



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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RESERVED ON: **24.03.2026**

DELIVERED ON : **01.04.2026**

CORAM:

**THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR
AND
THE HONOURABLE MR.JUSTICE M.JOTHIRAMAN**

**W.A.(MD)Nos.401 to 406, 419 & 420 of 2026
and C.M.P.(MD)Nos.3708**

W.A.(MD)No.401 of 2026

The Deputy Chief Signal and
Telecommunication Engineer,
Project Trichy,
Southern Railway,
No.1, Venkatesan Road,
Opp to Prabhu Nursing Home,
Ponnagar, Trichy.

... Appellant

Vs.

1. Texmaco Rail and Engineering Limited,
Represented by its Authorised Signatory,
Mr.Abhijit Sanyal
Having Registered office at:
Belgharia, 24 Parganas (North),
Kolkata – 700 056,
West Bengal.

2. Railtel Corporation of India Limited,
Represented by its Director,
Registered Office at:
Plate -A, 6th Floor,



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

Office Block Tower -2,
East Kidwai Nagar,
New Delhi – 110 023.

... Respondents

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent as against the order passed by this Court in W.P.(MD)No.5282 of 2026 dated 04.03.2026.

For Petitioner : Mr.K.Govindarajan,
Deputy Solicitor General of India

For Respondents : Mr.R.Murali,
Senior Counsel for
Mr.T.Aswin Raja Simman for R1
Mr.R.Murali

W.A.(MD)No.402 of 2026

The Deputy Chief Signal and
Telecommunication Engineer,
Project Trichy,
Southern Railway,
No.1, Venkatesan Road,
Opp. to Prabhu Nursing Home,
Ponnagar, Trichy – 620 001.

... Appellant

Vs.

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Having Registered office at:
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Kolkata – 700 056,
West Bengal.



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

2.G.Satish Enterprises,
1st Floor, H.No.12-13-387,
Street No.1, Near Sudarshan Reddy
Sweet House,
Tarnaka, Secunderabad,
Hyderabad, Telangana – 500 017.

... Respondents

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent as against the order passed by this Court in W.P.(MD)No.5283 of 2026 dated 04.03.2026.

For Petitioner : Mr.K.Govindarajan,
Deputy Solicitor General of India

For Respondents : Mr.R.Murali,
Senior Counsel for
Mr.T.Aswin Raja Simman for R1
Mr.B.Saravanan, Senior Counsel for
Mr.Karalmarx for R2

W.A.(MD)No.403 of 2026

The Deputy Chief Signal and
Telecommunication Engineer,
Project Trichy,
Southern Railway,
No.1, Venkatesan Road,
Opp. to Prabhu Nursing Home,
Ponnagar, Trichy – 620 001.

... Appellant

Vs.

1.Texmaco Rail and Engineering Limited,
Represented by its Authorised Signatory,
Mr.Abhijit Sanyal
Having Registered office at:
Belgharia, 24 Parganas (North),



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

Kolkata – 700 056,
West Bengal.

2.M/s.VRRC-SPC-JV,
Represented by its Authorised Signatory,
Venkata Rami Reddy Constructions,
2-1-899-1 Maheswara Nagar,
Near Sai Baba Temple,
Yerraguntla,
Andra Pradesh – 516 309.

... Respondents

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent as against the order passed by this Court in W.P.(MD)No.5284 of 2026 dated 04.03.2026.

For Petitioner : Mr.K.Govindarajan,
Deputy Solicitor General of India

For Respondents : Mr.R.Murali,
Senior Counsel for
Mr.T.Aswin Raja Simman for R1

Mr.B.Saravanan, Senior Counsel for
Mr.Karalmarx for R2

W.A.(MD)No.404 of 2026

The Deputy Chief Signal and
Telecommunication Engineer,
Project Trichy,
Southern Railway,
No.1, Venkatesan Road,
Opp. to Prabhu Nursing Home,
Ponnagar, Trichy – 620 001.

... Appellant



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

Vs.

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Represented by its Authorised Signatory,
Mr. Abhijit Sanyal
Having Registered office at:
Belgharia, 24 Parganas (North),
Kolkata – 700 056,
West Bengal.

2. Railtel Corporation of India Limited,
Represented by its Director,
Registered Office at:
Plate -A, 6th Floor,
Office Block Tower -2,
East Kidwai Nagar,
New Delhi – 110 023.

... Respondents

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent as against the order passed by this Court in W.P.(MD)No.5285 of 2026 dated 04.03.2026.

