

IN THE HIGH COURT AT CALCUTTA
Constitutional Writ Jurisdiction
Original Side

Present :- Hon'ble Justice Amrita Sinha

WPO 730 of 2025

Shetgiri & Associates

Vs.

Bank of India & Anr.

For the writ petitioner	:-	Mr. Vibhakar Mishra, Adv. Mr. Ajay Chaubey, Adv. Mr. Vinayak Chaubey, Adv. Ms. Ritika Pipalwa, Adv. Mr. Prabhat Kumar, Adv. Mr. Utkarash Mishra, Adv. Ms. Ahona Majumder, Adv.
For the respondent	:-	Mr. Debashis Saha, Adv. Mr. Avirup Roy Sanyal, Adv. Ms. Sucheta Pal, Adv.
Heard on	:-	28.10.2025
Judgment on	:-	28.10.2025

Amrita Sinha, J.:-

1. The petitioner is aggrieved by the cancellation of the tender process in which it participated and emerged as the L-1 bidder. The cancellation was communicated to the petitioner by a communicating letter dated 22nd July, 2025. The letter of cancellation mentions that due to some technical reasons in the tender, the bank has decided to go for re-tendering for the same. Necessary information will be published in the newspaper, Bank's website and MSTC-E-tendering portal.

2. Learned advocate for the petitioner submits that the cancellation is mala fide, arbitrary and bad in law. According to the petitioner, the authority inspected the site in question and was satisfied with the performance of the petitioner. After declaring the petitioner as L-1 bidder, the authority ought not to have cancelled the tender process.
3. It has been submitted that no reason has been prescribed for cancellation of the tender process which stood concluded declaring the petitioner as the L1 bidder.
4. Learned advocate for the petitioner relies on the judgment delivered by the Hon'ble Supreme Court in the matter of **Subodh Kumar Singh Rathour Vs. Chief Executive Officer and Others** reported in **2024 SCC OnLine SC 1682** paragraphs 123, 125 and 127. Relying on the ratio laid down in the above decision it has been submitted that the public authority ought to maintain the sanctity of tenders in public private procurement processes. Public tenders are designed to provide a level playing field for all potential bidders. The integrity of this process ensures that public projects and services are delivered efficiently and effectively, benefiting the society at large. The sanctity of contracts is a fundamental principle.
5. The special reliance has been placed on the observation of the Hon'ble Supreme Court mentioning that when public authorities enter into contracts, they create legitimate expectations that the State will honour its obligations. Arbitrary and unreasonable terminations undermine

these expectations and erode the trust of private players from the public procurement processes and tenders.

6. Reliance has also been placed on the judgment delivered by the Hon'ble High Court of Orissa, Cuttack on 8th September, 2017 in W.P.(C) No. 5272 of 2017 in the matter of ***M/s. Sical Logistics Ltd. Vs. Mahanadi Coalfields Limited and others*** wherein the Court was of the opinion that in view of the Central Vigilance Commission guidelines, the tender accepting authority is not free to take any decision in an arbitrary manner and is bound to record clear and logical reasons for any action of rejection/recall of tenders.
7. Prayer has been made restraining the authority from floating fresh tender and to direct the authority to award the contract in favour of the petitioner.
8. Learned advocate representing the bank submits, upon instruction that, the tender process was cancelled because of technical reasons. The fact of cancellation has been made known to all the participants. The participants have been intimated that they would be at liberty to participate in the next tender that will be floated.
9. Learned counsel for the respondents relies on the decision delivered by the Hon'ble Supreme Court in the matter of ***Principal Chief Conservator of Forest and Others Vs. Suresh Mathew and Others*** reported in ***2025 SCC OnLine SC 933*** paragraphs 20 and 21.
10. Learned counsel refers to the clause in the form for application in the e-tendering process wherein it has been mentioned that the bank has

reserved the right to select or reject any or all the applications received without any reason whatsoever. It has been submitted that because of technical reasons, despite declaration of the L-1 bidder, the bank was compelled to cancel the entire tender process.

