

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

THURSDAY, THE EIGHTH DAY OF JANUARY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SMT JUSTICE T.MADHAVI DEVI

WRIT PETITION NO: 9197 & 12229 OF 2025

W.P.No.9197 OF 2025

Between:

1. Rosmerta Technologies Ltd., Having its registered office at Plot No. 66, Vertika Tower, Sector 44, Gurugram, Haryana Represented by its Authorised Signatory Mr. Payyavula Sairam
2. Payyavula Sairam,, S/o Yadagiri Aged about 45 years Rio H.No.6-3-1231 B, Vanastalipuram Rangareddy District, Telangana-500070.

...PETITIONER

AND

1. The State of Telangana,, Rep. by its Principal Secretary, Food and Civil Supplies Department Secretariat Buildings, Secretariat, Hyderabad.
2. The Commissioner of Civil Supplies, Consumer Affairs Food and Civil Supplies Department Civil Supplies Bhavan, Errummanzil Somajiguda, Hyderabad-500082.

...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 an appropriate writ, direction, order, or orders, more particularly one in the nature of a Writ of Mandamus declaring the Clause/Section-Page 8. 13.1 Pre-Qualification Criteria mandating the bidder to have a registered office in Telangana to participate in the tender bearing No. CCS Ref.No.IT-2/910/2025. dated 10.03.2025 for Procurement of Personalized PVC QR Code Smart Ration Cards for Food and Civil Supplies Department, Telangana bid as highhanded, illegal, arbitrary and unconstitutional and consequently suspend the Clause/Section Page 8. B.1 Pre-Qualification Criteria in tender bearing No. CCS Ref.No.1T-2/910/2025, dated 10.03.2025 for Procurement of Personalized PVC

QR Code Smart Ration Cards for Food and Civil Supplies Department, Telangana.

IA NO: 1 OF 2025

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 stay all further proceeding pursuant to issuance of Tender bearing CCS Ref.No.IT-2/910/2025, dated 10.03.2025 for Procurement of Personalized PVC QR Code Smart Ration Cards for Food and Civil Supplies Department, Telangana floated by Food and Civil Supplies Department, Civil Supplies Bhavan, Erramanjil, Somajiguda, Hyderabad 500 082, India and in the alternative permit the petitioner to participate in the tender process in Tender bearing CCS Ref.No.IT-2/910/2025, dated 10.03.2025 for Procurement of Personalized PVC QR Code Smart Ration Cards for Food and Civil Supplies Department, Telangana.

IA NO: 2 OF 2025

Between:

1. The State of Telangana,, Rep. by its Principal Secretary Food and Civil Supplies Department Secretariat Buildings, Secretariat Hyderabad.
2. The Commissioner of Civil Supplies, Consumer Affairs Food and Civil Supplies Department Civil Supplies Bhavan, Errummanzil Somajiguda, Hyderabad-500082.

...PETITIONERS/RESPONDENTS

AND

1. Rosmerta Technologies Ltd., Having its registered office at Plot No. 66, Vertika Tower, Sector 44, Gurugram, Haryana Represented by its Authorised Signatory Mr. Payyavula Sairam
2. Payyavula Sairam,, S/o Yadagiri Aged about 45 years Rio H.No.6-3-1231 B, Vanastalipuram Rangareddy District, Telangana-500070

... RESPONDENTS/PETITIONERS

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 be pleased to vacate the interim orders granted in W.P.No 9197 of 2025 dt: 17.04.2025 and subsequently being extended from time to time, and dismiss the Writ Petition as devoid of merits and pass such other orders

Counsel for the Petitioner : M/S INDUS LAW FIRM

Counsel for the Respondents: GP FOR CIVIL SUPPLIES

W.P.No.12229 OF 2025

Between:

1. Rosmerta Technologies Ltd., Having its Registered Office at Plot No. 66, Vertika Tower Sector 44, Gurugram, Haryana Represented by its Authorised Signatory Mr. Payyavula Sairam.
2. Payyavula Sairam, S/o Yadagiri, Aged about 45 years R/o H.No.6-3-1231 B, Vanastalipuram Rangareddy District, Telangana-500070.