For Petitioner : Mr.K.Govindarajan,
Deputy Solicitor General of India

For Respondents : Mr.R.Murali,
Senior Counsel for
Mr.T.Aswin Raja Simman for R1
Mr.R.Murali for R2

W.A.(MD)No.405 of 2026

M/s.VRRC-SPC-JV,
Represented by its Authorised Signatory,
Venkata Rami Reddy Constructions,
2-1-899-1 Maheswara Nagar,
Near Sai Baba Temple,



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

Yerrauntla,
Andra Pradesh – 516 309.

... Appellant

Vs.

1. Texmaco Rail and Engineering Limited,
Represented by its Authorised Signatory,
Mr. Abhijit Sanyal
Having Registered office at:
Belgharia, 24 Parganas (North),
Kolkata – 700 056,
West Bengal.

2. The Deputy Chief Signal and
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Southern Railway,
No.1, Venkatesan Road,
Opp. to Prabhu Nursing Home,
Ponnagar, Trichy – 620 001.

... Respondents

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent as against the order passed by this Court in W.P.(MD)No.5284 of 2026 dated 04.03.2026.

For Petitioner : Mr.B.Saravanan, Senior Counsel for
Mr.Karalmarx

For Respondents : Mr.R.Murali, Senior Counsel for
Mr.T.Aswin Raja Simman for R1
Mr.K.Govindarajan,
Deputy Solicitor General of India for R2

W.A.(MD)No.406 of 2026

G.Satish Enterprises,
1st Floor, H.No.12-13-387,

6/30



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

Street No.1, Near Sudarshan Reddy
Sweet House,
Tarnaka, Secunderabad,
Hyderabad, Telangana – 500 017.

... Appellant

Vs.

1. Texmaco Rail and Engineering Limited,
Represented by its Authorised Signatory,
Mr. Abhijit Sanyal
Having Registered office at:
Belgharia, 24 Parganas (North),
Kolkata – 700 056,
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2. The Deputy Chief Signal and
Telecommunication Engineer,
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Southern Railway,
No.1, Venkatesan Road,
Opp. to Prabhu Nursing Home,
Ponnagar, Trichy – 620 001.

... Respondents

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent as against the order passed by this Court in W.P.(MD)No.5283 of 2026 dated 04.03.2026.

For Petitioner : Mr.B.Saravanan, Senior Counsel for
Mr.Karalmarx

For Respondents : Mr.R.Murali, Senior Counsel for
Mr.T.Aswin Raja Simman for R1
Mr.K.Govindarajan,
Deputy Solicitor General of India for R2



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

W.A.(MD)No.419 of 2026

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Railtel Corporation of India Limited,
Represented by its Director,
Registered Office at:
Plate -A, 6th Floor,
Office Block Tower -2,
East Kidwai Nagar,
New Delhi – 110 023.

... Appellant

Vs.

1. Texmaco Rail and Engineering Limited,
Represented by its Authorised Signatory,
Mr. Abhijit Sanyal
Having Registered office at:
Belgharia, 24 Parganas (North),
Kolkata – 700 056,
West Bengal.

2. The Deputy Chief Signal and
Telecommunication Engineer,
Project Trichy,
Southern Railway,
No.1, Venkatesan Road,
Opp to Prabhu Nursing Home,
Ponnagar, Trichy.

... Respondents

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent as against the order passed by this Court in W.P.(MD)No.5282 of 2026 dated 04.03.2026.

For Petitioner : Mr.R.Murali

For Respondents : Mr.R.Murali,
Senior Counsel for
Mr.T.Aswin Raja Simman for R1



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W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

Mr.K.Govindarajan,
Deputy Solicitor General of India for R2

W.A.(MD)No.420 of 2026

Railtel Corporation of India Limited,
Represented by its Director,
Registered Office at:
Plate -A, 6th Floor,
Office Block Tower -2,
East Kidwai Nagar,
New Delhi – 110 023.

... Appellant

Vs.

1. Texmaco Rail and Engineering Limited,
Represented by its Authorised Signatory,
Mr.Abhijit Sanyal
Having Registered office at:
Belgharia, 24 Parganas (North),
Kolkata – 700 056,
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2. The Deputy Chief Signal and
Telecommunication Engineer,
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Southern Railway,
No.1, Venkatesan Road,
Opp to Prabhu Nursing Home,
Ponnagar, Trichy.

... Respondents

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent as against the order passed by this Court in W.P.(MD)No.5285 of 2026 dated 04.03.2026.