11. Learned counsel for the bank submits, upon instruction that, notice of re-tender was floated but the petitioner did not participate in the same. Today, i.e. 28th October, 2025, is the date for opening of the bids.
12. I have heard the submissions made on behalf of both the parties and have perused the documents placed before the Court.
13. Admittedly, in the instant case the petitioner was communicated the reason for cancellation of the tender process. The authority found that due to technical reasons in the said tender the same had to be cancelled and decision was taken to re-tender the same. The petitioner, though participated in the initial tender process, but for reasons best known, did not participate in the re-tender process. The date for opening the bids of the subsequent tender is today.
14. Though a participant legitimately expects that after emerging as the successful bidder, the work order and the contract would be issued but there may be genuine and valid reasons for the authority to cancel the process and thereafter take decision whether and when to issue the notice of re-tender.
15. Cancellation of a tender due to technical reasons is an internal policy decision of the tender inviting authority. Till it is proved with sufficient documents that the cancellation was indeed illegal and arbitrary, the

Court usually refrains from exercising judicial discretion in the matter. Making out a case that the tender process was cancelled so as to provide benefit or advantage to any other favourable candidate of the authority may be a ground to exercise judicial review. No case of mala fide exercise of power by the authority has been made out in the instant writ petition.

16. Mere arriving at a decision that the petitioner is the L-1 bidder did not create any right in favour of the petitioner for issuance of work order and execution of the contract in between the parties. No positive decision or action was taken by the authority in furtherance of the declaration of the petitioner as the L1 bidder. On the contrary, due to technical reasons the entire tender process got cancelled and the cancellation was duly informed to all the participants. Notice of re-tender was floated but the petitioner chose not to participate in the process of re-tender. The petitioner cannot claim to be prejudiced due to cancellation of the tender process as no further step was taken by the authority after declaration of the result of the bid.
17. Had the work order been issued in favour of the petitioner and contract been executed between the parties and thereafter the same cancelled without assigning any reason, then the ratio laid down by the Hon'ble Supreme Court in the matter of Subodh Kumar Singh Rathour (supra), as relied upon by the petitioner, could have been applied.
18. In Subodh Kumar Singh Rathour (supra) the Court clearly laid down that when public authorities enter into contracts, the State ought to

honour its obligations. In the instant case, the stage of entering into contract between the parties did not arise at all. It was only after declaration of the result of the bid that the bank detected technical errors/ defects/ lapses and cancelled the entire tender process. The bank also went to the extent of communicating the fact of cancellation of the tender process to all the participants.

19. In *M/s. Sical Logistics Ltd. (supra)* the Court observed that there was an obligation for recording clear and logical reasons for rejection/recall of tender in accordance with Central Vigilance Commission guidelines. In the instant case, the ground for cancellation of the tender process - 'technical reason', was communicated to all the participants. It is not that no reason for cancellation was communicated. It may be that the reason was not a detailed one, but at least, some reason was mentioned for cancellation of the tender process.
20. Had the petitioner been genuinely aggrieved by the cancellation of the tender process, then the petitioner ought to have rushed to the Court immediately after communication of the cancellation on 22nd July, 2025. It appears that the writ petition was filed only on 16th September, 2025. By now, the bank has proceeded with the re-tender process and today is the date fixed for opening the bids.
21. The Hon'ble Supreme Court in the matter of *Suresh Mathew and Others (supra)* laid down that the equal opportunity to be given to the bidders so that there would be fair play between them. Here, all the participants were intimated about the reason for cancellation of the tender process

and everybody had the opportunity to participate in the re-tendering process. The petitioner, in its discretion, did not avail the opportunity to participate in the re-tender process.

22. There is no order passed by any competent forum restraining the bank from proceeding with the re-tender process. The bank has, accordingly, proceeded with the same and will take necessary steps to conclude the same provided the process is in accordance with law. If the bank notices any further discrepancy in the process of re-tender, the bank will take necessary steps as per law.
23. The Court is not convinced that any legal right, far less; constitutional or statutory right of the petitioner has been infringed by the act of the respondent authority in any manner whatsoever. It does not appear that the act of the authority is palpably arbitrary or illegal requiring interference. The Court is not inclined to exercise the power of judicial review in the instant case.
24. The writ petition, accordingly, fails and is hereby dismissed.
25. No costs.
26. Urgent photostat certified copy of this order, if applied for, be supplied to the parties upon compliance of all legal formalities.

(Amrita Sinha, J.)