IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

THURSDAY, THE NINETEENTH DAY OF FEBRUARY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE LAXMI NARAYANA ALISHETTY

WRIT PETITION NO: 3709 OF 2026

Between:

Sri Srinivasa Constructions, H.No.9-4-358/1, Sapthagiri Colony, Karimnagar, Karimnagar District, Rep.by its Managing Partner, Sri A.Dasharathareddy, S/o.Narayana Reddy, Aged about 52 years, Occ. Business.

.....PETITIONER

AND

1. The State of Telangana, Rep.by its Principal Secretary, Department of Roads and Buildings, Dr.B.R.Ambedkar Telangana State Secretariat, Hyderabad.
2. The Commissioner of Tenders, Government of Telangana, Chinthala Bhasthi, Khairathabad, Hyderabad.
3. The Chief Engineer (R AND B), Central Road Infrastructure Fund (CRIF), Erramanzil, Hyderabad.
4. The Superintending Engineer (R AND B), Karimnagar Town and District.

.....RESPONDENTS

Petition Under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue a writ order or direction, more particularly one in the nature of writ of MANDAMUS, declaring the action of the respondents (a) in issuing the fresh tender notifications vide NIT No.05/DSE/SEK/Rand B/KMNR/2025-26/CRF/05, dated 24-01-2026 and NIT No.06/DSE/SEK/Rand B/KMNR/2025-26/CRF/06, dated 27-01-2026 for the works viz., (1) widening and strengthening of single lane to double land road from Arnakonda Village of Chppadandi Mandal to Mallial X road from Km. 0/0 to 35/00 via Giopalraopet Village of Ramadugu Mandal in Kariminagar District and (2) for the works of widening and strengthening of Vemulawada to Sirikonda road from Km. 10/0 to 28/2 in Rajanna Sircilla District,

(b) not considering the case of the petitioner for award ng the contract works pursuant to the Tender Notification vide NIT No.02/DSE/S E K/Rand B/KMNR/2024-25/CRF/02, dated 15-11-2025 and Tender Notification vide NIT No.03/DSE/SEK/R and B/KMNR/2024- 25/CRF/03, dated 15-11-2025 as illeg l, arbitrary, violative of principles of natural justice and also suffer from mala ide intention and for extraneous reasons apart from being violative of Articles 1 , 21 and 300-A of the constitution of India and consequently (C) set aside the i npugned fresh tender notifications vide NIT No.05/DSE/SEK/R AND B/KMNR/2)25-26/CRF/05, dated 24-01-2026 and NIT No.06/DSE/SEK/R and B/KMNR/202 26/CRF/06, dated 27-01-2026, (D) further consequently direct the respondents t consider the case of the petitioner for awarding the works viz., (1) widening and trengthening of single lane to double land road from Arnakonda Village of Chppac ndi Mandal to Mallial X road from Km. 0/0 to 35/00 via Giopalraopet Village o Ramadugu Mandal in Kariminagar District and (2) for the works of widening and strengthening of Vemulawada to Sirikonda road from Km. 10/0 to 28/2 in R ajanna Sircilla District pursuant to the tender notification vide NIT No.02/DSE/SEK/ R and B/KMNR/2024-25/CRF/02,dated 15-11-2025 and Tender Notification vide N IT No.03/DSE/SEK/R and B/KMNR/2024-25/CRF/03, dated 15-11-2025, in accorca nce with law.

I.A.NO:1 OF 2026

Petition Under Section 151 CPC praying that in the ci cumstances stated in the affidavit filed in support of the petition, the High Court ma y be pleased to grant stay of all further proceedings including receiving of tender pplications pursuant to the tender notifications vide NIT No.05/DSE/SEK/R&B/KMI IR/2025- 26/CRF/05, dated 24-01-2026 and NIT No.06/DSE/SEK/R&B/KMNR/202 5-26/ CRF/06, dated 27-01-2026 respectively issued by the 4th respondent, per ding disposal of the above writ petition.

I.A.NO:2 OF 2026

Between

The Superintending Engineer (R AND B), Karimnagar Town anc District.

.....PETITIONER/ RESPONDENT No.4

AND

1. Sri Srinivasa Constructions, H.No.9-4-358/1, Sapthagiri Colony, Karimnagar, Karimnagar District, Rep.by its Managing Partner, Sri A.Dasharathareddy, S/o.Narayana Reddy, Aged about 52 years, Occ. Business.

