

RESERVED ON 16.07.2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 20TH DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT APPEAL NO. 545 OF 2026 (GM-TEN)



BETWEEN:

1. FORCEONE SD PRIVATE LIMITED
606, KRISH GARDENS, 1-8-373, HUDA
OFFICE LANE CHIRAN FORT LANE
BEGUMPETNA-SECUNDERABAD-T
TELANGANA - 560 016
REPRESENTED BY ITS DIRECTOR
SRIKANTH GANDHI

...APPELLANT

(BY SRI SAHIL SOOD, ADVOCATE,
MS. SHRUTI SHIVKUMAR, ADVOCATE FOR
SRI MOHSIN KHAN PATHAN, ADVOCATE)

AND:

1. KARNATAKA POWER TRANSMISSION
CORPORATION LIMITED
GOVT. OF KARNATAKA
KAVERI BHAWAN, K.G. ROAD
BENGALURU - 560 009
THROUGH ITS SECRETARY

2. KERC
KARNATAKA ELECTRICITY
REGULATORY COMMISSION
NO 16, C-1, MILLERS TANK BUND ROAD
BED AREA, VASANTH NAGAR
BENGALURU, KARNATAKA - 560 052
THROUGH THE REGISTRAR
3. KSLDC
KARNATAKA STATE LOAD DISPATCH CENTRE
GOVERNMENT OF KARNATAKA
27/1, RACE COURSE ROAD
MADHAVA NAGAR, GANDHI NAGAR
BENGALURU, KARNATAKA - 560 009
THROUGH ITS SECRETARY
4. GOVT. OF KARNATAKA
ENERGY DEPARTMENT
ROOM NO 236, 2ND FLOOR
VIKASA SOUDHA
DR B.R. AMBEDKAR STREET
BANGALORE - 560 001
THROUGH THE ENERGY
CHIEF SECRETARY
5. MINISTRY OF POWER
GOVERNMENT OF INDIA
SHRAM SHAKTI BHAWAN
RAFI MARG, NEW DELHI - 110 001
THROUGH ITS SECRETARY
6. M/S PROSTRAM INFO SYSTEMS LIMITED
PLOT No. EL 79, ELECTRONIC ZONE TTC
MIDC, MAHAPE, NAVI MUMBAI
THANE, MAHARASHTRA

INDIA - 400 710

(AMENDED VIDE ORDER DATED 16.07.2026)

...RESPONDENTS

(BY SRI K. SHASHI KIRAN SHETTY, ADVOCATE GENERAL/
SENIOR ADVOCATE ALONG WITH
SMT. RAKSHITHA D.J., ADVOCATE
MS. ADOORYA HARISH, ADVOCATE FOR C/R-1 & R-3,
SRI K.S. HARISH, GOVERNMENT ADVOCATE FOR R-4,
SRI B.S. VENKATANARAYANA, CGC FOR R-5,
SRI C.K NANDAKUMAR, SENIOR ADVOCATE FOR
SRI SHAHNAWAZ MAMADAPUR, ADVOCATE FOR R-6)

THIS WRIT APPEAL FILED UNDER SECTION 4 OF THE
KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE
JUDGEMENT AND ORDER DATED 27/01/2026 PASSED BY THE
LEARNED SINGLE JUDGE IN WRIT PETITION NO.26719/2025
AND ETC.

THIS APPEAL, APPEAL HAVING BEEN HEARD AND
RESERVED FOR JUDGMENT, COMING ON FOR
PRONOUNCEMENT THIS DAY, JUDGMENT WAS
PRONOUNCED AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

C.A.V. JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The appellant has filed the present appeal impugning an
order dated 27.01.2026 passed by the learned Single Judge in
W.P.No.26719/2025 (GM-TEN) [**impugned order**].

