IN THE HIGH COURT OF JUDICATURE AT BOMBAY, NAGPUR BENCH, NAGPUR.

WRIT PETITION NO. 1862 OF 2026

1. M/s. Clean Coal Enterprises Private Limited, a Company incorporated under the provisions of Companies Act, 1956, having its registered office at Rama World, Commercial Building, 2nd Floor, Tifra Parsada, Bilaspur, Chhattisgarh- 495001, Through its Authorised Signatory, Shri Ashish Agrawal S/o. Vijaykumar Agrawal, aged about 40 years.
marketing@cleancoal.in

…. **PETITIONER.**

// **VERSUS** //

1. M/s. Maharashtra State Mining Corporation Limited, A company registered under the provisions of the Companies Act, 1956, Through its Managing Director, Having its registered office at Khanikram Bhawan, Plot No.7, Ajni Square, Wardha Road, Nagpur, Maharashtra
md@msmc.gov.in & info@msmc.gov.in

2. The General Manager (Operations), M/s. Maharashtra State Mining Corporation Limited, Having its registered office at Khanikram Bhawan, Plot No.7, Ajni Square, Wardha Road, Nagpur, Maharashtra
gmo@msmc.gov.in

3. Maharashtra State Power Generation
Company Limited, through its Chief
Engineer (FM) Having its head office
at Plot No.G-9, Anant Kanekar Marg,
D-Block BKC, Naupada, Bandra (East)
Mumbai, Maharashtra – 400 051
cefmc@mahagenco.in

.... **RESPONDENTS.**

Shri Vikram Nankani, Sr.Advocate a/b Shri Ibrahim Fidvi, Adv. for Petitioner.
Shri M.G.Bhangde, Sr. Adv. a/b. Mr. Rommill Jain, Adv. for Resp. Nos.1 & 2.
Shri M.P.Khajanchi, Advocate for Respondent No.3.

CORAM : ANIL S. KILOR AND RAJ D. WAKODE, JJ.

DATED : MARCH 26, 2026.

ORAL JUDGMENT : (Per : Anil S. Kilor, J)

1. Heard.

2. **RULE**. Rule made returnable forthwith. Heard finally by consent of the learned counsel for the parties.

3. The petitioner which is a company, engaged in the business of collection and transportation of coal related activities, has raised a grievance in this petition that, after participation in a tender floated by respondent No.1 for respondent No.3, for lifting, beneficiation of RoM

coal quantity of 3.00 MMTPA from SECL Command Area and supply of Beneficiated Coal to Koradi TPS of respondent No.3, though a Letter of Award was issued to the petitioner company on 01/12/2025 as L2, no work order is issued in favour of the petitioner.

The facts in brief are as under :

4. As stated above, the petitioner is a company engaged in the business of washing and transportation of coal and related activities. The respondent No.2 floated the tender for Respondent No.3-Maharashtra State Power Generation Company Limited (hereinafter referred to as "MAHAGENCO") a Power Generation Company, on 29/08/2025. The tender was for Lifting, Beneficiation of RoM Coal Quantity of 3.00 MMTPA (2 to 2.25 Lakhs Tonnes Per Month) from SECL Command Area and Supply of Beneficiated Coal to Koradi TPS of MAHAGENCO.

5. As per the terms of the tender the respondent No.1 reserves the right to appoint either a single bidder or more than one bidder for the award of contract. It further says that, if more than one bidder is selected, L2 bidder shall be allotted 1/3 of the total awarded RoM coal quantity.

6. The tenure of the contract was co-terminus with the provisions of the contract agreement dated 10/12/2020 executed between respondent No.3 and respondent Nos. 1 and 2 or up to 20/03/2026.

7. In all two bidders participated in the tender process i.e. the petitioner, M/s. Clean Coal Enterprises Private Limited and M/s. Phill Coal Beneficiation Pvt. Ltd. (with Consortium Member : M/s. Tricoal Pvt. Ltd.).

8. The petitioner was found to be L2 bidder. Therefore, the petitioner was invited for negotiations on 01/12/2025, whereupon, the petitioner submitted revised and negotiated rates matching L1 bidder's rate.

9. The respondent No.2 on 01/12/2025 issued Letter of Award in favour of the petitioner for Lifting, Beneficiation of 1.00 MMTPA (0.80 to 0.90 Lakh Tonn Per Month) RoM Coal from SECL Command Area and supply of beneficiated coal to Koradi TPS of Respondent No.3-MAHAGENCO.

10. In pursuance to Letter of Award, the petitioner furnished performance security deposit and bank guarantee.

11. It is the grievance of the petitioner that, after issuance of Letter of Award and on furnishing of performance security deposit and bank guarantee, the respondent No.2 asked reduction of Rs.20/ MT Terminal Charges from Service Charges and compelled the petitioner to offer Rs.20/ MT lesser than L1 price and though subsequently the petitioner agreed for such reduction no work order was issued.

Hence, this petition.