.....RESPONDENT/WRIT PETITIONER

2. The State of Telangana, Rep.by its Principal Secretary, Department of Roads and Buildings, Dr.B.R.Ambedkar Telangana State Secretariat, Hyderabad.
3. The Commissioner of Tenders, Government of Telangana, Chinthala Bhasthi, Khairathabad, Hyderabad.
4. The Chief Engineer (R AND B), Central Road Infrastructure Fund (CRIF), Erramanzil, Hyderabad.

....RESPONDENTS

Petition Under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to vacate the interim orders dt.06-02-2026 passed in I.A.No.1 of 2026 in W.P.No.3709 of 2026 and dismiss the writ petition as devoid of merits.

Counsel for the Petitioner : SRI ALLADI RAVINDER, SENIOR COUNSEL FOR SRI KRISHNA KISHORE KOVVURI

Counsel for the Respondents : SRI T.RAJINIKANTH REDDY, ADDL ADVOCATE GENERAL

The Court made the following ORDER

IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

HON'BLE SRI JUSTICE LAXMI NARAYANA ALISHETTY

WP.No.3709 of 2026

Dated:19.02.2026

Between:

Sri Srinivasa Construction,
Karimnagar, reptd by its Managing
Partner-A.Dasharathareddy

...Petitioner

And:

The State of Telangana, reptd., by
its Principal Secretary,
Department of Roads and Buildings,
Hyderabad and three others

...Respondents

ORDER:

This Writ Petition is filed seeking the following substantive relief:

> *"... to issue an order or direction more particularly one in the nature of writ of Mandamus declaring the action of the respondents-(i) in issuing the fresh tender notifications vide NIT No.05/DSE/SEK/R&B/ KMNR/2025-26/CRF/05 dated 24.01.2026 and NIT No.06/DSE/SEK/R&B/KMNR/2025-26/CRF/06, dated 27.01.2026 for the works, viz., (i) widening and strengthening of single lane to double land road from Arnakonda Village of Choppadandi Mandal to Mallial X road from Km 0/0 to 35/00 via Gopalraopet*

Village of Ramadugu Mandal in Karimnagar District and (ii) for the works of widening and strengthening of Vemulawada to Sirikonda road from Km 10/0 to 28/2 in Rajanna Sircilla District, (iii) not considering the case of the petitioner for awarding the contract works pursuant to the Tender Notification vide NIT No.02/DSE/SEK/R& B/KMNR/2024-25/CRF/02 dated 15.11.2025 and Tender Notification vide NIT No.03/DSE/SEK/R&B/ KMNR/2024-25/CRF/03 dated 15.11.2025 as illegal, arbitrary, violative of principles of natural justice and also suffers from malafide intention and for extraneous reasons, apart from being violative of Articles 14, 21 and 300A of the Constitution of India and consequently (iv) to set aside the impugned fresh tender notifications vide NIT No.05/DSE/SEK/R&B/KMNR/2025-26/CRF/05, dated 24.01.2026 and NIT No.06/DSE/SEK/R&B/KMNR/2025-26/CRF/06 dated 27.01.2026 and, (v) further, consequently to direct the respondents to consider the case of the petitioner for awarding the works viz., (i) widening and strengthening of single lane to double land road from Arnakonda Village of Choppadandi Mandal to Mallial X road from Km 0/0 to 35/00 via Gopalraopet Village of Ramadugu Mandal in Karimnagar District and (ii) for the works of widening and strengthening of Vemulawada to Sirikonda road from Km 10/0 to 28/2 in Rajanna Sircilla District pursuant to the tender notification vide NIT No.02/ DSE/SEK/R&B/KMNR/202425/CRF/02, dated 15.11.2025 and Tender Notification vide NIT No.03/DSE/ SEK/R&B/KMNR/202425/CRF/03 dated 15.11.2025 in accordance with law."

Heard Sri Alladi Ravinder, learned senior counsel appearing for Sri Krishna Kishore Kovvuri, learned counsel-on-record for the petitioner, and Sri T.Rajinikanth Reddy, learned Additional Advocate General appearing for respondents.