W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

For Petitioner : Mr.R.Murali

For Respondents : Mr.R.Murali,
Senior Counsel for
Mr.T.Aswin Raja Simman for R1

Mr.K.Govindarajan,
Deputy Solicitor General of India for R2

COMMON JUDGMENT

(Judgment of the Court was made by **N.SATHISH KUMAR, J.**)

All the Writ Appeals have been filed challenging the common order passed by the learned Single Judge in W.P.(MD)Nos.5282 to 5285 of 2026, dated 04.03.2026.

2. Since the issue involved in all the Writ Appeals is one and the same, we are inclined to dispose of the same by a common judgment.

3. Writ Petitioners are the unsuccessful bidder. The successful bidders have filed Writ Appeals in W.A.(MD)Nos.405, 406, 419 & 420 of 2026. The tendering authority viz, the Deputy Chief Signal and Telecommunication Engineer has filed four Writ Appeals in W.A. (MD)Nos.401 to 404 of 2026.



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4. The above said Writ Petitions have been filed by the unsuccessful bidders/Writ Petitioners challenging the rejection of the technical bids on the ground that tender documents were submitted by a power of attorney holder, who had been authorised only by the Committee of the company and not by the Board of Directors. The tendering authority issued four tender notifications dated 31.10.2025 for the works relating to interlocking arrangements in the Railway Crossings. As per the tender notice, the last date and time for submission of tender is 02.12.2025 before 15 hours and the opening of the technical bid (Packet-I) was scheduled to be on 02.12.2025 after 15 hours. The unsuccessful bidder/Writ Petitioner submitted the bids through a power of attorney holder. According to them, after successfully performing several contracts, they submitted their bid in the tenders. Upon opening the technical bids, the same were rejected by the tendering authority only on the ground that power of attorney holder has been authorised only by the resolution of Committee and not by resolution of Board of Directors. The said rejections have been challenged by the unsuccessful bidders through the above Writ Petitions.



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5. The learned Single Judge, considering the fact that a resolution of the Board of Directors is not an essential requirement, and further noting that, as per Clause 15 of the tender notification, the tender inviting authority has the discretion to seek clarification with regard to any deficiency in the documents enclosed along with the bids, held that the authority had the right to call upon any bidder for clarification of its bids. The authority, however, failed to exercise such discretion and did not call upon the writ petitioners to furnish the resolution of the Board of Directors. The learned Single Judge further held that non-production of the resolution of the Board of Directors is a curable defect and cannot be construed as failure to comply with an essential requirement. Consequently, it was held that the rejection of the technical bids submitted by the unsuccessful bidders/writ petitioners is arbitrary and unsustainable. Accordingly, the rejection orders were set aside, and the tendering authority/appellants in W.A.(MD) Nos. 401 to 404 of 2026 were directed to accept the technical bids submitted by the unsuccessful bidders/writ petitioners and to proceed to open the financial bids in accordance with the terms and conditions contained in the tender notification. Challenging the order of the learned Single Judge, the tendering authority have filed the four Writ Appeals, viz., W.A.(MD)Nos.



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401 to 404 of 2026 and the successful bidders have filed another four Writ Appeals viz., W.A.(MD)Nos.405, 406, 419 and 420 of 2026.

6. The main contention of the learned Deputy Solicitor General of India appearing for the tendering authority is that, as per the General Conditions of Contract, a copy of the authorisation/power of attorney issued by the company, backed by a resolution of the Board of Directors in favour of the individual(s) authorised to sign the tender on behalf of the company and create liability against it, is mandatory. In the present case, however, the resolution was passed only by a committee appointed by the Board, and not by the Board of Directors itself. Therefore, the essential condition has not been fulfilled by the unsuccessful bidder/writ petitioner.

7. It is further contended that one of the essential conditions of the tender notification is that the tender shall be signed by the individual(s) legally authorised to enter into commitments on behalf of the tenderer. Any individual signing the tender documents or other connected documents must specify whether he is signing as an attorney, in terms of the Memorandum and Articles of Association of a limited



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company. Accordingly, it is contended that, when the special conditions of the contract clearly require the person signing as attorney to indicate such authority in accordance with the Memorandum and Articles of Association, and the General Conditions of Contract stipulate that the power of attorney must be supported by a Board resolution, the absence of such a resolution entitles the tendering authority to reject the technical bid. It is also contended that the authority floating the tender is entitled to stipulate conditions, and such conditions must be strictly complied with. Judicial interference should be minimal and confined only to cases of arbitrariness, bias, mala fides, or perversity.

