

HONOURABLE SRI JUSTICE A.RAJASHEKER REDDY

W.P. No.24678 OF 2014

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ORDER :

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This writ petition is filed seeking writ of mandamus declaring the action of the respondents in not considering the case of the petitioner for award of work pursuant to the E-Tender Notice No.124/CGM(E)/O & MC.111/D1, pipes/2014-15, dated 04.08.2014 on the ground that Criminal Cases are pending against the petitioner and it was rejected earlier and to declare clause iii(d) of the 1st and 2nd paragraphs of the technical bid of the tender document dated 04.08.2014 as illegal and arbitrary.

2. Brief facts which are necessary for disposal of the writ petition are as under:

The petitioner is a company registered under the Indian Companies Act, 1956 having its registered office at Kolkata, dealing in manufacturing of Ducttile iron pipes which are being used for transmission of water, disposal of waste water and sewerage and that the petitioner is in the trade since several decades and it has expertise in the said field. The petitioner has participated in several tenders all over India and secured and completed successfully the work entrusted to it. It is stated that it is being harassed by the State authorities and local bodies with the help of its competitors by imposing irrelevant and frivolous conditions in the tender documents. That in response to the invitation of tenders by the 1st respondent for supply of DI pipes vide the e-Tender notification dated 22.12.2012, the petitioner participated in the same and became L1 bidder and work order was issued in its favour vide proceedings dated 31.01.2013 by the 1st respondent. However, the said work order was cancelled, by forfeiting the EMDs submitted by petitioner, vide proceedings of the 1st respondent dated 19.03.2013 holding that the petitioner has not disclosed the information as per the tender conditions i.e., cancellation of work orders by various Municipalities, West Bengal and also pendency of Criminal Cases against it. That the

petitioner has successfully executed the work in respect of works of the respondent Board and Board issued successful completion certificate to that effect. Aggrieved by the action of the respondent Board, the petitioner filed W.P.No.30071 of 2013 and the same was withdrawn, as per the orders of this Court dated 25.07.2014.

3. Petitioner submitted its tender in response to the tender notice dated 04.08.2014 issued by the 2nd respondent and the same was received by the 2nd respondent. It was informed to the petitioner that as its earlier work order was cancelled on the similar grounds, the petitioner's bid will not be considered by the respondents. The petitioner has also submitted relevant documents with regard to pendency of criminal cases, along with tender document. The petitioner claims that the clause iii (d) of paragraphs 1 and 2 of the technical bid of the tender document dated 04.08.2014, which provides that if any criminal cases are pending against the tenderer at the time of submitting tender, that tender will be summarily rejected, as illegal and arbitrary and it has been imposed only with a view to see that the *bonafide* business entity like the petitioner are deprived of its right to conduct business. It is stated that mere pendency of the criminal case against a party does not disentitle it from participating in the tender process and secure the contract and that unless a person is convicted of an offence, he must be presumed to be innocent. It is stated that the impugned clause is violative of the Articles 14 and 19 of the Constitution of India. Aggrieved by the action of the respondents, the present writ petition is filed.

4. Counter affidavit is filed by the Chief General Manager (Eng.) of the Hyderabad Metropolitan Water Supply & Sewerage Board, State of Telangana on behalf of the respondents 1 and 2 denying the averments in the affidavit filed in support of the writ petition stating that Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB) is constituted by Act 15 of 1989 and the respondents takes up the laying of water supply pipeline works for providing and improvement of water supply in the jurisdiction of GHMC Area and issued tender notification dated 04.08.2014. It is stated that in the tender notice *inter alia* the Board has stipulated certain terms and conditions including the eligibility criteria and other mandatory conditions and clause iii (d) of the tender document contains history of litigation and criminal record. It provides that if