2. The appellant is a private company engaged in the business of electric power generation in the energy sector. It had filed the aforementioned writ petition, *inter alia*, impugning the action dated 19.08.2025, whereby the appellant's bid was declared as non-responsive. The appellant had also sought a direction declaring that the bid submitted by the successful bidder (L1) is invalid.

3. Respondent No.1 [**KPTCL**] had issued a "Request for Selection (RfS) Document for setting up of 150 MW/300 MWh Standalone Battery Energy Storage System in the 400kV Doni Substation (at 220kV Voltage level) of KPTCL, Gadag District, Karnataka, With VGF (State Component) Under Tariff-Based Global Competitive Bidding and On Build-Own-Operate Basis" dated 11.06.2025 [**the RfS**] inviting proposals from eligible bidders.

4. The bidders were required to pay the document processing fee of ₹15,00,000/- plus GST and also earnest money deposit [**EMD**] of ₹5,00,000/- per megawatt [**MW**] in the form of a bank guarantee. The bidders selected by KPTCL on the basis of the said RfS would be required to submit a performance bank guarantee prior to signing of the Battery Energy Storage Purchase Agreement [**BESPA**]. In terms of the RfS, the eligible bidders would be entitled to participate in E-reverse auction [**e-RA**].

5. Interested bidders were required to register through the ETS web portal, and the tender documents were required to be uploaded to the ETS portal. The RfS provided for a single-stage bidding process with two envelopes containing technical and financial bids. The pre-bid meeting was held on 18.06.2025.

6. The appellant submitted the bid documents on 08.07.2025 and informed KPTCL that it had successfully uploaded its bid through the ETS portal. The appellant claims that although no deficiencies were pointed out in respect of the documents, its bid was declared non-responsive, and this was reflected on the portal. The appellant claims that there were no deficiencies in the documents and there were none that were communicated to it.

7. In terms of the RfS, the e-RA was held on 19.08.2025 at 05.00 p.m., and M/s Prostram Info Systems was declared the lowest bidder(L1). Thereafter, on 29.08.2025, the appellant filed the writ petition seeking the reliefs as noted above.

8. The appellant challenged its rejection on several grounds, including violation of principles of natural justice. It claims that the reasons for the rejection of its proposal were not communicated, and that the appellant was not afforded any opportunity to respond

to them. The appellant's principal contention is that its bid has been incorrectly declared as non-responsive. The appellant claims that there was no defect in the uploaded documents and, therefore, its proposal was improperly declared non-responsive.

9. The learned Single Judge found that the appellant was informed of the rejection of its proposal through the e-tender portal and by an electronic communication. The learned Single Judge rejected the contention that any of the principles of natural justice had been violated. The learned Single Judge also held that the appellant's contention that a further opportunity ought to have been afforded to it was not merited, as the failure to provide such an opportunity could not be considered a violation of the principles of natural justice.

10. The learned Single Judge also considered the contention regarding the propriety of the rejection of the appellant's bid. The learned Single Judge found that there was no error on the part of the Tender Evaluation Committee [**TEC**] in treating the appellant's bid as non-responsive.

11. The appellant also contended that its competitive rate was much lower than that of the other eligible bidders and that

excluding it from participating in e-RA had effectively resulted in a significant loss to the exchequer. The impugned order also records that during the course of the proceedings the appellant was called upon to state whether it was willing to stand by its submission that its competitive rate was ₹1.775 lakhs per MW; this was in the context of the appellant's contention that awarding the tender to L1 would result in a huge loss to KPTCL as the appellant's rate was lower. However, the learned Single Judge recorded that the counsel had refrained from making any commitment to stand by the said rate of ₹1.775 lakhs per MW. In view of the said findings, the learned Single Judge had dismissed the writ petition.