8. Further, it is his contention that, under Section 179 of the Companies Act, 2013, the Board of Directors may delegate certain powers only in respect of the matters enumerated in clauses (d), (e), and (f) of sub-section (3) of Section 179. Therefore, the alleged resolution of the Board delegating powers to the committee is invalid, and the committee participated in the tender process without proper authority. In support of his contention, he placed reliance on the judgments of the Hon'ble Supreme Court in *Silppi Constructions Contractors Vs. Union of India and Anr.* reported in *2020 16 SCC 489* and *Uflex Ltd. Vs.*



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Government of Tamil Nadu & Ors. reported in 2021 1 SCC 165.

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9. The learned Senior Counsel appearing for the successful bidders/appellants in W.A.(MD) Nos. 405 & 406 of 2025 and the learned counsel appearing for the successful bidders/appellants in W.A.(MD)Nos. 419 and 420 of 2026 submit that the learned Single Judge passed the order without affording them an opportunity of hearing. They contend that, when the essential conditions of the contract have not been fulfilled, the tendering authority has the right to reject the technical bid. So long as there is no arbitrariness, mala fides, or bias, the Writ Court cannot interfere as a matter of right. According to them, they are the successful bidders, and both their technical and financial bids have been accepted. Therefore, any interference would adversely affect their rights.

10. On the other hand, the learned Senior Counsel appearing for the unsuccessful bidders/Writ Petitioners would submit that the tender conditions only stipulate that the tender shall be signed by an individual legally authorised to enter into commitments on behalf of the tenderer and that such individual should also specify whether he has signed the same as an attorney in terms of the Memorandum and Articles



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of Association of a limited company. Hence, it is his contention that, when the Articles of Association themselves empower the Board of Directors to delegate any of its powers to a committee, the Board of Directors, in its meeting held on 27.02.2024, resolved to authorise a committee to consider and approve the issuance of a specific power of attorney in connection with participation in tenders. Pursuant to the said delegation, the Committee of Directors, in its meeting held on 11.11.2025, passed a resolution to execute a power of attorney in favour of one Bijay Kumar Mohanty. The said resolution had already been uploaded along with the tender documents. Therefore, it is contended that a specific resolution of the Board of Directors is only a non-essential requirement. Even assuming that such a resolution is mandatory, the tender inviting authority ought to have exercised its discretion and called upon the tenderer to furnish the same. Hence, it is submitted that non-production of such a resolution is only a curable defect, and, without affording an opportunity to rectify the same, the technical bid has been rejected. According to them, they quoted a lower bid amount, whereas the contract was awarded to bidders who quoted a higher amount.



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11. It is his further contention that, in respect of similar tenders, similar documents have been filed, and such documents have been accepted by the Railways. To support his submissions, he has placed reliance on the orders passed on 09.02.2026, 21.02.2026, and 10.02.2026 in respect of tenders floated by the Central Railway (Bhusawal Division) for execution of work between Indore and Budni in the State of Madhya Pradesh, the tender floated by South-East Central Railway (Bilaspur Division), and the tender floated by Western Railway (Jabalpur Division). Hence, it is his contention that the Railways cannot adopt different standards based on the region.

12. Clause 99 of the Articles of Association of the company empowers the Board to delegate its power to a committee. Pursuant to this authority, the Board constituted a committee, which in turn executed the power of attorney. Therefore, this was entirely within the framework of law. He further submits that the tendering authority's rejection of the technical bid on irrelevant grounds amounts to arbitrariness and bias, aimed at favoring some bidders over others and awarding the tender to the successful bidders. Hence, he submits that the learned Single Judge has correctly arrived at the conclusion and opposes the writ appeals.



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13. After hearing the submissions made by the respective learned Senior counsel and the learned counsel appearing for the parites, we have perused the entire materials.

14. On perusal of the records, it is seen that the challenge in the writ petitions relates only to the rejection of the technical bids. As far as the other aspects, such as the capacity of the company to participate in the tender, are concerned, there is no dispute. The technical bids of the unsuccessful bidders/writ petitioners were rejected solely on the ground that the power of attorney was not accompanied by a Board resolution. It is relevant to refer to the conditions of the tender documents. It is not in dispute that the tenders were floated for interlocking arrangements at four locations, and all the tenders were submitted by the writ petitioners. Clause 7 of the Special condition of contract appended to the tender notice is as follows:

“7) The tender shall be signed by individual or individuals legally authorised to enter into commitments on behalf of the tenderer. Any individual(s) signing the tender documents or other documents connected therewith should specify whether he signing:



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a) As a sole proprietor of the firm or attorney of the sole proprietor.

b) As a partner or partners of the firm.

c) As a Director, Manager or Secretary or official with Power of

d) Attorney as per memorandum/article of association in a Limited Company.

e) Individual(s) signing the tender documents must state that he/she is authorised to sign the same and submit documentary proof for the same.”