any criminal cases are pending against him/her/partners at the time of submitting the tender, the tender will be summarily rejected. The respondents came to know from the tender documents submitted by the petitioner about the pendency of criminal case and various other arbitrations/litigation throughout the country. It is stated that even before finalization of the technical bids, the petitioner filed writ petition questioning the impugned clause in the tender notice. The petitioner having participated in the tender process and having filed an affidavit to abide by the terms and conditions of the tender document is estopped from challenging the condition of the tender document. Impugned condition is imposed in the bid document in order to safeguard the interest of the Board and in the interest of public at large. Conditions relating to pendency of criminal cases are being included in all the tender documents of HMWSSB and other Government departments throughout the country and as per the existing standard policy on the subject, all the offers where criminal cases are pending are being rejected summarily. Clause iii(d) of the tender condition is stipulated to prevent/blacklist/debar the tenderers from participating in the tender process, since respondent Board is not willing to enter into contract with the parties who have no good reputation and against whom litigations and criminal cases are pending. Removal of such conditions from the bid document may allow entry of tenderers who are having criminal background, which may lead to legal complications, thereby delaying the execution of projects. Drinking water supply schemes are essential to be executed in time bound manner and delay in supply of pipes is likely to cause serious hardships to the citizens apart from cost over runs. Mere submission of online e-procurement platform does not confer any right and it is always subject to evaluation of the offer with respect to the terms and conditions stipulated in the tender notification and bid document and sought for dismissal of the writ petition.

5. The petitioner filed reply to the counter affidavit filed on behalf of the respondents 1 and 2 denying the averments therein stating that mere submitting of tender does not disentitle the petitioner from challenging the illegal clause imposed by the authorities in order to deprive a party from securing contract. It is stated that public interest will not be jeopardized merely because criminal cases are foisted against a contractor, more so, when the petitioner has been successfully executing the works for the respondents and they have

been issuing completion certificates and that there is no nexus between the illegal clause imposed by them and their objective and such an action on the part of the respondent Board is nothing but arbitrary and whimsical at the behest of the rival contractors who wanted to monopolise the business. It is stated that no such similar condition relating to pendency of criminal cases are being included in all the tender documents throughout the country.

6. The respondents 3 and 4 have been impleaded in the writ petition as per the orders of this Court dated 29.01.2015 in W.P.M.P.Nos.31725 of 2014 and 2907 of 2015 respectively and they have also filed affidavits reiterating the averments as that of the respondents 1 and 2.

7. Heard Sri C.V.R.Rudra Prasad, learned Counsel for the petitioner, learned Additional Advocate General for the respondents 1 and 2, Sri S.Ravi, learned Senior Counsel appearing on behalf of Sri Ch.Pushyam Kiran, learned counsel for 3rd respondent.

Though in the pleadings and prayer portion, the impugned condition is referred to as 'iii (d)' in the writ petition, but both the learned counsel have referred to '3.4 (d)' of the Tender documents and based their arguments on the same.

8. Learned counsel for the petitioner submits that paragraphs 1 and 2 of clause 3.4 of tender conditions is arbitrary and illegal and it is in violation of fundamental rights guaranteed to the petitioner under Article 19 (1) (g) of the Constitution of India. He would contend that the respondents have introduced such a condition in the tender conditions to eliminate the petitioner from the competition enabling it to award the works to third respondent. He submits that mere registration of FIR does not amount to commission of any offence unless person is convicted by any Court of law. He further submits that accused in any crime is presumed to be innocent unless he is convicted of the offence by the Court.

9. He also contends that allowing many number of persons in the tender process will create an atmosphere of competition and the State will be able to procure services at very competitive prices, which is in the interest of public exchequer. The respondents by introducing the impugned clause, are preventing genuine persons like that of petitioner from participating in the bids,

which is illegal and arbitrary and unconstitutional. In support of his contention, he relied on the judgment of the Calcutta High Court in APO No.265 dated 24.09.2014 in G.A No.2499 of 2014 in the case of **State of West Bengal & Ors v. Rashmi Metaliks Limited & Anr.** He further submits that the Judgment rendered by the learned Single Judge of High Court in W.P.No.707 of 2014 is at the instance of the petitioner herein.

10. On the other hand, Sri J.Ramachandra Rao, learned Additional Advocate General appearing for the first and second respondents Board submits that impugned clause in the tender notification is introduced in the public interest and the tenders are issued for laying of D1 pipes for supply of drinking water, which is an urgent need of the public, as such, introduction of impugned clauses have nexus for the object sought to be achieved. By introduction of such clause, the respondent Board can take precaution to see that the contractors who supply water pipes and lays, will be able to execute the work within stipulated time in the tender conditions. He submits that by introduction of such clause, not only the petitioner but several persons, who are involved in criminal cases by way of FIRs and Charge sheets are also disqualified from participating in the tenders, as such, it cannot be said that the petitioner himself is being excluded from the competition nor it can be said that it is a tailor-made one to disqualify the petitioner. The impugned clause applies to all persons who are involved in criminal cases and at the same time, they do not suffer from any unreasonableness or arbitrariness nor they do violate any fundamental rights of the petitioner. Since the project for which the tenders are called for is of utmost importance and there is dire need for supply of water and the same is an urgent need for the general public, as such, with the avowed object of completion of project within the stipulated period and in order to see that the project is completed in a time bound manner, aforesaid stringent condition is introduced. He submits that the Calcutta High Court has not considered several judgments of Apex Courts on the issue, as such, introduction of impugned clauses in tender notice, cannot be faulted in view of the judgments of Apex court on the issue. He also contends that the tender is an invitation to offer and if it is acceptable to the petitioner, the petitioner can make his offer and it is for the government to accept the said offer. He also contends that the Government has discretion like that of private entrepreneur to safeguard best commercial