DISCUSSION AND CONCLUSION

12. The learned counsel appearing for the appellant earnestly contended that the findings recorded in the impugned order were erroneous. He submitted that although the learned Single Judge had recorded that a specific communication had been sent to the appellant indicating the clauses under which its bid was treated as non-responsive, no such email was sent. He contended that the appellant was not informed of the grounds on which its bid was considered non-responsive. He submitted that the record indicates that the TEC sought an opinion on whether the documents

provided were compliant, as the authority had found a lack of clarity. The opinion also did not unequivocally find the documents provided to be non-compliant. Notwithstanding this, the TEC rejected the appellant's bid as non-responsive.

13. The learned counsel for the appellant stated that the appellant had furnished the same documents in response to a similar RfS issued by the concerned state entity in the State of Tamil Nadu. He contended that the appellant's bid was not rejected as non-responsive, and that the appellant was permitted to participate in the reverse auction. However, the appellant was declared L2 and thus unsuccessful. On the aforesaid basis, he stated that there was an apparent error in rejecting the appellant's bid as non-responsive.

14. Next, he submitted that the observation of the learned Single Judge that the appellant was unwilling to stand by its commitment to the competitive rate of ₹1.775 lakhs per MW was also erroneous. He contended that the financial rate would be discovered in a reverse auction. However, the appellant was willing to commit to the said rate, as it was in conformity with its proposal

pursuant to the RfS issued by the authorities in the State of Rajasthan.

15. The learned counsel also advanced contentions to contest various grounds on which its documentation was faulted. He contested the contention that the appellant was required to obtain a GST registration prior to submission of the proposal. However, it is unnecessary for us to note the said contentions, as the controversy has been considerably narrowed down in view of the submissions advanced by the learned Advocate General appearing on behalf of KPTCL, KSLDC and the State.

16. The learned Advocate General submitted that the principal ground on which the appellant's proposal was considered as non-responsive was that the appellant had not furnished an undertaking of its affiliates. He contended that the appellant had furnished its proposal on the financial strength of two of its affiliates, namely, (i) Leap India Food and Logistics Pvt. Ltd.; and (ii) Investors Clinic Infratech Pvt. Ltd. However, the appellant did not furnish the undertaking of those affiliates as required in terms of clause 37.3 of the RfS.

17. Although the learned counsel appearing for the appellant is correct in his submissions that no separate communication was issued to the appellant setting out the reasons as to why its proposal was rejected as non-responsive, we are unable to accept that the same would vitiate the bidding process or the decision of the authority to reject the appellant's proposal as non-responsive.

18. As noted above, the documents were uploaded online through the web portal, and the fact that the appellant's bid had been rejected as non-responsive was duly reflected on the portal, although the reasons for the same were not communicated by a separate e-mail. The reasons for the rejection have since been made known to the appellant, and the central dispute is whether the decision of the TEC can be faulted.

19. Compliance with Clause 37 of the RfS is central to the present controversy. Clauses 37.1 and 37.3 of the RfS are relevant and are set out below.

“37. Financial Eligibility Criteria:

37.1 Net-Worth/Asset Under Management (AUM) or Investible Funds

a. The Net Worth of the Bidder shall be equal to or greater than Rs.1Crore/MW (Rupees One Crore/MW) of the quoted capacity (in MW), as on

the last date of previous Financial Year, i.e. FY 2024-25 (provisional document certified by Chartered Accountant will also be considered) or as on the day at least 7 days prior to the bid submission deadline. For example, for a 300 MWh (150 MW x 2 hrs) project capacity, the minimum Net Worth requirement to be demonstrated shall be Rs.1Crore x 150 MW. In case of the Bidder being a SEBI registered AIF, the cumulative value of Assets Under Management (AUM) with minimum requirement of Rs.1Crore / MW shall be demonstrated. In this context, AUM shall mean the amount as certified by the Statutory Auditor, of the AIF.

b. The net-worth/value of AUM to be considered for the above purpose will be the cumulative net-worth of the Bidder/AIF or consortium members. Except in the case of AIFs, the Bidder may seek qualification on the basis of financial capability of its Affiliate(s) for the purpose of meeting the Net Worth criteria as per the RIS. In case of the Bidder being a Bidding Consortium, any Member may meet the above criteria on the basis of financial capability of its Affiliate(s). In both cases, such Affiliates shall undertake to contribute the required equity funding and performance bank guarantees In case the bidder(s) fail to do so in accordance with the RfS.

c. Net Worth to be considered for this clause shall be the total Net Worth as calculated in accordance with the Companies Act, 2013 and AUM or investible funds to be considered under this clause will be calculated in accordance with applicable SEBI (AIF) Regulations.”