15. As far as the signing by an individual is concerned, the conditions stipulated in Clause 7 may be known as essential conditions of the contract. The said clause makes it clear that any person signing as an attorney in accordance with the Memorandum and Articles of Association is a sine qua non. Further, Clause 14(e) of the General Conditions of Contract reads as follows:

“Company registered under Companies Act 2013:

(i) The copies of MOA (Memorandum of Association) / AOA (Articles of Association) of the company



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(ii) A copy of Certificate of Incorporation

(ii) A copy of Authorization/Power of Attorney issued by the Company (backed by the resolution of Board of Directors) in favour of the individual to sign the tender on behalf of the company and create liability against the company.)

(iv) All other documents in terms Para 10 of the Tender Form (Second Sheet) above.”

16. A perusal of the above conditions shows that they require a power of attorney to be backed by a resolution of the Board of Directors in order to sign the tender on behalf of the company and create liability against it. Be that as it may, it is admitted that the unsuccessful bidders/writ petitioners are companies governed by their Memorandum and Articles of Association as well as the Companies Act. The Articles of Association of the unsuccessful bidders/writ petitioners' company have been placed before us. Clause 99 of the Articles of association reads as follows:

“99(i) The Board may, subject to the provisions of the Act delegate any of its Powers to committees consisting of such member or members of its body as it thinks fit.



17. Clause 102 of Articles of Association shows that all the actions taken by any member or of a committee thereof or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in appointment of any one or more of such directors or any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such director or person had been duly appointed and was qualified to be a director.

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19. Much emphasis has been placed by the learned Deputy Solicitor General of India on the provisions of Section 179 of the Companies Act, 2013. According to him, only certain specified powers can be delegated by the Board to any committee, namely, to borrow monies, to invest the funds of the company, and to grant loans, give guarantees, or provide security in respect of loans. Hence, he contends that when the provisions of the law deal with certain specified powers, the committee cannot exercise powers beyond those specified powers. It is, however, relevant to note that Section 179(3) of the Companies Act, 2013 cannot be read in isolation. Whereas Section 179(1) of the Companies Act makes it clear that the Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorised to exercise and do. The proviso to sub-Section (1) of Section 179 of the Companies Act, makes it clear that in exercising such power, the Board shall be subject to the provisions contained in the Act or in the memorandum of Article or any regulation to Act. Therefore, it cannot be said that the Board cannot pass a resolution delegating the power to any committee or to directors to appoint a power of attorney. As long as the Articles of Association permit the Board to delegate powers to a committee of directors, and the Board,



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in this case, passed a resolution on 27.02.2024 authorizing a committee of five directors, the delegation is valid. In fact, the Board of Directors, in its meeting held on 27.02.2024, passed a resolution empowering the committee to appoint a power of attorney in connection with participation in tenders. Pursuant to the said resolution, the committee of five directors, in its meeting held on 11.11.2025, appointed a power of attorney to participate in the tender and signed documents on behalf of the company. This resolution was also uploaded while submitting the tender. Therefore, once the Board has acted in accordance with the Articles of Association, which permit it to delegate any of its powers, and has delegated its power to a committee of directors to appoint a power of attorney, it cannot be held that such a power of attorney is invalid in the eyes of law.

20. Further, as rightly observed by the learned Single Judge, Clause 15 of the Special Conditions of Contract provides that the authorities have the discretion to seek clarification from a bidder regarding its bid. Such discretion must, however, be exercised reasonably. When the only issue was regarding the Board resolution, the authorities ought to have sought clarification from the unsuccessful



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bidders/writ petitioners. They did not call upon the unsuccessful bidders/writ petitioners to clarify whether the bid was pursuant to the delegation of power by the Board of Directors. The authorities also failed to exercise the reasonable discretion available under Clause 15 of the Special Conditions of Contract and rejected the bids of the unsuccessful bidders/writ petitioners on a purely technical ground.