...PETITIONERS

AND

1. The State of Telangana, Rep. by its Principal Secretary, Food and Civil Supplies Department, Secretariat Buildings, Secretariat, Hyderabad.
2. The Commissioner of Civil Supplies Consumer Affairs Food and Civil Supplies Department, Civil Supplies Bhavan, Errummanzil Somajiguda, Hyderabad-500082.
3. KL HI-Tech Secure Print Limited, Plot No. 22-23, ANRICH Industrial Estate, IDA Bollaram, Sangareddy Telangana, India - 502328.
4. Printography Systems (India) Private Limited, Plot No. 13 d, Kurla Industrial Estate Nari Seva Sadan Road, Ghatkopar (west) Mumbai, Maharashtra, India - 400086.

...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 an appropriate writ, direction, order, or orders, more particularly one in the nature of a Writ of Mandamus declaring the alleged reasons furnished by Respondents for rejecting the technical bid of the Petitioner as highhanded, illegal, arbitrary and unconstitutional and consequently direct the Respondents to open the Petitioner No. 1s financial bid and consider the same. In case the Court finds that the sanctity of the tender process has been compromised due to the highhanded, illegal, arbitrary and unconstitutional actions of the Respondents, Honourable Court may forthwith cancel the CCS Ref.No.IT-2/910/2025, dated 10/03/2025 for Procurement of Personalized PVC QR Code Smart Ration Cards for Food and Civil Supplies Department, Telangana.

IA NO: 1 OF 2025

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 direct the Respondents to submit all the records including not limited to office noting, letters, emails, Minutes of Meetings, etc. related to the subject tender and also restrain the Respondents from proceeding with the award of the tender process arising out of CCS Ref.No.IT-2/910/2025, dated 10/03/2025 for Procurement of Personalized PVC QR Code Smart Ration Cards for Food and Civil Supplies Department, Telangana floated by Food and Civil Supplies Department, Civil Supplies Bhavan, Erramanjil, Somajiguda Hyderabad-500 082, India.

Counsel for the Petitioner : M/S INDUS LAW FIRM

Counsel for the Respondents: GP FOR CIVIL SUPPLIES

The Court made the following: COMMON ORDER

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

THE HONOURABLE SMT JUSTICE T.MADHAVI DEVI

WRIT PETITION NOS. 9197 AND 12229 OF 2025

DATED 08.01.2026

W.P.No.9197 of 2025

Between:

Rosmerta Technologies Limited and Another.

.... Petitioners

And

The State Of Telangana,
Represented by its Principal Secretary,
Food and Civil Supplies Department,
Secretariat, Hyderabad and Another.

...Respondents

COMMON ORDER

The W.P.No.9197 of 2025 was filed seeking a writ of mandamus declaring the Clause/Section of Page 8: B1 Pre-Qualification Criteria mandating the bidder to have a registered office in Telangana to participate in the tender bearing No. CCS Ref.No.IT-2/910/2025, dated 10.03.2025 for 'Procurement of Personalized PVC QR Code Smart Ration Cards for Food and Civil Supplies Department, Telangana' bid as highhanded, illegal and arbitrary and unconstitutional and consequently to suspend the same and to pass such other order or orders in the interest of justice.

2. When matter was taken up for admission, this Court, after hearing both the parties, vide orders dated 25.03.2025 had directed the respondents to open all the tenders including that of the petitioner company and further directed that if it is found that the petitioner company is the lowest bidder, then the tenders may not be finalized and the matter will be decided on merits, but if the petitioner company is not the lowest bidder, then the respondents are free to finalize the tenders. Subsequently, the respondents have opened the technical bids and found that the petitioner has not qualified in the technical bid and therefore, its financial bid was not opened. Challenging the same, the W.P.No.12229 of 2025 has been filed. Therefore, these two writ petitions are filed by the same party and since the issues are interconnected and they were heard together and they are being disposed of by this common and consolidated order.