3. Learned senior counsel appearing for petitioner submitted that initially, respondent No.4 issued notification NIT No.02/DSE/SEK/R&B/KMNR/2024-25/CRF/02 (for short, hereinafter referred to as 'NIT No.02') dated 15.11.2025 for widening and strengthening of single lane to double lane road from Arnakonda Village of Choppadandi Mandal to Mallial X road from KM 0/0 to 35/00 via Gopalraopet Village, Ramadugu Mandal, Karimnagar District and respondent No.4 also issued another tender notification NIT No.03/DSE/SEK/R&B/KMNR/2024-25/CRF/03, (for short, hereinafter referred to as 'NIT No.03') dated 15.11.2025 for widening and strengthening of Vemulawada to Sirikonda road from KM 10/0 to 28/2 in Rajanna Sircilla District, inviting bids on or before 01.12.2025. The time limit for completion of the contract work in respect of notification NIT No.02 was 18 months and the contract value was Rs.34,91,86,193/-, whereas the period for completion of work in respect of NIT No.03 was 15 months and the contract value was Rs.15,41,86,000/-.

3.1. In pursuance of the said tender notifications, the petitioner submitted bids and the same were accepted by respondent No.4 vide confirmation ID No.3325239 dated 29.11.2025 for NIT No.02 and confirmation ID No.3325378 dated 29.11.2025 for NIT No.03.

3.2. As per the tender schedule, the bids were proposed to be opened on 02.12.2025, however, the same was not done and surprisingly, respondent No.4 issued fresh tender notification vide NIT No.05/DSE/SEK/R&B/KMNR/2025-26/CRF/05, (For short, hereinafter referred to as 'NIT No.05') dated 24.01.2026 insofar as work under earlier tender notification NIT No.02 is concerned and the contract value was increased to Rs.35,71,41,930/-, however the time for completion of work was reduced to 12 months from 18 months. Respondent No.4 has also issued another tender notification NIT No.06/DSE/SEK/R&B/KMNR/2025-26/CRF/06, (For short, hereinafter referred to as 'NIT No.06') dated 27.01.2026 in respect of the same work as that of earlier tender notification NIT No.03, and the value of contract was increased to Rs.16,45,43,281/-, and the tenure for completion of work was reduced to six months from 15 months.

3.3. Learned senior counsel further submitted that the eligibility criteria for executing the works depends upon the time period stipulated for completion of work and as per Clause-8 of tender

notification, the available bid capacity is calculated as per the principle of 2AN-B, where 'A' stands for highest turnover in one financial year in any of the 10 financial years and 'N' stands for number of years for completion of work for which tenders are invited and 'B' stands for updated value of all existing commitments.

3.4. Learned senior counsel further submitted that the petitioner is duly qualified for the tender notifications initially issued i.e., NIT No.02 and NIT No.03, however, in view of increase of contract value and reduction in tenure for completion of work, the petitioner is put to disadvantageous position. He further submitted that respondent No.4, without assigning any reason and without information to the petitioner, cancelled the earlier tender notifications NIT No.02 and No.03, only to exclude the petitioner and therefore, the subsequent tender notifications i.e., NIT No.05 and NIT No.06 are illegal and the same were issued with a mala fide intention and the petitioner submitted a representation dated 04.02.2026. He further submitted that the last date for submission of tender is 09.02.2026 and technical bids will be opened on the same day and in the event, the technical bids are opened on 09.02.2026, third party rights would accrue and therefore, the present Writ Petition is filed seeking indulgence of this Court.

4. Learned senior counsel for petitioner in support of his contentions, relied upon the judgments of the Hon'ble Supreme Court in ***Banshidhar Construction Private Limited Vs. Bharat Coking Coal Limited and others***[1] and ***Shanti Construction Private Limited Vs. State of Odisha and others***[2] and prayed to allow the Writ Petition.

5. In ***Shanti Construction Pvt. Limited's*** case (cited supra), it is held as follows:-

> *"A public tender is not a private bargain. It is instrument of governance, a mechanism through which the State discharges its solemn duty as trustee of public wealth. Its purpose is not merely procedural compliance, but maximisation of public value through a process i.e. fair, transparent and competitive. The obligation of the Tendering Authority is therefore two fold, namely, to interpret its own terms with consistency and to ensure that such interpretation advances, not defeats, the object of tender. The court must intervene in a case of demonstrable misconstruction of a tender condition or irrationality which affects the public interest. When an interpretation of a tender condition narrows competition and excludes the highest bidder on a ground unsupported by law, the decision making process is vitiated. The interpretation of the terms of tender must, therefore, serve the object and purpose of the tender mainly to maximise the revenue to the State, when it deals with a natural resource."*