21. It is further to be noted that, admittedly, the resolution passed by the Committee was already uploaded. The authorities could have easily sought clarification as to whether it was backed by any delegation from the Board of Directors, but they did not do so. Therefore, as rightly held by the learned Single Judge, it is only a non-essential requirement. Minor deviations from non-essential, ancillary, or subsidiary requirements could have been waived by the authorities. Thus, the learned Single Judge relying upon the judgment of ***Poddar Steel Corporation Vs. Ganesh Engineering Works and others*** reported in ***(1991) 3 SCC 273***, has held that deviation from nonessential or ancillary/subsidiary requirements being minor technical irregularities can be waived.



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22. It is further to be noted that, as rightly pointed out by the learned counsel for the unsuccessful bidders/writ petitioners, similar powers of attorney executed by the Committee of Directors pursuant to Board resolutions were accepted by the same Railways in respect of three contracts, which has not been disputed during submissions. Therefore, the Railways cannot adopt a different standard in respect of different regions. When similar powers of attorney were accepted by orders dated 09.02.2026, 21.02.2026, and 10.02.2026 in respect of tenders floated by the Central Railway (Bhusawal Division) for execution of work between Indore and Budni in the State of Madhya Pradesh, and tenders floated by the South-East Central Railway (Bilaspur Division) and Western Railway (Jabalpur Division), rejecting the technical bids on the basis of an essential requirement cannot be countenanced.

23. In *Uflex Ltd. Vs. Government of Tamil Nadu & Ors.* Reported in **2021 1 SCC 165**, the Hon'ble Supreme Court has held as follows:

“2. The judicial review of such contractual matters has its own limitations. It is in this context of judicial review of administrative actions that this Court has opined that it is intended to prevent arbitrariness,



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irrationality, unreasonableness, bias and mala fide. The purpose is to check whether the choice of decision is made lawfully and not to check whether the choice of decision is sound. In evaluating tenders and awarding contracts, the parties are to be governed by principles of commercial prudence. To that extent, principles of equity and natural justice have to stay at a distance.”

24. Further in the judgment of ***Silppi Constructions Contractors Vs. Union of India and Anr.*** reported in **2020 16 SCC 489**, the Hon'ble Supreme Court has held as follows:

“The essence of the law laid down in the judgments referred to above is the exercise of restraint and caution; the need for overwhelming public interest to justify judicial intervention in matters of contract involving the state instrumentalities; the courts should give way to the opinion of the experts unless the decision is totally arbitrary or unreasonable; the court does not sit like a court of appeal over the appropriate authority; the court must realise that the authority floating the tender is the best judge of its requirements and, therefore, the court’s interference should be minimal. The authority which floats the contract or tender, and has authored the tender documents is the best judge as to how the documents have to be interpreted. If two interpretations are possible then the interpretation of the author must be accepted. The Courts will only interfere to



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prevent arbitrariness, irrationality, bias, mala fides or perversity. With this approach in mind we shall deal with the present case.”

25. However, the facts in this case relate to the rejection of the technical bid on the ground that the resolution of the Board of Directors authorizing the power of attorney was not submitted along with the tender documents. The fact remains, however, that the power of attorney executed by the Committee of Directors had already been uploaded, and the Committee of Directors had been authorised by the Board of Directors on 27.02.2024. When similar powers of attorney have already been accepted by the Railways, rejecting the tenders on the ground of non-production of the Board resolution leads to the inference that the technical bids were rejected arbitrarily, with mala fide intention or for some other extraneous reason.

26. It is also submitted by the learned counsel for the unsuccessful bidders/writ petitioners that they had quoted the lowest amount, whereas the Railways are attempting to award the contract to the highest bidder. Therefore, we are of the view that, when similar



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documents have already been accepted by the same Railways, different standards cannot be applied to different regions. Hence, we do not find any infirmity in the judgment of the learned Single Judge directing the authorities to accept the technical bids and proceed to open the financial bids in accordance with the terms and conditions of the tender notification. Therefore, we find no merit in the Writ Appeals and the same are liable to be dismissed.

27. Accordingly, all the Writ Appeals are dismissed. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

[N.S.K., J.] & [M.J.R., J.]
01.04.2026

Index :Yes/No
NCC :Yes/No
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To

The Deputy Chief Signal and
Telecommunication Engineer,
Project Trichy,
Southern Railway,
No.1, Venkatesan Road,
Opp. to Prabhu Nursing Home,
Ponnagar, Trichy – 620 001.



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W.A.(MD)Nos.401 to 406, 419 & 420 of 2026

N.SATHISH KUMAR, J.
AND
M.JOTHIRAMAN, J.

vsm

Judgment in
W.A.(MD)Nos.401 to 406, 419
& 420 of 2026

01.04.2026