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“37.3 Except for AIFs, the Bidder may seek qualification on the basis of financial capability of its Affiliate(s) for the purpose of meeting the qualification requirements as per Clauses 37.1 and 37.2 above subject to Clause 37.9. In case of the Bidder being a Bidding Consortium, any Member (except an AIF) may seek qualification on

the basis of financial capability of its Affiliate(s). In such cases, the Bidder shall be required to submit Board Resolutions from the respective Affiliate(s), undertaking to contribute the required equity funding and Performance Bank Guarantees in case the Bidder(s) fail to do so in accordance with the RfS. In case of non-availability of the Board Resolution as required above, a letter from the CEO/ Managing Director of the respective Affiliate(s), undertaking the above, shall be required to be submitted and the requisite Board Resolution from the Affiliate(s) shall be required to be submitted prior to signing of BESPA.”

[emphasis added]

20. The appellant claims that it satisfied the financial criteria on the financial strength of its two affiliates as noted above. It disclosed that Leap India Food and Logistics Pvt. Ltd. controlled more than 50% of the equity in the appellant company and M/s. Investors Clinic Infratech Pvt. Ltd. controlled less than 50% of the equity of the appellant company. The financial particulars were furnished in the prescribed format. The same indicates that the appellant claimed that it met the minimum net worth criteria with the support of its affiliates. The appellant confirmed that the net worth had been calculated in accordance with the instructions set out in Clause 37.1 of the RfS. The relevant extract of bid document furnished and uploaded under format 7.6 is set out below:

“The Net Worth has been calculated in accordance with instructions provided in Clause 37.1 of the Rfs.

Exhibit (i): Applicable in case of Bidding Company.

For the above calculations, we have considered the Net Worth by Bidding Company and/or its Affiliate(s) as per following details:

Name of Bidding Company	Name of Affiliate(s) whose Net worth is to be considered	Relationship with Bidding Company*	Net Worth (in Rs. Crore)
Forceone SD Private Limited	Leap India Food and Logistics Private Limited	Affiliate having control more than 50%	155.09
	Investors Clinic Infratech Private Limited	Affiliate having Control less than 50%	56.61
Total			211.70

*The column for "Relationship with Bidding Company" is to be filled only in case the financial capability of Affiliate has been used for meeting Qualification Requirements. Further, documentary evidence to establish the relationship, duly certified by a practicing chartered accountant is required to be attached with the format."

21. The appellant also disclosed the financial credentials of the two affiliates as under:

Particulars	Net-worth	Turnover
Leap India Food and Logistics Private Limited	155.09	124.31
Investors Clinic Infratech Private Limited	56.61	51.76
Total	211.70	176.07

22. Additionally, it also disclosed the affiliate relationship between Investors Clinic Infratech Pvt. Ltd. and the appellant as under:

**“AFFILIATE RELATIONSHIP BETWEEN INVESTORS
CLINIC INFRATECH PRIVATE LIMITED AND FORCEONE
SD PRIVATE LIMITED:**

Particulars	% Holding
Equity shareholding/% Voting shares held by Investors Clinic Infratech Private Limited in PSGG Technologies Private Limited (A)	51%
Equity shareholding/% Voting shares held by PSGG Technologies Private Limited in Forceone SD Private Limited (B)	74%
Equity shareholding/% Voting shares held by Investors Clinic Infratech Private Limited in Forceone SD Private Limited (C=A*B)”	37.74%

23. Concededly, the appellant did not furnish the undertaking as required under Clause 37.3 of the RfS from either of the two affiliates. However, it did provide an undertaking by M/s. PSGG Technologies Pvt. Ltd., in the required format.