interests in the commercial transactions. He also contends that the power of judicial review of tender conditions under Article 226 of the Constitution of India is limited. He also contends that this Court should be slow in interfering with decisions in commercial transactions like present one as they are taken by experts in the field. He also contends that the respondent Board has taken the over all picture into consideration and introduced the impugned clause, which is neither unreasonable nor arbitrary. He further submits that the writ petition filed by the petitioner is premature because as on today, the tender of the petitioner has not been rejected. He submits that this Court cannot interfere with the tender process unless it is unreasonable and arbitrary and also when an action taken is against public interest. In the present case on hand, by introduction of impugned clause in tender document, no public interest will suffer. Moreover, the impugned clause is introduced in furtherance of public interest and the same is not in conflict with the public interest. In support of his contention, he relied on the judgments reported in **AIR India Ltd., v. Cochin International Airport Ltd., and others, Directorate of Education and others v. Educomp Datamatics Ltd., and others, Association of Registration Plates v. Union of India and others, Jagdish Mandal v. State of Orissa and others and C.S.R.Infratech India Private Limited v. The Government of Andhra Pradesh, rep. by its Secretariat, TR & B, Secretariat, Hyderabad and others.**

11. Sri S.Ravi, learned Senior Counsel while adopting the submissions of learned Additional Advocate General, submits that Articles 14 and 19 of the Constitution of India does not apply to the petitioner since the petitioner is a company and not a natural person. It is contended that the petitioner cannot invoke Articles 14 and 19 of the Constitution of India, since petitioner being an incorporated company. He also submits that the possibility of misusing the power is no ground to interfere with the tender conditions. He further submits that G.O.Ms.No.195, Panchayati Raj & Rural Development (Progs-II) Department dated 10.05.1999 is also not challenged since that is the basis for the introduction of impugned conditions in the tender document. He also submits that the petitioner itself gave an affidavit dated 14th August, 2014 accepting the tender conditions including the condition impugned in the writ petition, stating that tender shall be rejected if any criminal cases are pending

against the petitioner/partners, as such, writ petition is devoid of merits. In support of his contention, he relied on the judgments reported in **Michigan Rubber (India) Ltd., v. The State of Karnataka and Others** and **Maa Binda Express Carrier and another v. Northeast Frontier Railway and others**.

12. In view of rival contentions and pleadings, the only point that requires to be considered in the writ petition is whether the paragraphs 1 and 2 of clause 3.4 (d) of Tender Conditions of are unreasonable, arbitrary and violative of fundamental rights guaranteed to the petitioner? If so, whether it is liable to be struck down by exercising the power of Judicial Review under Article 226 of the Constitution of India.

13. Before going into the matter, it is better to extract the impugned clause i.e., 3.4 (d) of Section-II: Instructions to Tenderers, which is under challenge in the writ petition, according to counsel for both the sides.

“(d). History of litigation and criminal record:

If any criminal cases are pending against him/her/partners at the time of submitting the tender, the tender will be summarily rejected. In this respect the Tenderer shall submit an affidavit to the effect that the history of litigation, criminal cases pending against him/her/partners furnished by him/her is true.

The bidders who were blacklisted/barred in any Govt./Municipalities/undertakings, the tender will be summarily rejected.

In case it is detected at any stage that the affidavit is false, he will abide by the action taken by the HMWSSB/A.P.HMWS&SB without approaching any court whatsoever for redress. He will, however, be given suitable opportunity to offer his explanation before action is taken against him.”

14. The main thrust of the contention of the learned counsel for the petitioner is that by introduction of the impugned clause in the tender conditions, the petitioner’s fundamental rights to trade with the Government are affected since the petitioner is presumed to be innocent till he is convicted by any Court of law. It is also the case of petitioner that such impugned clause in the tender conditions is unreasonable and arbitrary. Now, the question that arises whether the fundamental right to trade with the Government can be regulated by imposing certain conditions which the State thinks fit in public interest or for

carrying out its activity in the contractual field for the purpose of supplying essential amenity like that of water, as in the present case.

