



W.P.No.28368 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17.07.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,  
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.P.No.28368 of 2026  
and WMP Nos.31097 and 31098 of 2026

Varun Sriram  
S/o.Sreedhar,  
No.27, Eswarmurthi Layout,  
First Street, Karuvampalayam,  
Tiruppur, Tamil Nadu-641 604.

Petitioner(s)

Vs

1. Union of India  
Rep by the Secretary,  
Ministry of Housing and Urban Affairs,  
Nirman Bhawan, Maulana Azad Road,  
New Delhi-110 011.
2. Union of India  
Rep by the Secretary,  
Department of Expenditure,  
Ministry of Finance, North Block,  
New Delhi-110 001.
3. Central Vigilance Commission  
Rep by its Secretary,  
Satarkta Bhawan, GPO Complex,  
Block-A, INA, New Delhi-110 023.



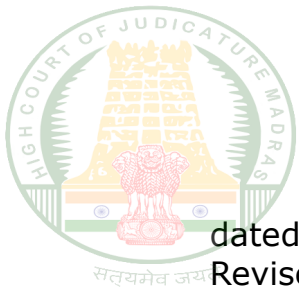
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4. Competition Commission of India,  
Thru its Secretary, 9th Floor,  
Office Block-1, Kidwai Nagar (East),  
New Delhi - 110023.
5. Comptroller and Auditor General of India,  
Thru the Competent Officer,  
9, Deen Dayal Upadhyaya Marg,  
New Delhi - 110124.
6. NBCC (India) Limited,  
Thru its Chairman and Managing Director,  
NBCC Bhawan, Lodhi Road,  
New Delhi - 110003.  
Also having its Regional Office.  
Bakthavatchalapuram, Avadi, Chennai,  
Tamil Nadu-600 054.
7. HSCC (India) Limited,  
Thru its Managing Director,  
E-6(A), Sector-1, Noida,  
Uttar Pradesh - 201301.
8. Chennai Port Trust,  
Rep. by its Chairman,  
Chennai Port Trust, Rajaji Salai,  
Chennai-600 001.
9. Chennai Port Trust Hospital,  
Rep. by its Chief Medical Officer,  
Chennai Port Trust Hospital,  
Rajaji Salai, Chennai-600 001.

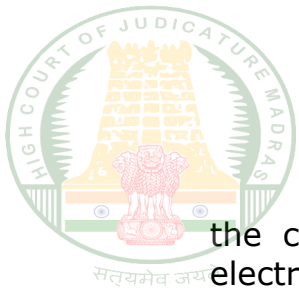
Respondent(s)

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus (a) calling for the records of the 6th Respondent in connection with impugned Notice Inviting e-Tender dated 29.06.2026 and consequential Corrigendum/Addendum-02, dated 10.07.2026 and Corrigendum/Addendum-03,



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dated 13.07.2026 and so for in connection with Clause 3.8 of the Revised SOP of the 3rd Respondent and to quash the same as arbitrary, illegal, unconstitutional; (b) To issue an appropriate writ, order or direction declaring that no Government-controlled entity, Central Public Sector Undertaking, Government company, subsidiary, associate, group entity or any other empanelled entity shall be permitted to participate in a bidding process as an independent bidder unless the procuring authority has first undertaken due and effective verification of any overlapping ownership, beneficial ownership, common administrative or institutional control, parent-subsidiary or group relationship, common directors or nominee directors, common shareholders, common Board-level or senior-management oversight, family or business association, and common digital, portal, payment or operational infrastructure, and has recorded a reasoned determination that such participation does not impair genuine competition, transparency, fairness or the integrity of the bidding process; (c) To issue an appropriate writ, order or declaration that the Independent External Monitor mechanism under Clauses 4.3, 4.5, 4.6, 4.12 and 5.13 of the Revised SOP is advisory and supplemental in nature and shall not operate as a mandatory first forum, a screening mechanism prior to approaching a statutory authority, a substitute for an independent investigation, or a means of delaying, mediating, settling or closing allegations concerning corruption, collusive bidding, bid rigging, false declarations, conflict of interest, official complicity or loss to the public exchequer, and further direct that the Integrity Pact, including the obligations relating to beneficial-ownership disclosure, conflict disclosure, anti-collusion compliance, cooperation with audit and investigation, and preservation of evidence, shall be strictly enforced against all bidders, contractors, joint-venture partners and material subcontractors; (d) directing Respondent Nos.2, 3 and 4, within their respective statutory jurisdictions and in coordination, wherever legally permissible, with Respondent Nos.1, 5, 6 and 7, to independently examine the verified material relating to the subject procurement, conduct or cause to be conducted a time-bound inquiry and forensic examination, and determine whether the empanelled or participating bidders were genuinely independent, whether any official, intermediary or connected entity facilitated an anti-competitive or otherwise unlawful arrangement, and whether proceedings, information, reference, vigilance action, audit or any other action under the applicable statutory framework are warranted; (e) directing Respondent Nos.6, 7 and 8 to preserve, disclose and produce before