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[1] (2024) 10 SCC 273
[2] 2025 SCC Online SC 2368

6. In ***Banshidhar Construction Pvt. Limited's*** case (cited supra), it is held as follows:-

> *"Government bodies being public authorities are expected to uphold fairness, equality and public interest even while dealing with contractual matters. Right to equality under Article 14 abhors arbitrariness. Public authorities have to ensure that no bias, favouritism or arbitrariness are shown during the bidding process and that the entire bidding process is carried out in absolutely transparent manner."*

7. Per contra, Sri T.Rajinikanth Reddy, learned Additional Advocate General appearing for respondent No.4, principally contended that due to administrative exigencies, the scope of work has been revised and additional provisions of site drains and drainage facility at Mallail X Road are included in the work, which are essential to overcome flooding and to ensure good drainage facility at Mamidipally Village and to avoid damages to road and as such, respondent No.4 had to issue fresh tender notifications i.e., NIT No.05 and NIT No.06. He further submitted that as per Tender Clause No.28.2, the authority has right to cancel the tender, and exercising such power, the earlier notifications i.e., NIT Nos.02 and No.03 were cancelled because of exigencies and there is no mala fide intention or extraneous reason for cancellation of the earlier tender notifications, as alleged by the petitioner. He further submitted that insofar as NIT

No.02 is concerned, the work period was reduced taking into consideration the fast approaching Godavari *Pushkaralu* to be held in July, 2027 and to facilitate free movement of vehicular movement during *Pushkaralu*.

7.1. He further submitted that all the tender participants received the information through online e-procurement portal and the modifications, corrigendums, addendums, notifications of tender are published on CPP portal and would be automatically notified to all bidders through their registered email/sms, therefore, the contention of the petitioner that it was unaware of the same is factually incorrect. He further submitted that the earlier tenders were cancelled because of revision in the scope of work and to incorporate additional works and for smooth and uninterrupted vehicular movements during Godavari pushkaralu. Therefore, there is no illegality or arbitrariness on the part of respondent No.4 in cancelling the earlier tender notifications and the petitioner is at liberty to participate in the subsequent tender notifications. He further submitted that the petitioner has not participated in the subsequent tender notifications, therefore, he has no locus standi to file the present Writ Petition and as such, the Writ Petition, being misconceived, is liable to be dismissed.

8. Learned Additional Advocate General furthe· submitted that tender conditions empower respondent No.4 to cancel enders without assigning any reason. The petitioner having agreed tc the terms and conditions mentioned in the tender notifications, canr c t challenge the action of respondent No.4 in cancelling the tender r otifications on untenable grounds.

8.1. He further vociferously submitted that in tend r matters, the scope of interference by the Courts is very limited an if the present Writ Petition is allowed and the impugned tender n tifications are cancelled, it will have cascading effect on the St ıte exchequer including escalation of contract value of works be des depriving citizens the benefits of infrastructure and accordir ly, prayed to dismiss the Writ Petition.

8.2. Learned Additional Advocate General for resp ıdent No.4 in support of his contentions, has relied upon the following judgments:-

*1. **State of Jarkhand and ors Vs. CWE-SOMA Consort um**[3]*

*2. **Order dated 03.10.2024 in Writ Petition No.18543 of 2024 and batch.***

*3. **N.G. Projects limited Vs. Vinod Kumar Jain and ors***

*4. **Shinmit Utsch India Pvt.ltd Vs. West Beng l Transport Infrastructure Development Corporation limited and o s**[5]*

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[3] 2016 (14) SCC 172
[4] 2022 (6) SCC 127

9. In ***CWE-SOMA Consortium's*** case (cited supra), the Hon'ble Supreme Court observed as follows:-

> *"In case of a tender, there is no obligation on the part of the person issuing tender notice to accept any of the tenders or even the lowest tender. After a tender is called for and on seeing the rates or the status of the contractors who have given tenders that there is no competition, the person issuing tender may decide not to enter into any contract and thereby cancel the tender. It is well settled that so long as the bid has not been accepted, the highest bidder acquires no vested right to have the auction concluded in his favour."*