12. We have heard the learned counsel for the respective parties.

13. Shri Nankani, learned Senior advocate for the petitioner argues that after the petitioner was found L2 he was called for negotiations, whereupon the petitioner matched L1 bidder rates, meaning thereby the landed price for both L1 and L2 were the same. The respondent No.2, therefore, issued Letter of Award and asked the petitioner to submit the performance security deposit and bank guarantee which was accordingly furnished by the petitioner. It is submitted that after the petitioner acted upon the Letter of Award, compelling the petitioner to reduce Rs.20/MT Terminal Charges from Service Charges is contrary to the terms and conditions. It is contended that, even after accepting the said condition, non-issuance of work order is unreasonable and arbitrary.

14. It is argued that if the landed price of L1 and L2-petitioner is the same, asking the petitioner to reduce to Rs.20/MT terminal charges from service charges would amount to offer Rs.20/MT lesser than the L1 price which is not permissible once the price was matched by the petitioner with L1 bidder's rates. It is therefore, argued that the whole action of the respondents in not issuing the work order to the petitioner suffers from arbitrariness and malafides.

15. Shri Nankani, learned Senior Advocate for the petitioner draws attention to the correspondence made by the petitioner accepting the condition of reduction of Rs.20/MT terminal charge from the service charges and it is submitted that, once the conditions as put by the respondents were accepted, there is no justifiable reason for the respondents to deny the work order to the petitioner.

16. On the other hand, Shri Bhangde, learned Senior Advocate for the respondent Nos.1 and 2 fairly accepted the facts to the extent calling the petitioner for negotiations as L2 and after the petitioner matched the rates with L1 the petitioner was issued with Letter of Award and thereupon furnishing of performance security deposit and bank guarantee by the petitioner.

17. However, it is submitted that as per the conditions stated in the Letter of Award, one of the conditions was that such Letter of Award is subject to further approval of the finalized rates by MAHAGENCO. Accordingly, approval was sought to the negotiated rates to proceed further in the matter. Thereupon, certain documents were demanded by the respondent No.3 and after complying it the respondent No.3 asked the respondent Nos. 1 and 2 to consider the applicable railway freight of Rs.926/- MT against the rates quoted by the petitioner Rs.946/ MT while arriving at the landed cost. It is submitted that accordingly the petitioner was informed about the above referred stand of MAHAGENCO. Whereupon the petitioner refused to accept the same and informed on 15/12/2025 that railway freight of Rs.946/ MT remains final. The respondent Nos.1 and 2 therefore, vide communication dated 23/12/2025 informed the respondent No.3 that it is unable to recommend the award of work to L2 unless it agrees to revise the railway freight and accept the railway freight at Rs.926/ MT, in accordance with the MAHAGENCO letter dated 10/12/2025. It is thus, submitted that, after giving sufficient opportunity to the petitioner and on finding that the petitioner is not ready to accept the condition put by the respondent No.3 who is the authority to finalize the negotiated rates or to approve

the negotiated rates, no work order was issued. It is therefore, submitted that since sufficient opportunity was provided to the petitioner, this is not a case which would fall in the category of arbitrariness or unreasonableness. He, therefore, prays for dismissal of the present writ petition.

18. In light of the rival submissions, we have perused the record.

19. It is evident from the record that the respondent Nos. 1 and 2 is a Nodal Agency who has undertaken tendering process and contractual agreements, at the request of the respondent No.3 to explore the possibility of augmenting the washery capacity by engaging additional washery operator(s) in a transparent manner and under the existing terms and conditions, for the remaining contractual period to meet the washed coal requirement of 3.00 MMTPA RoM coal (2.00 Lakh to 2.25 Lakh MT RoM Coal Per Month) for Koradi TPS from SECL Command Area.

20. The tender was accordingly issued in which the petitioner and one M/s. Phil Coal Beneficiation Pvt. Ltd. with Consortium Member-M/s. Tricoal Pvt. Ltd., were participated. The petitioner in the said process was found L2, whereas the other bidder was found L1.

21. The period of contract was co-terminus with the contract agreement dated 10/12/2020 executed between MAHAGENCO (Respondent No.3) and Respondent No.2-Maharashtra State Mining Corporation Ltd. (hereinafter referred to as "MSMC") or up to 20/03/2026. The period of contract was extendable but it was at the sole discretion of MSMC at the same rates, on the terms and conditions, with due consent of the bidder.

22. As per the terms and conditions of the tender, the respondent Nos. 1 and 2 reserved the right to appoint either a single bidder or more than one bidder(s) for award of contract and further allotment of RoM coal quantity(ies) amongst the successful bidder(s). The terms and conditions further clarify that in case of more than one bidder(s) are selected L2 bidder shall be required to match the rates of L1 bidder.

23. In light of the terms and conditions of the tender, the petitioner was called for negotiations on 01/12/2025, which was attended by the petitioner and the petitioner matched the rates of L1. Accordingly, the Letter of Award was issued to the petitioner on 01/12/2025 for 1/3 of the total quantity i.e. 10 Lakh MT of RoM coal per annum (0.80 to 0.90 Lakh Tonnes Per Month).

24. It is pertinent to note that the said Letter of Award was subject to certain conditions and one of the conditions was about further approval of the finalized rates by MAHAGENCO.

