



2026:CGHC:16079-DB

NAFR

**HIGH COURT OF CHHATTISGARH AT BILASPUR**

**WPC No. 1454 of 2026**

**1** - M/s Abhishek Kumar Tripathi Through Proprietor Abhishek Tripathi  
S/o Late Kaushal Ram Tripathi, Aged About 42 Years, R/o Near Old  
Government College Ward No. 3, Champa, Dist.- Janjgir-Champa  
(C.G.)

**... Petitioner**

**versus**

**1** - State of Chhattisgarh Through its Secretary Department Urban  
Administration and Development, Secretariat at Mahanadi Bhawan,  
New Raipur, Dist.- Raipur (C.G.)

**2** - Director, Urban Administration and Development Department, D  
Block, 4th Floor, Indravati Bhavan, Naya Raipur, Atal Nagar, Dist.-  
Raipur (C.G.)

**3** - Joint Director, Urban Development, Bilaspur Division, Dist.- Bilaspur  
(C.G.)

**4** - Collector, Champa Dist.- Janngir-Champa (C.G.)

**5** - Chief Municipal Officer, Municipal Council, Champa, Dist.- Janjgir-  
Champa (C.G.)

**... Respondents**

(Cause-title taken from Case Information System)

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For Petitioner	: Mr. Jai Prakash Shukla, Advocate.
For State	: Mr. Prasun Bhaduri, Deputy Advocate General
For Respondent No.5	: Mr. Pankaj Agrawal, Advocate.

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**Hon'ble Shri Ramesh Sinha, Chief Justice**

**Hon'ble Shri Ravindra Kumar Agrawal, Judge**

**Order on Board**

**Per Ramesh Sinha, Chief Justice**

**08-04-2026**

1. Heard Mr. Jai Prakash Shukla, learned counsel for the petitioner. Mr. Prasun Bhaduri, learned Deputy Advocate General appears for the State and Mr. Pankaj Agrawal, learned counsel appearing for respondent No.5.

2. The present petition has been filed by the petitioner seeking following relief(s):-

“10.1 That this Hon'ble Court may kindly be pleased to direct the respondent authorities to call the entire records pertaining to this case.

10.2 That the Hon'ble Court may kindly be pleased to issue writ in the nature of certiorari/ prohibition/ mandamus, thereby to quash the impugned cancellation order dated 11-03-2026 of NIT 02-01-2026, fresh NIT dated 20-03-2026, to the extent it relates to questioned work after declaring it unconstitutional, illegal and arbitrary.

10.3 Hon'ble court may kindly further be pleased to direct the respondent authorities to decide pending representation dated 13-03-2026 and 23-03-2026 claiming cancellation of order dated 11-03-2026 and fresh NIT dated 20-03-2026 and further to issue work order to the petitioner pursuant to his declaration as L-1, and further to pass any order which deems fit including cost of the petition in the interest of Justice.

3. Facts as mentioned in the petition, in brief, are that the Petitioner being an eligible contractor, participated in an e-procurement tender process initiated by the Chief Municipal Officer, Champa, vide Tender Notice dated 02.01.2026 for the work of revamping of Material Recovery Facility (MRF) in Champa, Chhattisgarh, amounting to Rs. 122.03 lakhs. The Petitioner submitted his bid under System Tender No. 182993 and was declared the lowest (L-1) bidder, quoting 5.560 percent below the PAC value. Upon completion of the tender process, only issuance of the work order and execution of agreement remained, and the Petitioner had made all necessary arrangements to commence the work within the stipulated time. However, surprisingly, the said tender was cancelled by the Chief Municipal Officer, Champa, vide order dated 11.03.2026, without issuing any prior notice or affording an opportunity of hearing. It has been further submitted that such cancellation is without jurisdiction, as the authority to cancel the tender vested with the Municipal Council and not with the Chief Municipal Officer. The Petitioner's representations dated 13.03.2026 and 23.03.2026 seeking reasons for cancellation and appropriate relief remain undecided, while the Respondents have proceeded to issue a fresh tender dated 20.03.2026 for the same work. Being aggrieved by the arbitrary and illegal actions of the Respondents, the Petitioner has approached this Hon'ble Court.

