



2026:AHC-LKO:22907-DB

**HIGH COURT OF JUDICATURE AT ALLAHABAD
LUCKNOW**

WRIT - C No. - 3215 of 2026

Rama Kant Pandey

.....Petitioner(s)

Versus

State Of U.P. Thru. Its Prin. Secy. Deptt. Of
Urban Development Lko. And 3 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Vinod Kumar Singh
Counsel for Respondent(s)	:	C.S.C., Sharad Dwivedi

Court No. - 1

**HON'BLE RAJAN ROY, J.
HON'BLE MANJIVE SHUKLA, J.**

1. Heard learned counsel appearing on behalf of the parties.
2. After hearing the parties, prima facie, what comes out is that the petitioner had participated in an auction process for settlement of rights for realization of fee in connection with running of a taxi stand. The bid was made keeping in mind that the tender was for a period of one year from 01.04.2025 to 31.03.2026. The auction took place on 11.04.2025 wherein the petitioner turned out be highest bidder having paid Rs. 72,25,000/-, however, the bid was not acted upon which led to the filing of writ petition bearing no. 5943 of 2025 wherein initially an interim order was passed on 17.06.2025 and thereafter, the petition was finally allowed on 24.07.2025 in the following terms:-

"1. Heard.

2. This petition has been filed by the petitioner seeking following reliefs:-

"Issue a writ, order or direction in the nature of certiorari quashing the cancellation order of tender notice dated 19.03.2025 which was finalized at third scheduled time on 11.04.2025 and was approved by the Board in its Minutest of Meeting dated 02.06.2025, if any, after summoning the same.

Issue a writ, order or direction in the nature of certiorari quashing the impugned Tender Notice dated 10.06.2025 issued by the opposite party no. 3 published in daily hindi news paper namely Hindustan on 12.06.202 contained as Annexure No. 1 to this Writ petition.

Issue a writ, order or direction in the nature of mandamus commanding opposite parties specifically opposite parties no. 3 and 4 to issue the work order in favour of the petitioner in furtherance of finalized bid dated 11.04.2025 and approved by the Board on 02.06.2025 contained as Annexure No. 3 to this writ petition forthwith."

3. In an auction held for settlement of rights for running a taxi stand by the Nagar Palika Parishad Tanda, the petitioner came up to be the highest bidder. The bid was approved by the Board of Nagar Palika on 02.06.2025 but instead of executing the contract in favour of the petitioner or issuing the work order as the case may be, an inquiry was got conducted by the District Magistrate to the Additional District Magistrate, Finance and Revenue/Incharge of sub-local bodies, Ambedkar Nagar, wherein it was found that the bid of the petitioner was less than the reserved/government bid. Accordingly, the District Magistrate took a decision on 03.06.2025 for issuance of a fresh tender notice, meaning thereby that he impliedly cancelled the earlier tender in which the petitioner was the highest bidder and his bid was approved by the Board. This decision is mentioned in the communication of the A.D.M, Finance and Revenue dated 04.06.2025, which is annexed as Annexure no. C.A-1 to the counter affidavit. The question arose during the argument as to whether the District Magistrate had any authority under the statute i.e. Municipalities Act, 1916, to take such decision.

4. Reliance was placed by Shri Sharad Dwivedi initially on Section 34(1-A) of the Act, 1916. However, on being confronted with the conditions mentioned therein, which apparently do not apply in the case at hand and are not the reasons for cancellation of the earlier tender notice and initiation of fresh tender notice nor could counsel for Nagar Palika show that it was so. He could not satisfy us that the provision was applicable.

5. Learned counsel for petitioner cited judgment of this court dated 04.10.2010, rendered in Civil Misc Writ Petition No. 49106 of 2010, wherein this very issue was considered and it was held that the District Magistrate did not have power to take such decision for cancellation of the tender process or the initiation of fresh tender process under Section 34.

6. We have perused the said provision and find that, if at all, there is a cause, it is the State Government which could step in and take such decision as it deems fit under Section 34(1-B) of the Act, 1916. The impugned decision being without jurisdiction, we allow the writ petition and quash the decision of the District Magistrate dated 03.06.2025 referred in the communication of the A.D.M, Finance and Revenue dated 04.06.2025, as also the latter communication and the initiation of such fresh tender process. It shall be open for the Nagar Palika, if there is no legal impediment, to issue work order to the petitioner or take such decision as may be permissible in law. Let this be done within two weeks.

7. The writ petition is allowed in the aforesaid terms.

8. Learned Standing Counsel shall communicate our order to the District Magistrate, Ambedkar Nagar as well as opposite party no. 1."

3. The said judgment was not put to challenge by the Nagar Palika Parishad, Tanda, Ambedkar Nagar which is represented by Shri Sharad Dwivedi, learned Advocate. They complied the said judgment and issued the work order to the petitioner on 28.07.2025, copy of the said work order is on record.

4. The contention of the petitioner's counsel was that he had made the bid of Rs. 72,25,000/- taking into consideration the entire financial year which would come to an end on 31.03.2026, however, on account of late issuance of the work order on 28.07.2025, he could work only for about 243 days, therefore, he could at best be made liable to pay the bid money proportionately i.e. proportionate to the period he has worked. However, on being asked to inform the Court as to what would be the proportionate amount payable, he fairly submitted that it would come to around Rs. 48,69,570/- for the 243 days, the petitioner worked. We further asked him as to what is the amount paid in terms of the agreement entered into with the Nagar Palika, he submitted that the total amount is about Rs. 37 lakhs and odd and another Rs. 5 lakhs is deposited as security money. In this regard, we find that at least Rs. 3 lakhs was paid by the petitioner only on 28.03.2026, nevertheless, even if we take into consideration the aforesaid, we find that the money deposited by the petitioner is still short of the required Rs. 48,69,570/-, therefore, we do not find any reason to interfere on this count.

5. As regards, insistence of the petitioner's counsel that he may be permitted to participate in tomorrow's tender, that is not possible because even if we assume for a moment that the petitioner could work only for 243 days, the proportionate bid money which according to him comes to about Rs. 48 lakhs and odd, was also not deposited by the petitioner, instead he deposited only Rs. 37 lakhs, and even if we add the security money of Rs. 5 lakhs, it comes to only Rs. 42 lakhs, therefore, this request is rejected.

6. The only point which now remains to be considered is as to

whether black listing order could be for an indefinite period. The law is settled in this regard that it cannot be so, we therefore, quash the impugned order only so far as it provides that the petitioner shall never be able to participate in tenders / auctions pertaining to Nagar Palika, Tanda or any other department with liberty to the Executive Officer, Nagar Palika Parishad, Tanda, Ambedkar Nagar to take a fresh decision as to the period for which the black listing order may operate, keeping in mind the law on the subject. Such decision should be taken within a period of 15 days from the date of receipt of certified copy of this order.

7. The petition is **allowed in part** in the aforesaid terms.

March 31, 2026
Lokesh Kumar

(Manjive Shukla,J.) (Rajan Roy,J.)