind ourselves that in such matters, the power of judicial review extends to examining the decision-making process, not the decision itself, unless any case of perversity is made out.

13. In this case, no complaint has been made about the decision-making process. Even otherwise, we are satisfied that adequate and clear show-cause notices were issued to the petitioner. The petitioner's response was duly considered. A personal hearing was also granted to the petitioner's representative. By way of an abundance of caution, a fresh show-cause notice was issued to M/s. Avinash Transport. After all this, a reasoned order has been passed.

14. The contention that the petitioner's response has not been adequately considered cannot be accepted.A perusal of the impugned order shows that the petitioner's response has beenduly considered and reasonably dealt with. The finding and the reasoning on which it is based suffer no perversity.

15. The breach of Clause 4.1 of the ATC is evident; it was not seriously disputed. The only contention raised was that the petitioner was unaware of the dual participation, i.e., participation by M/s. Avinash Transport, and that, upon becoming aware, the petitioner also filed a police complaint against the partners of M/s. Avinash Transport, who were also concerned with the petitioner.

16. The petitioner was responsible for ensuring that none of its components offered bids in defiance of the clear and unambiguous tender conditions. If some of the components of the petitioner have submitted a bid in breach of Clauses 2.2(xi) and 4.1 of the ATC, the petitioner cannot feign ignorance or, in any event, seek to avoid the consequences of contractual terms. The petitioner's contention of ignorance is unverifiable, largely unbelievable, and, in any event, not an exception to the contractual term invoked by the respondents.

17. If the petitioner sincerely believes that its component, without the petitioner's knowledge, is responsible for the breach, nothing in this order need come in the petitioner's way from suing such component for the losses to the petitioner. But that cannot be any ground to fault the respondent's impugned action.

18. Based on the material on record, the impugned order correctly observed that Clause 4.1 of the ATC clearly stipulates

that, in the case of a JV/Consortium, debarment shall apply to all individual partners or components. Further, the JV Agreement itself provides for joint and several liability of all partners during the bidding stage. Therefore, by claiming ignorance of the partners'/components' actions, the petitioner or its partners cannot seek immunity from the contractual terms they agreed to while participating in the bidding process.

19. The argument about Clause 2.2(xi) of the ATC allowing only the rejection of the bid submitted by the JV/consortium/lead partner is misconceived. This clause, no doubt, allows the rejection of such a bid where dual participation is discovered. However, this Clause must be read with Clause 4.1 of the ATC, which once again clarifies that each Bidder shall submit only one Bid, either individually, or as a proprietor, or as a partner in a partnership firm or as a partner in a Joint Venture/Consortium or as a Company registered under the Companies Act.

20. The above clause further provides that a Bidder who submits or participates in more than one Bid (other than as a sub-Contractor or in cases of alternatives that have been permitted or requested) will cause all the proposals with the Bidder's participation to be disqualified.

21. Further, in such a case, even the EMD by the defaulting Bidders shall be forfeited, and they shall be debarred from participating for a minimum period of 12 (twelve) months from the date of issue of such letter. In the case of a JV/Partnership firm/Consortium, debarment shall also apply to all individual

partners of the JV/Partnership firm/Consortium; in the case of a Company, only the Company shall be debarred.

22. Thus, the contractual provisions not only permit rejection of Bidswhere dual participation is discovered but also permit forfeiture of earnest money deposit and debarment for a minimum period of 12 months.

23. No case of disproportionality is established. The charge against the petitioner or its partners/components was serious. In any event, the 12-month debarment was the minimum prescribed under Clause 4.1. Since the petitioner has been debarred for the minimum period prescribed under the contract and there is no challenge to the contractual terms, there is no question of disproportionality or of a violation of Article 14.

24. For the reasons above, we are satisfied that this petition has no merit. Consequently, we dismiss this petition without any order for costs. Pending I.As., if any, will not survive and are hereby disposed of.

(M.S. Sonak, C.J.)

(Manoj Prasad, J.)

October28, 2026

Rajiv/Pramanik

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