4. Learned counsel for the petitioner submit that that the impugned cancellation order dated 11.03.2026 and the subsequent issuance of fresh NIT dated 20.03.2026 are wholly without jurisdiction, arbitrary, and in gross violation of the principles of natural justice. The Chief Municipal

Officer, Champa, had no authority to cancel the tender of such value without prior approval of the Municipal Council, as the financial powers in respect of tenders exceeding the prescribed limit vest with the Municipal Council. Thus, the impugned action is void *ab initio* and liable to be set aside on this ground alone. It is further submitted that the financial bid was duly opened on 18.02.2026 in the presence of all bidders, wherein the Petitioner was declared the lowest (L-1) bidder, quoting 5.560 percent below the PAC value. Once the Petitioner was declared L-1, a legitimate expectation arose in his favour for issuance of work order. The Respondents, having accepted the Petitioner's bid, were under an obligation to proceed in accordance with law, and could not have arbitrarily cancelled the tender without any justifiable cause. It has been further contended that the impugned cancellation has been effected without issuing any notice or affording any opportunity of hearing, which is in clear violation of the settled principles of natural justice. Moreover, as soon as reason for cancellation of NIT sought by the petitioner, the authority instead of communicating reason or deciding petitioner's representation, issued impugned fresh NIT dated 20.03.2026, which reflects mala fide intention and misuse of power. The sequence of events clearly indicates that the Respondents are attempting to manipulate the tender process to favour a particular contractor, which is impermissible under law. It is also submitted that the terms and conditions of the tender process, as approved by the Municipal Council, do not empower the Chief Municipal Officer to cancel or re-issue the NIT unilaterally. Furthermore, despite submission of a

detailed representation dated 23.03.2026 seeking recall of the cancellation order and reasons thereof, the same has not been considered till date, thereby denying the Petitioner even a post-decisional hearing. Such conduct of the Respondents is arbitrary, unreasonable, and contrary to settled legal principles, and therefore warrants interference by this Hon'ble Court.

5. Learned counsel for respondent No.5 submits that the Chief Municipal Officer has authority to cancel the tender. The fresh NIT has been issued, but the petitioner has not participated in the same. As per the terms and conditions, the authority may cancel the tender or any part of it at any stage. He relied upon the clause No.10 of Annexure-P/5, terms and conditions, annexed with the petition filed by the petitioner, which reads as under:-

“10. The Chief Municipal Officer, Municipal Council, Champa, reserves the right to reject any part of/whole tender without assigning any reason and to restrict the list of pre-qualified tenders to any number deemed fit by him.”

6. We have heard learned counsel for the parties and perused the documents annexed with the present writ petition.

7. The Hon'ble Supreme Court in the case of **Tata Motors Limited v The Brihan Mumbai Electric Supply & Transport Undertaking (Best) and Others** passed in Civil Appeal No. 3897 of 2023 vide judgment dated 19.05.2023 held as follows :

“48. This Court being the guardian of fundamental rights is duty-bound to interfere when there is arbitrariness,

irrationality, mala fides and bias. However, this Court has cautioned time and again that courts should exercise a lot of restraint while exercising their powers of judicial review in contractual or commercial matters. This Court is normally loathe to interfere in contractual matters unless a clear-cut case of arbitrariness or mala fides or bias or irrationality is made out. One must remember that today many public sector undertakings compete with the private industry. The contracts entered into between private parties are not subject to scrutiny under writ jurisdiction. No doubt, the bodies which are State within the meaning of Article 12 of the Constitution are bound to act fairly and are amenable to the writ jurisdiction of superior courts but this discretionary power must be exercised with a great deal of restraint and caution. The courts must realise their limitations and the havoc which needless interference in commercial matters can cause. In contracts involving technical issues the courts should be even more reluctant because most of us in Judges' robes do not have the necessary expertise to adjudicate upon technical issues beyond our domain. The courts should not use a magnifying glass while scanning the tenders and make every small mistake appear like a big blunder. In fact, the courts must give "fair play in the joints" to the government and public sector undertakings in matters of contract. Courts must also not interfere where such interference will cause unnecessary loss to the public exchequer. (See: *Silppi Constructions Contractors v. Union of India*, (2020) 16 SCC 489).