10. In the Order dated 03.10.2024 passed in W.P.No.18543 of 2024 and batch, it is held as hereunder:-

> *" .... In view of the preceding analysis and judicial pronouncements, this Court deems it appropriate that there is no arbitrariness or malafide on the part of the tendering authorities with regard to cancellation of tender process. However, the said cancellation does not preclude the petitioner as well as other interested parties to participate in the fresh tender notification that may be floated in the near future."*

11. In ***N.G Projects limited's*** case (cited supra), the Hon'ble Supreme Court held as follows:-

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[5] 2010 (6) SCC 303

"In view of the above judgments of this Court, the writ court should refrain itself from imposing its decision over the decision of the employer as to whether or not to accept the bid of a tenderer. The Court does not have the expertise to examine the terms and conditions of the present day economic activities of the State and this limitation should be kept in view. Courts should be even more reluctant in interfering with contracts involving technical issues as there is a requirement of the necessary expertise to adjudicate upon such issues. The approach of the Court should be not to find fault with magnifying glass in its hands, rather the Court should examine as to whether the decision-making process is after complying with the procedure contemplated by the tender conditions. If the Court finds that there is total arbitrariness or that the tender has been granted in a mala fide manner, still the Court should refrain from interfering in the grant of tender but instead relegate the parties to seek damages for the wrongful exclusion rather than to injunct the execution of the contract. The injunction or interference in the tender leads to additional costs on the State and is also against public interest. Therefore, the State and its citizens suffer twice, firstly by paying escalation costs and secondly, by being deprived of the infrastructure for which the present day Governments are expected to work."

12. In ***Shimnit Utsch India Private Limited's*** case (cited supra), the Supreme Court held that the Government has discretion to adopt a different policy or alter or change its policy to serve public interest and make it more effective in the context of tender conditions.

Consideration:

13. The petitioner principally submitted that respondent No.4 cancelled the earlier tender, without assigning any reasons, only to exclude the petitioner. However, the petitioner failed to explain as to how he is affected or put to disadvantageous position because of increase in value of contract work and decrease in tenure for completion of work in the subsequent tender notifications. The petitioner failed to place on record any material to substantiate the said contention. Further, the petitioner has not participated in the fresh tender notifications issued by respondent No.4, therefore, the aforesaid judgments relied upon by learned counsel for the petitioner have no application to the present case.

14. In the counter filed on behalf of respondent No.4, reasons for cancellation of earlier tender notifications and issuance of fresh tender notifications have been explained, as per which, the value of work in NIT No.2 was increased because of inclusion of additional works and insofar as decrease of tenure for completion of work in NIT No.3 is concerned, the same became necessary for ensuring free vehicular movement during the fast approaching Godavari *Pushkaralu* scheduled to be held in July, 2027.

15. Learned Additional Advocate General submitted that the scope of review by this Court in tender matters is very limited and that, this Court cannot go into the technical aspects of tenders and cannot entertain writ petition unless malafides or grave irregularities are pointed out and established.

16. In the instant case, according to respondent No.5, cancellation of tender notifications, NIT Nos.2 and 3 was necessitated because of exigencies and subsequent developments and therefore the contention of the petitioner that the same are cancelled only to exclude it from participating in the subsequent tenders is untenable in the absence of any material on record.

17. Here, it is appropriate to refer to Clause-28.2 of Instructions to Tenderers appended to Tender conditions which reads as under:-

> *"The tender accepting authority reserves the right to accept or reject any tender or all tenders and to cancel the tendering process, at any time prior to the award of contract, without thereby incurring any liability to the affected tenderer or tenderers or any obligation to inform the affected tenderer or tenderers of the reasons for such action".*

18. Thus, the above Clause empowers the Tender Accepting Authority to cancel the tender notification without assigning any reasons.

19. In the light of the contentions raised by the learned senior counsel appearing for the petitioner as well as learned Additional Advocate General, before proceeding further, it would be useful to refer to the principles and parameters set down in a catena of decisions by the Hon'ble Supreme Court on the scope and extent of interference by the Courts in the matters of tenders and contracts.

20. The Hon'ble Apex Court emphasized the need to find a right balance between administrative discretion to decide the matters whether contractual or political in nature or issues of social policy and the unfairness is set right by judicial review.