3. Brief facts leading to the filing of this writ petition are that the respondents have issued a Tender Notification No.CCS Ref.No.IT-2/910/2025, dated 10.03.2025, for procurement of Personalized PVC QR Code Smart Ration Cards and one the Pre-Qualification Criteria required the bidders to be Smart Cards manufacturers with a registered office in

Telangana. This condition was challenged in W.P.No.9197 of 2025 and thereafter, the respondents have issued a Corrigendum on 21.03.2025 modifying the Clause of the tender stating further that the bidder should preferably have the manufacturing unit in Telangana State for quality control and that the registered office anywhere in the State is also acceptable. Consequent to the interim order of this Court dated 25.03.2025, the petitioner's bid was accepted for scrutiny along with bidders from other States as well. Subsequent to the interim order dated 25.03.2025, on 15.04.2025 the respondents have informed this Court that the petitioner company has not qualified in the technical bid as it has not satisfied two conditions i.e., 1(1), 2(b) of Section-D of the tender conditions.

4. Learned counsel for the petitioner had submitted before this Court that the said information has not been furnished to the petitioner and the reasons have not been communicated. In view thereof, vide orders dated 17.04.2025, this Court had directed the respondent No.2 to communicate the reasons for disqualifying the petitioner company in the technical bid and it was further observed that if the respondents have already not entered into any agreement with the successful bidder in the forenoon of that date, then the respondents were

directed not to enter into any agreement with the successful bidder. This interim order has been extended from time to time.

5. In the meantime, on the communication of the reasons for holding petitioner as technically not qualified, challenging the same, the W.P.No.12229 of 2025 has been filed.

6. The respondents have filed a counter affidavit along with stay vacate petition and submitted that W.P.No.9197 of 2025 has become effectively infructuous. This Court also finds that the conditions of having a registered office in Telangana has been relaxed by the respondents and the respondents have also considered the tender submitted by the petitioner and therefore, the prayer the W.P.No.9197 of 2025 can no longer be the grievance of the petitioner and the writ petition is accordingly closed.

7. As regards W.P.No.12229 of 2025, it is noticed that the respondents have rejected the petitioner's technical bid on following grounds:

"On verification of documents, certain gaps were identified in respect of M/s.Rosemerta Technologies Limited, Gurgram, Haryana as detailed below:

M/s. Rosemerta Technologies limited, Gurgram, Haryana, has not produced encrypted QR application to fetch the digital version of the Ration cards along with the family members and missing security features on the personalized PVC QR code smart ration cards. The bidder has failed to comply with the Technical specifications as per Section D(1) of tender conditions. The bidder has requested to give some time to rectify the defects.

The Committee has allowed time till the next day i.e., on 28.03.2025 by 11.30 A.M., to the above bidder to show live encrypted QR Code mobile application to fetch digital version of ration card along with family members dynamically.

During evaluation of technical specifications on 28.03.2025 of M/s.Rosemerta Technologies Limited, Gurgram, Haryana, the following discrepancy noticed:

13.	<p><i>Encrypted QR: The encrypted QR application need to fetch the digital version of the ration card along with the family members details with an option to download instantly upon scanning without connecting to external links unlike the open QR through the customized mobile application hosted in department server. The solution need to be demonstrated with the sample data as shared by the department during the technical evaluation.</i></p>	<p><i>The bidder has failed to show the Encrypted QR Code Application to show the digital version of the Ration Card along with the family member details with an option to download instantly upon scanning without connecting to external links. Thus, the bidder has failed to comply para 2(b) under Section-D of tender conditions.</i></p>
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14.	Sample-Personalized PVC QR Code Smart Ration Cards	The bidder has failed to submit the features of the PVC QR Code as per tender conditions, Dual Hidden Image and Relief Text. The bidder has failed to comply para 1(1) under Section-D of tender conditions
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Hence, M/s.Rosemerta Technologies Limited, Gurgram, Haryana is not qualified in the technical bid. Therefore, the bidder is not eligible for the financial bid.