15. It is the case of the respondent Board that in order to see that project is completed as early as possible in a time bound manner, it requires to chose the persons without any criminal background whatsoever and in case if the bidder is convicted of any offence by any Court of law, during the pendency of the contract, there is every likelihood of the execution the project under the tender being delayed, as a result, the contractor, who is convicted may not be in a position to complete the work within the time stipulated under the contract and the respondent Board will be unable to supply essential amenity of water to the citizens, without which, life cannot move forward. The respondent Board, as a measure of extra precaution, in order to see that the contract, which they are going to entrust to the contractors, are free from any litigation in criminal cases for execution of the work in a time bound manner, imposed such a condition in the tender document. This, in my opinion, is only a regulation regulating the rights of the persons to tie up with the government and by introduction of such clauses, no fundamental rights of the petitioner are affected. There cannot be any fundamental right to trade with Government, but in the award of contracts fair and equal treatment should be given. For the aforesaid reasons, it cannot be said that the State was unreasonable and arbitrary in imposing the impugned conditions and more over, the said condition has been introduced with an avowed object of completing the project within the stipulated time in order to cater to the needs of citizens to supply water, without which, it is impossible to survive. When this object is kept in mind while imposing the impugned condition, it cannot be said that it is unreasonable and arbitrary. Though, it may appear to the petitioner that they are unreasonable and arbitrary, but this Court has to see what is unreasonable and arbitrary from the point of view of dire need of supply of water by the respondent Board to the citizens. It is well settled principle that individual interest has to yield to public interest and it is the public interest which will prevail over the individual's interest. In this background, one cannot find fault with the Board for imposing such a condition in the tender conditions, which is in the interest of public at large.

16. Though the petitioner alleged that impugned condition is a tailor made to eliminate the petitioner from participating in the tenders, but, as contended by

the learned Additional Advocate General that in order to eliminate persons with criminal background such a condition was imposed in the tender document, as such, it cannot be said that it is introduced only for the purpose of eliminating the petitioner. I find force in the contention of the learned Additional Advocate General.

17. Next coming to the judgment dated 05.08.2014, relied on by the learned counsel for the petitioner in W.P.No.707 of 2014 of the High Court of Calcutta, wherein the High Court of Calcutta has set aside the similar condition. However, the Division Bench of Calcutta High Court has disposed of the appeal in A.P.O.No.265 of 2014 in G.A.No.2499 of 2014, holding that such a condition is violative of fundamental rights of the petitioner, gave discretion to State to take a decision depending upon facts and circumstances. Part of impugned clause in that case is similar to that of the clause in the present case i.e., production of affidavit showing the history of pendency of litigation, but quashed the condition for summary rejection of tenders, when criminal cases are pending against tenderers stating that in case of refusal, the State must assign reason so that the aggrieved party could apply for judicial review. It is also observed that when such a declaration is made in the affirmative, the State would be within their right to exercise its discretion to accept or not to accept any tender. The Hon'ble Division Bench of Calcutta High Court is also of the view that the State can take a decision on information given regarding pendency of criminal cases, but there cannot be any summary rejection and that the State has right to accept or not to accept any tender.

18. I am unable to subscribe to the view taken by the High Court of Calcutta that the introduction of such impugned clause like that of in the present case would be violative of the fundamental rights of the petitioner. Since the petitioner cannot have absolute fundamental right and cannot complain that he has every right to be granted government contracts in pursuance to fundamental rights guaranteed to him, as the Board has only imposed certain conditions for exercise of such rights. More so, mere issuance of tenders is nothing but an invitation to offer and in pursuance to same, it is for the petitioner to give his offer and it is for the other party to accept the same or not. The award of contract by the State to the citizens by way of tender process is to see that the State gets the services at the competitive prices, which will

benefit the public exchequer and at the same time select best persons for award of contracted work for the timely completion of the project and also at a competitive price, without any hassle, which is also in the commercial interest.