21. In ***Tata Cellular vs. Union of India***[6] it is held as under:

> *" The principles deducible from the above are:*
>
> *(1) The modern trend points to judicial restraint in administrative action.*
>
> *(2) The court does not sit as a court of appeal but merely reviews the manner in which the decision was made.*
>
> *(3) The court does not have the expertise to correct the administrative decision. If a review of the administrative decision is permitted it will be substituting its own decision, without the necessary expertise which itself may be fallible.*
>
> *(4) The terms of the invitation to tender cannot be open to judicial scrutiny because the invitation to tender is in the realm of contract. Normally speaking, the decision to accept the tender or award the contract is reached by process of*

[6] 1994 (6) SCC 651

negotiations through several tiers. More often than not, such decisions are made qualitatively by experts.

(5) The Government must have freedom of contract. In other words, a fair play in the joints is a necessary concomitant for an administrative body functioning in an administrative sphere or quasi-administrative sphere. However, the decision must not only be tested by the application of Wednesbury principle of reasonableness (including its other facts pointed out above) but must be free from arbitrariness not affected by bias or actuated by mala fides.

(6) Quashing decisions may impose heavy administrative burden on the administration and lead to increased and unbudgeted expenditure. "

22. The Hon'ble Supreme Court in the case of ***Jagdish Mandal vs. State of Orissa and Others***[7], observed as under:

"Judicial review of administrative action is intended to prevent arbitrariness, irrationality, unreasonableness, bias and mala fides. Its purpose is to check whether choice or decision is made "lawfully" and not to check whether choice or decision is "sound". When the power of judicial review is invoked in matters relating to tenders or award of contracts, certain special features should be borne in mind. A contract is a commercial transaction. Evaluating tenders and awarding contracts are essentially commercial functions. Principles of equity and natural justice stay at a distance. If the decision relating to award of contract is bonafide and is in public

[7] 2007 (14) SCC 517

interest, courts will not, in exercise of power of judicial review, interfere even if a procedural aberration or error in assessment or prejudice to a tenderer, is made out. The power of judicial review will not be permitted to be invoked to protect private interest at the cost of public interest or to decide contractual disputes. The tenderer or contractor with a grievance can always seek damages in a civil court. Attempts by unsuccessful tenderers with imaginary grievances, wounded pride and business rivalry, to make mountains out of molehills of some technical/procedural violation or some prejudice to self, and persuade courts to interfere by exercising power of judicial review, should be resisted. Such interferences, either interim or final, may hold up public works for years, or delay relief and succor to thousands and millions and may increase the project cost manifold. 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. (ii) Weather public interest is affected."

23. The law regarding government contracts or auctions and the nature and scope of its judicial review is well settled.

24. In ***M/s Michigan Rubber (I) Ltd. vs. State of Karnataka and ors***[8], the Hon'ble Supreme Court observed as under:

> *"From the above decisions, the following principles emerge:*
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> *(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 the 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 the 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*

[8] 2012 (8) SCC 216

by court is very restrictive since no person can claim a fundamental right to carry on business with the Government."

25. ***In Montecarlo Ltd. v. NTPC Ltd***[9]**.,** **the** Hon'ble Apex Court observed that the tender inviting authority is the best person to understand and appreciate its requirement in the tender documents. It has further observed as follows:-

> *"..... Where a decision is taken that is manifestly in consonance with the language of the tender document or subserves the purpose for which the tender is floated, the court should follow the principle of restraint. Technical evaluation or comparison by the court would be impermissible. The principle that is applied to scan and understand an ordinary instrument relatable to contract in other spheres has to be treated differently than interpreting and appreciating tender documents relating to technical works and projects requiring special skills. The owner should be allowed to carry out the purpose and there has to be allowance of free play in the joints".*

26. In ***Silppi Constructions Contractors v. Union of India and Ors***[10]., the Hon'ble Apex Court observed that the Courts must realize their limitations and the havoc, which needless interference in commercial matters could cause. In contracts involving technical issues, the Courts should be even more reluctant because most of us in

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[9] (2016) 15 SCC 272
[10] 2019 SCC ONLINE SC 1133

judges' robes do not have the necessary expertise to adjudicate upon technical issues beyond our domain. In fact, the Court must give "fair play in the joints" to the government and public sector undertakings in matters of contract. Courts must also not interfere where such interference would cause unnecessary loss to the public exchequer.

27. The Apex Court further held that unless the action of the tendering authority is found to be malicious and misuse of its statutory powers, tender conditions are unassailable.