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the competent statutory authorities the complete procurement and electronic record relating to the subject HSCC empanelment process and Tender ID 2026\_NBCC\_843246\_1/Tender No. NBCC/CHPA/Hospital/2026/26, including the Notice Inviting Tender, Expression of Interest, Integrity Pact, corrigenda, bid and evaluation records, beneficial-ownership declarations, conflict-of-interest disclosures, bidder eligibility and due-diligence records, server logs, user-account histories, bid-upload metadata, digital-signature identifiers, payment records, communications, file notings, IEM records, CVO records and the approval chain, and consequently direct the competent respondents to take a reasoned and time-bound decision upon such material in accordance with law; (f) To award costs and to pass such or other order or orders as this Honble Court may deem fit and proper in the interest of justice, constitutional governance and probity in public procurement; (g) to pass such other or further orders as this Court may deem fit and proper in the interest of justice.

For Petitioner(s): Mr.MA.Gouthaman

For Respondent(s): Mr.AR.L.Sundaresan  
Additional Solicitor General of India  
Assisted by Mr.V.Chandrasekaran  
Senior Panel Counsel  
for R1 to R3, R5 and R6

Mr.A.Kumaraguru  
for R8 and R9

ORDER

(Order of the Court was made by the Hon'ble Chief Justice)

This writ petition, styled as public interest litigation, is filed by a practising advocate seeking interference with the tender participation process by Central Public Sector Undertakings alleging collusive bidding, cartelization, bid-rigging, breach of tender



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integrity and violation of fair competition principles. The petitioner also seeks production of records, preservation of digital material, an independent enquiry and restraint against further action under the tender.

2.1. The main plank of the argument advanced by learned counsel for the petitioner is that respondent Nos.6 and 7 could not have participated in the same tender as independent bidders, since they allegedly have common ownership, common administrative or institutional control, common Board-level/senior-level oversight, common directors/ nominee directors, common shareholders/ beneficial ownership, parent-subsidiary/ group relationship, family or business association and common digital/ portal/ payment infrastructure.

2.2. It is further submitted that public procurement must be fair, transparent and competitive and that, where competing entities have common governance, shareholder, administrative or digital linkages, the tendering authority ought to examine whether the bids were independently prepared, approved and submitted. The



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relevant tender records, portal logs, IP logs, payment gateway records, Board approvals, shareholding records, internal notes and bid-submission records are in the custody of the respondents and, therefore, the same ought to be called for by this court. In effect, the petitioner does not seek a final finding of collusion/cartelization at this stage, but seeks an enquiry into the tender process on the basis of the aforesaid allegations.

3. On the other hand, the learned Additional Solicitor General argued that this petition, filed by a practising lawyer, is actually a proxy litigation. To support this claim, he pointed out that the petitioner has provided sensitive, internal documents that only an industry insider, and not an outside lawyer, would be able to access.

4. The law relating to judicial review in tender matters is well settled. This court, exercising jurisdiction under Article 226 of the Constitution of India, does not sit as an appellate authority over the decision of the tendering authority. The court is solely concerned with the legality of the decision-making process and not with the merits of the commercial decision.



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5. In *Tata Cellular v. Union of India*<sup>1</sup>, the Supreme Court held that the modern trend points to judicial restraint in administrative action and that the Court does not sit as a court of appeal, but merely reviews the manner in which the decision was made.

6. In *Jagdish Mandal v. State of Orissa*<sup>2</sup>, the Supreme Court held that judicial review in tender matters is intended to prevent arbitrariness, irrationality, bias and mala fides, and that the power of judicial review cannot be invoked to protect private interest at the cost of public interest or to decide contractual disputes.

7. The aforesaid principle has been reiterated by the Supreme Court in the following cases: *Michigan Rubber (India) Ltd. v. State of Karnataka*<sup>3</sup>; *Afcons Infrastructure Ltd. v. Nagpur Metro Rail Corporation Ltd*<sup>4</sup>; *Silppi Constructions Contractors v. Union of India*<sup>5</sup>; and *N.G. Projects Ltd. v. Vinod Kumar Jain*<sup>6</sup>.