In Directorate of Education and others v. Educomp Datamatics Ltd., and others (supra) it is held as follows:

11. This principle was again re-stated by this Court in [Monarch Infrastructure \(P\) Ltd. vs. Commissioner, Ulhasnagar Municipal Corporation and Others](#) [2000 (5) SCC 287]. It was held that the terms and conditions in the tender are prescribed by the government bearing in mind the nature of contract and in such matters the authority calling for the tender is the best judge to prescribe the terms and conditions of the tender. It is not for the courts to say whether the conditions prescribed in the tender under consideration were better than the one prescribed in the earlier tender invitations.
12. It has clearly been held in these decisions that the terms of the invitation to tender are not open to judicial scrutiny the same being in the realm of contract. That the government must have a free hand in setting the terms of the tender. It must have reasonable play in its joints as a necessary concomitant for an administrative body in an administrative sphere. The courts would interfere with the administrative policy decision only if it is arbitrary, discriminatory, mala fide or actuated by bias. It is entitled to pragmatic adjustments which may be called for by the particular circumstances. The courts cannot strike down the terms of the tender prescribed by the government because it feels that some other terms in the tender would have been fair, wiser or logical. The courts can interfere only if the policy decision is arbitrary, discriminatory or mala fide.”

In Association of Registration Plates v. Union of India and others (supra), it is observed as follows:

- “43. Certain preconditions or qualifications for tenders have to be laid down to ensure that the contractor has the capacity and the resources to successfully execute the work, Article 14 of the Constitution prohibits the government from arbitrarily choosing a contractor at its will and pleasure. It has to act reasonably, fairly and in public interest in awarding contract. At the same time, no person can claim fundamental right to carry on business with the government. All that he can claim is that in competing for the contract, he should not be unfairly treated and discriminated to the detriment of public interest. Undisputedly, the legal position which has been firmly established from various decisions of this Court, cited at the Bar (supra) is that government contracts are highly valuable assets and the court should be prepared to enforce standards of fairness on government in its dealings with tenderers and contractors.
44. The grievance that the terms of notice inviting tender in the present cases virtually creates a monopoly in favour of parties having foreign collaborations, is without substance. Selection of a competent contractor for assigning job of supply of a sophisticated article through

an open tender procedure, is not an act of creating monopoly, as is sought to be suggested on behalf of the petitioners. What has been argued is that the terms of the Notices Inviting Tenders deliberately exclude domestic manufacturers and new entrepreneurs in the field. In the absence of any indication from the record that the terms and conditions were tailor-made to promote parties with foreign collaborations and to exclude indigenous manufacturers, judicial interference is uncalled for.”

In **Michigan Rubber (India) Ltd., v. The State of Karnataka and Others (supra)**, it is held as follows:

“19) From the above decisions, the following principles emerge:

(a) the basic requirement of Article 14 is fairness in action

by the State, and non-arbitrariness in essence and substance is the heartbeat of fair play. These actions are amenable to the judicial review only to the extent that the State must act validly for a discernible reason and not whimsically for any ulterior purpose. If the State acts within the bounds of reasonableness, it would be legitimate to take into consideration the national priorities;

(b) fixation of a value of the tender is entirely within the purview of the executive and courts hardly have any role to play in this process except for striking down such action of the executive as is proved to be arbitrary or unreasonable. If the Government acts in conformity with certain healthy standards and norms such as awarding of contracts by inviting tenders, in those circumstances, the interference by Courts is very limited;

(c) In the matter of formulating conditions of a tender document and awarding a contract, greater latitude is required to be conceded to the State authorities unless the action of tendering authority is found to be malicious and a misuse of its statutory powers, interference by Courts is not warranted;

(d) Certain preconditions or qualifications for tenders have

to be laid down to ensure that the contractor has the capacity and the resources to successfully execute the work; and

(e) If the State or its instrumentalities act reasonably, fairly

and in public interest in awarding contract, here again, interference by Court is very restrictive since no person can claim fundamental right to carry on business with the Government.

20) Therefore, a Court before interfering in tender or contractual matters, in exercise of power of judicial review, should pose to itself the following questions:

(i) Whether the process adopted or decision made by the authority is *mala fide* or intended to favour someone; or whether the process adopted or decision made is so arbitrary and irrational that the court can say: “the decision is such that no responsible authority acting reasonably and in accordance with relevant law could have reached”; and

(ii) Whether the public interest is affected. If the answers to the above questions are in negative, then there should be no interference under Article 226.”

19. Since the Calcutta High Court has not taken into consideration the above judgments of Apex Court on the issue while rendering the judgment, with great respect, I am unable to subscribe to the view taken by the Calcutta High Court. Moreover, the power of judicial review in reviewing tender conditions is very limited. Bidders are not punished for mere registration of criminal cases but in bid documents certain conditions are imposed and this Court cannot strike down the same in view of the law laid in above judgments.