8. Learned counsel for the petitioner submitted that as per the terms of the tender notification, the sample card had to be supplied by the respondents to the proposed prospective bidders and since the petitioner was not given the details of the smart card despite of specific request made by email for procuring PVC QR Code Smart Ration Card, they were not supplied to the petitioner and the petitioner had again sought a clarification on 21.03.2025 for providing samples of the smart card in order to enable them to submit its bid, but no response was received and therefore, the petitioner sent an email to the respondents on 24.03.2025, sharing their own design and requesting it to be considered and alternatively, they requested for samples and a one week extension for bid submission. It is

stated that the respondents never responded to the requests and therefore, the petitioners proceeded to submit their bid with their own card designs, which included only QR codes and URLs. It is stated that the petitioners have responded to the queries raised by the respondents via an email and also physically to respondent No.1 along with the demonstration of their encrypted QR code application. Subsequently, the department extended the petitioner's deadline to 29.03.2025, to demonstrate a modified app with data, as confirmed in the email dated 28.03.2025. It is stated that on 29.03.2025, the Petitioner No.1 demonstrated their modified QR code application to respondent No.1 and that the department was satisfied with both online and offline demos and raised no objections with regard to the technical specifications of the sample ration cards. However, only during the course of hearing of the W.P.No.9197 of 2025 on 15.04.2025, the respondents had informed that the technical bid of the petitioner No.1 was rejected for failing to meet two tender conditions. It is submitted that these objections are an 'afterthought' and were raised only to defeat the claim of the petitioner and with a pre-determined mind to select respondent No.4. Therefore, according to the learned counsel for the petitioner, the respondents have adopted a malicious and

unfair process of selection and have maliciously disqualified the petitioner's bid. It is submitted that the respondents have intentionally not informed the Court about the rejection of the petitioner's bid on 27.03.2025 until the hearing on 15.04.2025 before this Court. It is submitted that when the respondents had already decided to reject the petitioner's technical bid, calling them on 28.03.2025 and 29.03.2025 to demonstrate their card and its features is only a cover-up and a futile exercise. Therefore, according to the learned counsel for the petitioner, the respondents have acted in bad faith by not providing samples to the Petitioner No.1 as required under the tender conditions and that such an action undermined fair competition and could result in a loss to the public exchequer. According to the learned counsel for the petitioner, the petitioner has quoted price of Rs.4.78/- per card whereas the respondents No.3 and 4 have quoted around Rs.10/- per card, which is double the price quoted by the petitioner. Therefore, the learned counsel for the petitioner submitted that the petitioner should be given a fair opportunity to submit its smart card afresh and the financial bid of the petitioner should also be considered.

9. The Learned Government Pleader for Civil Supplies appearing for the respondent No.2 has relied upon the averment in the counter affidavit, stating that the notification dated 10.03.2025 has been issued for procurement of approximately 1 Crore BPL and 20 Lakhs APL Personalized PVC QR Code Smart Ration Cards and Section A(2) provided time schedule of various tender-related events. It is stated that the pre-bid meeting was held on 17.03.2025 and in the said meeting, a sample card issued by the Punjab State Government was shown but the petitioner did not attend the same. It is submitted that on receipt of the email from the petitioner on 18.03.2025 and the representative of the petitioner approached the office on 22.03.2025, the very same sample card was shown to the petitioner's representative as well and the specifications of the same were also informed to the representative. It is submitted that the technical bid was submitted by the petitioner after verification of the sample card and all the technical bids were considered and evaluated by a technical team and the bid of the petitioner has been found to be non-compliant with the requirements of the tender conditions. It is submitted that once the technical bid was opened, three messages were automatically triggered at 02:03 p.m., 02:09 p.m., and 02:36

p.m., on 11.04.2025 informing the participants that the technical evaluation has been completed and advising the bidder to log into e-procurement portal for further details. It is stated that the sample card has not been provided to any of the bidders and that they were all provided the sample cards only for inspection in the pre-bid meeting and the petitioner was also allowed the verification of the sample card on 22.03.2025.