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1 (1994) 6 SCC 651

2 (2007) 14 SCC 517

3(2012) 8 SCC 216

4(2016) 16 SCC 818

5 (2020) 16 SCC 489

6(2022) 6 SCC 127



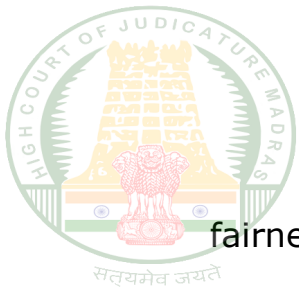
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8. The entertainability of the present writ petition must, therefore, be tested on the limited parameters of arbitrariness, mala fides, irrationality, violation of essential tender conditions or demonstrable public injury.

9. Having examined the pleadings and the arguments, we find that the petitioner has not placed on record any specific material showing actual collusion, bid coordination, exchange of price-sensitive information, common bid control, price fixing, market allocation, suppression of a mandatory disclosure or manipulation of the tender process in any manner.

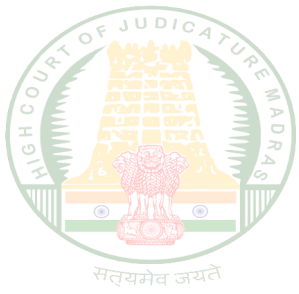
10. There can be no qualms about the proposition that public procurement must be fair, transparent and non-arbitrary. However, the aforesaid principles do not mean that every tender involving entities having some common ownership, common directors, common shareholders, common family or business association, common institutional connection or common digital infrastructure must be interdicted. Article 14 of the Constitution of India requires



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fairness in the decision-making process. It does not authorize the court to presume collusion merely from structural or relationship-based commonality. The petitioner has not demonstrated that the tendering authority acted arbitrarily, favoured any bidder, violated an essential tender condition, ignored a mandatory disqualification, or proceeded despite concrete material of collusive bidding.

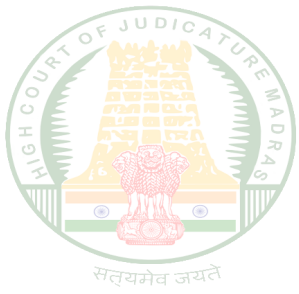
11. In our view, collusion cannot be established only because of existence of any common ownership, common directors, common shareholders or institutional linkage. What must be shown is that such linkage resulted in actual common bid control, exchange of bid information, coordinated pricing or manipulation of the tender process. In the public sector framework, more than one Government company, subsidiary, joint venture, special purpose vehicle, undertaking or Government-controlled entity may participate in public procurement processes. Such entities may have common Government ownership, common administrative ministries, common nominee directors or common reporting structures. These features are ordinary incidents of public sector governance and do not, by themselves, establish cartelization.



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12. If the petitioner's argument is accepted, every tender involving two Government companies, related public sector entities, private group companies, entities with common shareholders, or entities having present or past common directors would become vulnerable merely because of such structural or relational commonality. Such a conclusion would be commercially impracticable and legally unsustainable. Therefore, the relevant test is not whether there exists some ownership, directorship, shareholding, family, trust, group or institutional connection, but there should be material to show that the bidders acted pursuant to a common design to manipulate the tender process, exchange bid information, control pricing, restrict competition or defeat the integrity of the tender. In the instant case, no such material has been placed before us. Moreover, it is the duty of the tender issuing authority, be it Central Public Sector Undertaking or any other body, to verify the veracity and genuineness of bidding entities at the time of bidding.



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13. That apart, the contention of learned counsel for the petitioner that participation by related entities, group entities, subsidiaries or affiliates is impermissible, cuts no ice, in the absence of any specific tender condition prohibiting such participation. A disqualification cannot be read into a tender by implication. If the tendering authority intended to prohibit participation by parent companies, subsidiaries, group entities, affiliates, entities with common shareholders, or entities under common Government or private ownership, it was open to the tendering authority to expressly provide so in the tender conditions.

14. In *Uflex Ltd v. Government of Tamil Nadu*<sup>7</sup>, the Supreme Court dealt with allegations of financial/corporate linkage between bidders and held that such linkage could not be treated as a disqualification unless the tender terms made it so. The Supreme Court also reiterated that tender disputes are commercial matters and courts should exercise restraint in interfering with tender awards. In the present case, the petitioner has not shown any express tender condition prohibiting participation by entities merely

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<sup>7</sup> (2022) 1 SCC 165



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on account of Government ownership, private shareholding linkages, administrative connection, group relationship, Board-level overlap, common shareholders or affiliate status. This court cannot create a new eligibility condition or disqualification which the tender document itself does not prescribe.