28. The Hon'ble Supreme Court in ***Balaji Ventures Private Limited vs. Maharashtra State Power Generation Company Limited***[11] held as under:

> *"Owner should always have the freedom to provide the eligibility criteria and/or the terms and condition of the bid unless it is found to be arbitrary, mala fide and/or tailor made. The bidder/tenderer cannot be permitted to challenge the bid condition/clause which might not suit him and/or convenient to him. As per the settled proposition of law as such it is an offer to the prospective bidder/tenderer to compete and submit the tender considering the terms and conditions mentioned in the tender document."*

29. In ***Jagadish Mandal's case (cited supra),*** it was observed that the power of judicial review will not be permitted to be invoked to

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[11] 2022 SCC Online 1967

protect the private interest at the cost of public interest. In the very paragraph, it was observed by the Supreme Court that the tenderer or contractor who has grievance can always seek damages in the civil court.

30. In ***Michigan Rubber (India) Ltd's case*** (cited supra), it was *inter alia* observed that certain preconditions or qualifications for tenderers have to be laid down to ensure that the contractor has the capacity and the resources to successfully execute the work. The interference by the Court has to be very restrictive since no person can claim a fundamental right to carry on business with the government.

31. From the above judicial precedents, it is clear that *firstly,* the tenderee/employer has discretion and freedom to set the terms and conditions of bid as well as the eligibility criteria of bid.

32. *Secondly,* since the Court lacks technical knowledge, the Courts cannot examine the technical aspects, intricacies of tender including detailed examination of the terms and conditions of tender.

33. Thirdly, the scope of judicial review is limited in tender matters and the Courts shall restrain from interfering with tender matters unless mala fides or grave irregularities, or arbitrariness, or misuse of power or procedural irregularities are established.

34. *Fourthly*, the Courts should keep in mind, that cancellation of tenders would have cascading effect including escalation of project cost and burden on exchequer and depriving citizens of enjoying the infrastructure. Further, the bidder has alternative remedy of approaching the civil Court for damages.

35. In the present case, it is the specific case of petitioner that the value of contract work was increased and the period for completion of work was decreased only to exclude petitioner and to put the petitioner in disadvantageous position. However, the petitioner has failed to explain as to how it was affected by modification of terms of the tenders and has failed to place any material on record to substantiate the same.

36. The petitioner has also contended that earlier tenders cancelled without any reasons and without informing the petitioner. However, as per Clause-28.2 of Instructions to Tenderers which is appended to Notice Inviting Tenders, i.e., NIT Nos.2 and 3, respondent No.4 is empowered and entitled to cancel the tender without assigning any reasons. Moreover, admittedly, the petitioner did not participate in the subsequent tenders i.e., NIT Nos.5 and 6.

37. Further, it is the specific contention of respondent No.5 that information of tenders is sent to all the bidders/tenderers to their

registered email/sms, therefore, the contention of the petitioner that it is unaware and is not informed about the cancellation of NIT Nos.2 and 3 is factually incorrect.

Conclusion:-

38. In view of the above discussion and legal position, this Court is of considered opinion that the petitioner failed to establish the mala fides or perversity or procedural irregularity on the part of respondent No.4 in cancelling NIT Nos.2 and 3 and issuing fresh tenders i.e., NIT Nos.5 and 6.

39. For the foregoing reasons, this Writ Petition fails and the same is liable to be dismissed.

40. Accordingly, this Writ Petition is dismissed. No costs.

41. Miscellaneous petitions pending, if any, shall stand closed. Interim order dated 06.02.2026 shall stand vacated. No costs.

SD/- C.DEEPIKA
ASSISTANT REGISTRAR

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SECTION OFFICER

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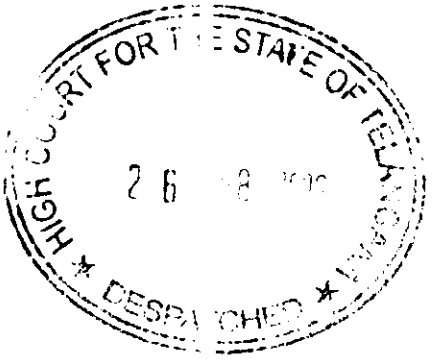
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HIGH COURT

DATED:19/02/2026



ORDER

WP.No.3709 of 2026

DISMISSING THE W.P

WITHOUT COSTS.

21 MT
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