10. He placed reliance upon the decision of the Hon'ble Supreme Court in the case of **Michigan Rubber (India) Limited Vs. State of Karnataka**, reported in (2012) 8 SCC 216, in support of his contentions that the Courts cannot interfere with the terms of the tender prescribed by the Government just because the Court feels that some other terms in the tender would have been fair, wiser or logical. He also placed reliance upon the decision of the Hon'ble Supreme Court in the case of **Silppi Constructions Contractors Vs. Union of India**, reported in (2020) 16 SCC 489, wherein the Court has held that there is a limited judicial review in Government contracts and tender disputes, especially those involving technical issues. He also placed reliance upon the decision of the Hon'ble Supreme Court in the case of **E.P.Royappa Vs. State of Tamil Nadu**, reported in (1974) 4 SCC 3, wherein it was held that the burden

of proof for allegations of malafides is on the person making the allegations. Therefore, according to the learned Government Pleader for Civil Supplies, the respondents have followed the due procedure in finalizing the tenders and since the petitioner did not qualify in the technical bid, the web portal will not permit the respondents to look into the financial bid of the petitioner. He therefore prayed for vacation of the interim order and dismissal of the writ petitions.

11. Learned Counsel appearing for the respondent No.3 also supported the stand of the Government and submitted that in the pre-bid meeting held on 17.03.2025, the sample cards were shown to those present in the meeting and that no physical copy or sample of the card was given to them to take back. It is also stated that the petitioner seems to be raising the allegations upon their failure to pass the technical bid.

12. Learned counsel for the petitioner, however, refuted the claims of the respondents and submitted that reliance of the Government on the decision of the Hon'ble Supreme Court in the case of **Michigan Rubber (India) Limited** (*cited supra*), is misplaced. It is stated that the judgment allows State agencies to set tender conditions but does not permit them to implement

those conditions in an arbitrary, discriminatory or malicious way and that the respondents acted with a pre-determined mindset, selectively enforcing conditions and denying the petitioner a fair chance. The learned counsel for the petitioner further argued that the respondents reliance upon the decision in the case of **Silppi Constructions Contractors** (*cited supra*) is also misplaced and submitted that the said judgment encourages judicial restraint, but such restraint does not apply in cases of clear arbitrariness, bad faith or irrationality. It is submitted that other judgment in the case of **E.P.Royappa** (*cited supra*), is also not applicable, as according to him, the respondent's failure to disclose the bid's objection, the concealment of a demonstration video and the non-disclosure of financial bids as proof, lead to the conclusion that they have not discharged their burden of proof, requiring the respondents to justify their actions.

13. Learned Government Pleader for Civil Supplies also has filed a copy of the smart card submitted by the petitioner and has tried to demonstrate that the required features are missing in the card.

14. Having regard to the rival contentions and the material on record, as held by the Hon'ble Supreme Court in the case of **B.S.N.Joshi and Sons Limited Vs. Nair Coal Services Limited and Others**, reported in (2006) 11 SCC 548, this Court finds that it is the prerogative of the Government and the concerned Department to stipulate conditions for issuance of tenders and the bidders have to necessarily satisfy the conditions of the tenders unless the conditions are arbitrary, discriminatory and illegal. While issuing the tender notifications, one of the conditions stipulated was that the tenderer should have a registered office in Telangana and subsequent to challenge, it was modified to the effect of preferably having a manufacturing unit in Telangana. However, consequent to the interim order of this Court, the tenders submitted by parties having registered office outside Telangana also have been received and considered. Therefore, there is no need to adjudicate the said issue at this stage as it would only be an academic exercise.