25. The Respondent No.2-MSMCL thus, submitted the negotiated price to MAHAGENCO for getting necessary approval vide letter dated 03/12/2025. In reply to the same, MAHAGENCO vide letter dated 04/12/2025 sought clarification of certain points mentioned in the said letter. The MSMCL accordingly made compliance of the clarification sought by MAHAGENCO vide letter dated 08/12/2025. Thereupon, the MAHAGENCO issued letter dated 10/12/2025.

26. In the said letter, it is observed that, while reviewing the negotiated price, the landed cost submitted in respect of the petitioner is arrived, considering the railway freight rate of Rs.946/MT, which includes OTC charges/ Terminal access Charges (TAC). The designated siding is PHEC, which as per the Railways is recognised as Gati Shakti Cargo Terminal Operations (GSCT). This indicates that Rs.20/MT charged towards freight on account of Terminal charges will be paid to Railway by MAHAGENCO and in turn will have to be reimbursed to MAHAGENCO. Therefore, it was observed that MSMC is supposed to consider the Railway freight of Rs.926/MT instead of Rs.946/MT.

27. In light of the said letter dated 10/12/2025, the petitioner was asked to attend the office of MSMC on 15/12/2025, and during the meeting held on 15/12/2025 a negotiation was held.

28. In the said meeting, the petitioner refused to consider the railway freight at Rs.926/ PMT and maintained the railway freight at Rs.946/ PMT as quoted by the petitioner.

29. On the other hand, other bidder M/s. Phil Coal Beneficiation Pvt Ltd. in the said meeting principally agreed to deduct Rs.20/PMT in the event the petitioner deducts Rs.20/PMT, as asked by MAHAGENCO.

30. The MSMC on the same day i.e. on 15/12/2025 communicated the said fact to MAHAGENCO and informed that, the petitioner has not agreed to consider the railway freight amounting to Rs.926/ PMT as per MAHAGENCO's letter. Instead, the petitioner has stated that the railway freight quoted by them at Rs.946/- remains final.

31. In the above referred backdrop, on 23/12/2025 MSMC issued letter to MAHAGENCO thereby refused to recommend the name of the

petitioner. It is informed by MSMC to MAHAGENCO that, in view of the discrepancies in the rates and also keeping in view of the tender conditions 2.5.7 and 2.1.45, MSMC is unable to recommend the award of work to L2 bidder unless it agrees to revise the railway freight and accepts the railway freight as Rs.926/- PMT.

32. It is further to be noted that on 11/12/2025 before the negotiations held on 15/12/2025 the petitioner informed to MSMC that the railway freight as quoted by the petitioner as Rs.946/PMT will remain as final.

33. Thus, it is evident that despite opportunities given to the petitioner, the petitioner refused to deduct the amount of Rs.20/PMT in railway freight and after considerable lapse of time and deviation from its earlier submission the petitioner subsequently conveyed its willingness to reduce the charges vide communication dated 21/01/2026 and 09/02/2026. However, such communications were subsequent to the letter issued by MSMC dated 23/12/2025, not recommending the name of L2.

34. Thus, it is evident that MSMC opined that L2 bidder (CCEPL) was given sufficient opportunity to reconsider the price quoted by him as per MAHAGENCO's directives and it has failed to comply with the directives of MAHAGENCO. Any further negotiations at this stage with the L2 bidder will be in contraventions of the General Condition of the contract.

35. Thus, it is evident that full opportunity was given to the petitioner in this case and therefore, the arguments of the learned Senior Advocate Shri Nankani that the respondents acted in malafide and arbitrary manner, cannot be accepted and such contention is rejected.

36. Once this Court comes to the conclusion that there is no unfairness, unreasonableness or arbitrariness in the contractual matter, considering the scope of the judicial review of this Court, in such commercial matters, we do not want to interfere with the tender process.

37. We do not find substance in the submissions of the learned Senior Advocate Shri Nankani that the landed price of L1 and L2 were the same. In fact, L1 has categorically informed principal agreement to reduce Rs.20/PMT in the event L2 deducts the amount of Rs.20/PMT from the railway freight.

38. Furthermore, the tenure of the contract was up to 20/03/2026 which came to an end. Today, the learned counsel for the petitioner has drawn attention of this Court to the fact that vide letter dated 16/03/2026 issued by MSMC, the period is extended by three months and therefore, even if the earlier period expired on 20/03/2026, the work order can be issued to the petitioner. However, having considered the said letter, it is evident that such extension is only to the work order issued in favour of the L1, however, there is no extension for the 1/3 quantity which was agreed to be allotted to the petitioner. Thus, such extension is of no assistance to the petitioner to get any relief, as sought by the petitioner in this petition.

39. In the circumstances, we do not find any merit in the present petition. Accordingly, the writ petition is **dismissed**. No order as to costs.

(RAJ D. WAKODE, J) (ANIL S. KILOR, J)

RRaut..

Signed by: Raut (RR)
Designation: PS To Honourable Judge
Date: 02/04/2026 20:42:36