20. The petitioner himself filed an affidavit dated 14.08.2014 wherein it is stated under paragraphs 3 and 4 as follows:

- “3. I/We, RASHMI METALIKS LIMITED accept that my/our tender shall be rejected if any criminal cases are pending against me/us/partners of the firm at the time of submitting the tender.
4. I/We RASHMI METALIKS LIMITED certify that the documents uploaded by me through e-procurement platform are genuine and treat them as self attested and if the documents found fake/false at a later date, I/We RASHMI METALIKS LIMITED abide by the action taken by the HMWSSB/Andhra Pradesh HMWS&SB without approaching any court whatsoever for redress.”

Since the petitioner himself has agreed to abide by the terms and conditions of the tender conditions and also filed an affidavit to that effect, now, he cannot turn around and challenge the impugned clauses in tender documents.

21. Though, it is contended by the learned Additional Advocate General that the writ petition is premature, but same cannot be accepted since by virtue of the impugned clause in the tender conditions, the respondents have no other go except to reject the tender of the petitioner, as such, it cannot be said that the writ petition is premature. Since the petitioner's earlier writ petition challenging the cancellation of work orders on the ground that the petitioner has suppressed information regarding criminal cases pending against the petitioner was dismissed as withdrawn, indicates that the petitioner did not want to challenge the said clause, without any further liberty. The case of the petitioner goes to show that the petitioner has given up the challenge. But any how, instead of throwing out the petition on that ground, I wish to deal with the same on merits.

22. However, paragraph 3 of clause 3.4 (d) of the tender conditions, appears to be unreasonable, as it curtails the right of the petitioner to approach the Court. Any decision taken by the respondent Board cannot curtail the rights of the petitioner for reviewing the decision taken by the respondent Board by approaching appropriate Court of law. It is for the Court to grant relief or not, but the respondents cannot impose such a condition, which is violative of rights granted to the petitioner for approaching the Court.

23. As far as paragraph (2) is concerned, I do not see any illegality or irrationality or unreasonableness or anything arbitrary, since the Board has imposed such a condition that the bidders who are blacklisted/banned in any government/Municipalities/undertakings are not required by the Board, to be awarded the works, since they were held to be barred. Moreover, I do not see any unreasonableness, arbitrariness or illegality in imposing such a condition. I once again reiterate that such a condition is also in the public interest and not against public interest.

24. Anyhow, this Court finds that clause providing for summary rejection of bid in case of pendency of any criminal cases against bidders appears to be arbitrary and unreasonable. Petty offences like that of traffic violations and others cannot be taken into account for rejection of bids, which would not in any way related to the cause for completion of project, would be a ground for rejection of tenders. However, the Board can seek information about the pendency of criminal cases and consider the cases pending against them and if they construe that pending criminal cases causes hindrance for completion of the works by the contractor, the Board may reject the bid.

25. In view of the above, this Court need not strike down the impugned clauses in its entirety, the same can be read down to the extent it is unreasonable and arbitrary.

In view of the above facts and circumstances, the 1st and 2nd paragraphs of the tender conditions 3.4 (d) i.e.,

“If any criminal cases are pending against him/her/partners at the time of submitting the tender, the tender will be summarily rejected. In this respect the Tenderer shall submit an affidavit to the effect that the history of litigation, criminal cases pending against him/her/partners furnished by him/her is true.

The bidders who were blacklisted/barred in any Govt./Municipalities/undertakings, the tender will be summarily rejected.” is upheld.

But however, it is clarified that in each and every case the State may not reject the bids summarily on mere pendency of any criminal cases against bidders if they do not come in the way of executing contracts.

However, part of the paragraph 3 of 3.4 (d) of tender conditions to the extent i.e.,

“without approaching any court whatsoever for redress.” is set aside.

If the respondent Board intends to reject the tender of the petitioner, then they must assign reason so that the petitioner could apply for judicial review before appropriate forum.

With the above direction, the writ petition is disposed of. Interim order granted in W.P.M.P.No.30902 of 2014 on 26.08.2014 shall stand vacated. There shall be no order as to costs. As a sequel thereto, miscellaneous petitions, if any, pending in this writ petition, shall stand closed.

A.RAJASHEKER REDDY, J

30.04.2015.

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HONOURABLE SRI JUSTICE A.RAJASHEKER REDDY

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