52. Ordinarily, a 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 unless something very gross or palpable is pointed out. The court ordinarily should not interfere in matters relating to tender or contract. To set at naught the entire tender process at the stage when the contract is well underway, would not be in public interest. Initiating a fresh tender process at this stage may consume lot of

time and also loss to the public exchequer to the tune of crores of rupees. The financial burden/implications on the public exchequer that the State may have to meet with if the Court directs issue of a fresh tender notice, should be one of the guiding factors that the Court should keep in mind. This is evident from a three-Judge Bench decision of this Court in *Association of Registration Plates v. Union of India and Others*, reported in (2005) 1 SCC 679.

53. The law relating to award of contract by the State and public sector corporations was reviewed in *Air India Ltd. v. Cochin International Airport Ltd.*, reported in (2000) 2 SCC 617 and it was held that the award of a contract, whether by a private party or by a State, is essentially a commercial transaction. It can choose its own method to arrive at a decision and it is free to grant any relaxation for bona fide reasons, if the tender conditions permit such a relaxation. It was further held that the State, its corporations, instrumentalities and agencies have the public duty to be fair to all concerned. Even when some defect is found in the decision-making process, the court must exercise its discretionary powers under Article 226 with great caution and should exercise it only in furtherance of public interest and not merely on the making out of a legal point. The court should always keep the larger public interest in mind in order to decide whether its intervention is called for or not. Only when it comes to a conclusion that overwhelming public interest requires interference, the court should interfere.

54. As observed by this Court in *Jagdish Mandal v. State of Orissa and Others*, reported in (2007) 14 SCC 517, that while invoking power of judicial review in matters as to tenders or award of contracts, certain special features should be borne in mind that evaluations of tenders and awarding of contracts are essentially commercial functions and principles of equity and natural justice stay at a distance in such matters. If the decision

relating to award of contract is bona fide and is in public interest, courts will not interfere by exercising powers of judicial review even if a procedural aberration or error in assessment or prejudice to a tenderer, is made out. Power of judicial review will not be invoked to protect private interest at the cost of public interest, or to decide contractual disputes.”

**8.** From the admitted facts, it is evident that the petitioner was declared L-1, there were expectations on the part of the petitioner for lawful agreement leading issuance of work order in his favour. It is further not in dispute that the vide order/communication dated 11.03.2026 the subject tender was cancelled by the authority without issuance of any notice, without affording any opportunity of clarification and without passing a contemporaneous reasoned order. This Court finds substance in the submission of learned counsel for the petitioner that such action does not satisfy the requirement of fairness and transparency expected in public procurement processes. The respondent authority have failed to demonstrate that the petitioner was afforded any opportunity of hearing either before cancellation or after cancellation. The denial of such opportunity, coupled with absence of a speaking order, in the opinion of this Court, vitiates the decision-making process.

**9.** At the same time, this Court is conscious of the limited scope of judicial review in tender matters and the fact that the fresh NIT has already been issued. This Court is not inclined to unsettle the fresh tender process. Further, in the fresh NIT issued by the respondent No.5, the bid submission date has already over, i.e., 07.04.2026 and as per

the submission made at Bar, the petitioner has not participated in subsequent tender and has not submitted his bid. However, the manner in which the subject tender has been cancelled and the petitioner's representation was kept pending, reflects procedural lapses and failure to adhere to standards of fairness, which cannot be countenanced.

**10.** In view of the aforesaid facts and circumstances, while this Court is not inclined to interfere in the matter the at this stage, however, is of the considered opinion that the petitioner has suffered prejudice on account of arbitrary and procedural improper action on the part of respondent No.5. Accordingly, in the interest of justice, the present writ petition is **disposed of** with a direction to respondent No.5– Chief Municipal Officer, Municipal Council, Champa, District Janjgir-Champa to pay a sum of Rs. 1,00,000/- (Rupees One Lakh only) to the petitioner as compensation for the procedural lapses and denial of fair opportunity, within a period of three weeks from the date of receipt of a copy of this order. No order as to costs.

Sd/-

**(Ravindra Kumar Agrawal)**  
Judge

Sd/-

**(Ramesh Sinha)**  
Chief Justice