24. The learned counsel appearing for the appellant contended that it was not necessary for the bidder to furnish a letter of undertaking along with the bid documents as the same could be submitted prior to BESP. The learned counsel relied on Clause 37.3 of the RfS.

25. We are unable to accept the said contention. A plain reading of Clause 37.3, as set out hereinabove, indicates that it requires the submission of *“Board Resolutions from the respective*

Affiliate(s), undertaking to contribute the required equity funding and Performance Bank Guarantees in case the Bidder(s) fail to do so in accordance with the RfS.” It is thus clear from the plain language of Clause 37.3 of the RfS that the bidder is required to furnish an undertaking from the affiliate(s) to the effect that they would contribute the required equity funding and the performance guarantee in case the bidder fails to do so; and the said undertaking is required to be from the Board of Directors of the affiliate(s), in the form of a board resolution. However, if such a board resolution is not available at the time of bidding, a bidder may furnish an undertaking from the CEO/Managing Director of the affiliate(s), but in such a case, the bidder would have to furnish the requisite board resolution of the affiliates(s) prior to signing the BESPA.

26. The learned counsel appearing for the appellant contended that there was a lack of clarity in this regard and, therefore, the least that was required was for the TEC to afford an opportunity for the appellant to furnish the undertaking as desired, and there would have been no difficulty for the appellant to do so.

27. We are unable to accept that there is any ambiguity in the language of Clause 37.3 of the RfS. It is apparent that the appellant also clearly understood that the undertaking was required to be furnished by its affiliates along with the bid as is evident from the fact that it uploaded an undertaking. However, the same was not furnished by the appellant's named affiliates but by PSGG Technologies Pvt. Ltd., which although a related party, was not one of the named affiliates. PSGG Technologies Pvt. Ltd. is a subsidiary of Investors Clinic Infratech Pvt. Ltd., which is one of the named affiliates, on the financial strength of which the appellant had submitted the bid. PSGG Technologies Pvt. Ltd. holds 74% of the voting shares in the appellant. However, the appellant had not furnished the bid on the financial strength of PSGG Technologies Pvt. Ltd. It had computed the indirect equity holding of Investors Clinic Infratech Pvt. Ltd. in the appellant as 37.74% on the basis that Investors Clinic held 51% of the voting shares in PSGG Technologies Pvt. Ltd., which in turn held 74% of the voting shares in the appellant company. The said figure of 37.74% equals 51% of 74%.

28. It is not necessary for us to speculate whether the appellant could have procured the necessary undertaking from its affiliates,

had an opportunity been granted. Undeniably, the necessary undertaking of the affiliates is not an inconsequential document. The appellant qualified as an eligible bidder on the basis of the financial strength of its affiliates, and thus the requisite undertakings from them were undoubtedly vital. In view of the above, we are unable to fault the decision of KPTCL to hold the appellant's bid as non-responsive.

29. Before concluding, it is also necessary to note that during the course of the proceedings, the learned counsel appearing for the appellant submitted that there were certain observations made in the impugned order to the effect that the appellant is a shell company, which may adversely affect the appellant in participating in other tenders. In this regard, it is clarified that none of the observations made by the learned Single Judge or this Court shall be read as an expression of opinion on the strength of the appellant company. The discussion and observations in the impugned order as well as this order are confined only to determining whether the decision of the concerned authorities to declare the appellant's bid as non-responsive for want of furnishing the necessary undertakings of its affiliates warrants interference under Article 226 of the Constitution of India.

30. The appeal is dismissed with the aforesaid observations.
31. Pending applications, if any, stand disposed of.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(K.S. HEMALEKHA)
JUDGE**

KMV