15. The only issue that remains to be considered is the sustainability of the grounds on which the technical bid of the petitioner has been held to be not qualified. The reason given for disqualification was that the petitioner did not satisfy two

conditions i.e., 1(1) and 2(b) of Section D of the tender conditions. According to the petitioner, the respondents never informed the petitioner about the rejection of the technical bid and that it was informed in the Court on 17.04.2025 about the rejection. Therefore, according to the petitioner this is an intentional and malicious act. Thus, it is required to examine whether the respondents acted in an unfair manner in considering and rejecting the petitioner technical bid. The main reason for rejection is that the sample card submitted by the petitioner did not contain the encrypted QR code application to show the digital version of the ration card along with family member details with an option to download instantly upon scanning without connecting to external links and that it did not contain Dual Hidden Image and Relief Text. The petitioner is not denying that the above features are not available. According to the petitioner, in spite of several requests, sample card was not provided. But, this Court finds that sample card was not provided to any party but the sample card was shown to all the bidders in the pre-bid meeting held on 17.03.2025 and also to the petitioner during a physical appearance before the respondent No.1 on 21.03.2025. It is therefore, the duty of the petitioner to collect the required data, prepare and demonstrate

the smart card as per the tender conditions. This Court does not have the technical expertise to verify whether the card submitted by the petitioner contains the necessary and required features to come to any conclusion. Further, it is not in dispute that the respondents have a technical team to evaluate the tender forms submitted by all the parties and the said team has found that the petitioner's bid was not in accordance with the tender conditions. In such circumstances, this Court is of the opinion that the petitioner cannot challenge the rejection of the technical bid of the petitioner on the ground of non-satisfaction of a tender condition in a writ petition under Article 226 of the Constitution of India. Only if there is an arbitrary action on the part of the Government or the concerned department in finalization of the tender, can this Court interfere and the circumstances demonstrated by the petitioner do not satisfy the said condition.

16. According to the petitioner, the arbitrariness exhibited by the respondents is in not providing the sample card and in not informing the deficiencies in the technical bid and not giving sufficient opportunity and time to rectify the deficiencies and resubmit their sample card. However, this Court finds that the tender notification gives the schedule for

submission of tenders as 3 p.m., on 25.03.2025 and opening of technical bid as well as financial bid as 3 p.m., and 4 p.m., respectively on 26.03.2025. The petitioner was given time upto 29.03.2025 to clarify the queries raised by the respondents and the petitioner has also submitted the details. However, after evaluation of the said details only, it was found to be not satisfying the technical requirements. In the case of **Ramana Dayaram Shetty Vs. International Airport Authority of India and Others**, reported in (1979) 3 SCC 489, the Hon'ble Supreme Court has held that *"Every action of the executive Government must be informed with reason and should be free from arbitrariness. That is the very essence of the rule of law and its bare minimal requirement and to the application of this principle it makes no difference whether the exercise of the power involves affectation of some right or denial of some privilege."* This Court is satisfied that there is no arbitrariness in the action of the respondents. The decisions relied upon by the learned counsel for the respondents which are discussed above, support this view.

17. In view of the same, this Court does not find any merit in W.P.No.12229 of 2025 and is liable to be dismissed.

18. In the *result*,

(i) W.P.No.9197 of 2025 is closed.

(ii) W.P.No.12229 of 2025 is dismissed.

(iii) There shall be no order as to costs.

(iv) Miscellaneous petitions, if any, pending in these writ petitions, shall stand closed.

SD/- T. SRINIVASA REDDY
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. One CC to M/SINDUS LAW FIRM, Advocate. [ORUC]
2. Two CCs to GP FOR CIVIL SUPPLIES, High Court for the State of Telangana. [OUT]
3. Two CD Copies.

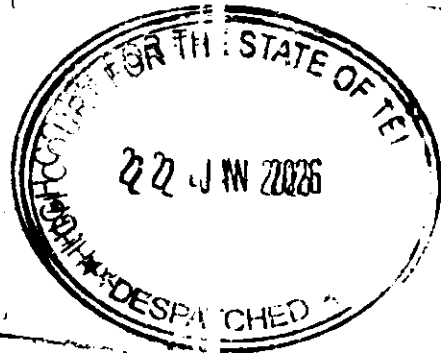
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HIGH COURT

DATED:08/01/2026



COMMON ORDER

WP.No.9197 & 12229 of 2025

CLOSING THE W.P.No.9197 OF 2025
& DISMISSING THE W.P.No.12229 OF 2025
WITHOUT COSTS

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22/1/26