15. Yet another ground of attack raised by the petitioner is the commonality in digital infrastructure, common IP address, common portal access, payment gateway, official network or tender-submission environment. In an electronic tender process, digital records may certainly be relevant. However, a technical circumstance such as common IP address or common portal / payment infrastructure cannot, by itself, establish collusive bidding. The common IP address or digital commonality may, at the best, be a circumstance for verification by the tendering authority in an appropriate case, but it cannot substitute material showing actual common bid control, bid coordination, price-sharing, exchange of confidential information or manipulation of the tender process. In the absence of foundational facts beyond broad suspicion, such a

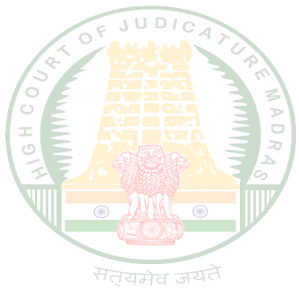


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request would amount to converting PIL jurisdiction into a process of discovery before pleadings are substantiated.

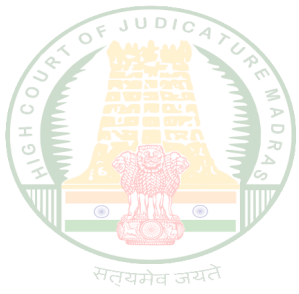
16. A constitutional court, under the garb of public interest litigation, cannot direct a roving and fishing enquiry merely because two bidders alleged to have used the same IP address, portal, payment system or network environment. Something more must be pleaded and shown, such as common bid drafting, common login control, shared price information, coordinated submission, identical commercial conduct, suppression of a mandatory disclosure or other material indicating an arrangement to restrict competition. No such material has been placed before us.

17. To order an enquiry on such asseverations contained in this petition would effectively authorise speculative discovery against bidders and the tendering authority. Such a course would unsettle public procurement, expose tender processes to collateral challenges and permit PIL proceedings to be used to obtain internal commercial and electronic records without foundational proof.



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18. The challenge to the procedure involving Independent External Monitors ("IEMs"), established under the framework prescribed by Central Vigilance Commission Circular No.05/01/22, dated 25.01.2022, is equally without merit. The IEM mechanism has been mandated by the Central Vigilance Commission to promote transparency and to prevent and curb corrupt practices in public procurement and government contracts. The principal function of IEMs is to oversee the implementation of Integrity Pacts, ensure that the contracting parties adhere to their commitments against corruption and facilitate the resolution of grievances without unnecessary and costly litigation. Having alleged collusion and cartelization among the concerned entities, the petitioner cannot simultaneously question the very procedure designed to prevent, detect and address such misconduct. The IEM procedure forms part of the agreed contractual and integrity framework between the parties and must, therefore, be followed in accordance with the applicable terms of the Integrity Pact and the mandate of the Central Vigilance Commission.



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19. To sum up, the petitioner has not shown any direct public injury, statutory violation, mala fide action, loss to public exchequer, violation of an essential tender condition or concrete material indicating actual cartelisation.

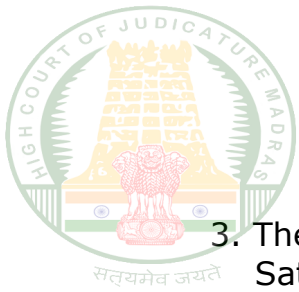
20. As a sequel, this writ petition is dismissed with costs quantified at Rs.25,000/- payable by the petitioner to the Tamil Nadu Advocates' Clerks Welfare Fund within two weeks from the date of receipt of a copy of this order, failing which the matter may be listed before the court after two weeks. Consequently, interim applications stand closed.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)  
17.07.2026

Index : Yes/No  
Neutral Citation : Yes/No  
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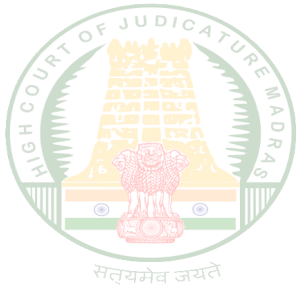
1. The Secretary, Union of India  
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7. The Managing Director,  
HSCC (India) Limited,  
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Uttar Pradesh - 201301.
8. The Chairman, Chennai Port Trust,  
Chennai Port Trust, Rajaji Salai,  
Chennai-600 001.
9. The Chief Medical Officer,  
Chennai Port Trust Hospital,  
Chennai Port Trust Hospital,  
Rajaji Salai, Chennai-600 001.



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THE HON'BLE CHIEF JUSTICE  
AND  
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