

(2025) 12 MP CK 1992

In the Madhya Pradesh High Court, Indore Bench

Case No : Writ Petition No. 47534 Of 2025

M/S Kaveri Infra Projects Pvt Ltd Through Authorized Person
Mr Bodagam Sanjeeva Reddy And Others

APPELLANT

Vs

State Of Madhya Pradesh And Others

RESPONDENT

Date of Decision : 18-12-2025

Acts Referred:

Constitution Of India, 1950 — Article 14, 226

Citation : (2025) 12 MP CK 1992

Hon'ble Judges : Vijay Kumar Shukla, J; Binod Kumar Dwivedi, J

Bench : Division Bench

Advocate : Amit Agrawal, Arjun Agrawal, Yogesh Kumar Gupta, Prashant Singh, Shrey Raj Saxena, Rishi Tiwari

Final Decision : Dismissed

Judgement

Vijay Kumar Shukla, J

1. The present petition is filed under Article 226 of the Constitution of India challenging the order dated 20/11/2025 passed by the respondent No.2 by which a decision has been taken by the State Level Technical Committee (SLTC) who has cancelled the bid of the petitioner.

2. The facts of the case are that the petitioner is a private Limited Company registered and incorporated in India under the provisions of the Companies Act, 1956 and having its registered office at H.No.2-4-641, 3 TM floor, ABK Mall, Ram Nagar Hanamkonda —506001 Telangana and is being represented by its authorized signatory Mr.Bodagam Sanjeeva' Reddy, Assistant Manager of the Company as attorney of the company to represent it in the impugned Tender process. It is further pertinent to mention that Mr. Bodagam Sanjeeva Reddy is also duly authorized to represent Respondent No.2 company, which is in joint venture with Respondent No.1 company, and is therefore competent to act on behalf of the said joint venture entity in all matters relating to the present tender

process. Respondent No. 4 has issued notice inviting tender dated 24.04.2025 bearing tender no. 2025_UDA_418623 and the description of work which is required to be carried is Survey, Soil investigation, design and execution for various works procurement, laying, jointing, testing & commissioning of distribution network of 20 new OHT's and 46 existing overhead Tanks & replacement of old distribution network with House Service Connections and Monitoring System and achieving continuous (24 x 7) pressurized water supply plus 10 years operation and maintenance for Indore City. (Package 4). As per NIT, the last date of submission of bid was 28.05.2025. The probable value of NIT was Rs. 428.76 crores and the time frame as mentioned in NIT is 36 months. Tender documents were separately issued by the respondents. Tender document is also issued by Commissioner Indore Municipal Corporation. The whole tender document does not contain any restriction upon quoting of rates as per tender document the employee of tender is respondent-no. 4. Petitioner being eligible as per the terms and conditions of NIT and Tender document, has submitted his bid in Tender Reference No.03/AMRUT 2.0/25-26/PACKAGE 4. Along with the bid documents, petitioner also submitted the amount of earnest money total 4 numbers of bidders participated in the tender out of which two bidders were disqualified at the stage of opening of Technical Bid. Financial bid was opened on 10.09.2025 and petitioner's company was found to be the lowest bidder i.e., L-1 Bidder who has quoted rate 16.92% higher to the probable bid value. Technical consultant has compared the rate quoted by the petitioner's company and has found that as per the price index issued by Office of Economic Advisor, Ministry of Commerce and Industry, New Delhi, the value of work is around 17% higher to the probable bid value. Respondent No. 4 has forwarded the name of the petitioner company with a positive remark that the rate quoted by the petitioner is in accordance with the market value. Respondent No. 4 being the employer was required to issue letter of acceptance to the petitioner instead of forwarding the process to respondent No. 2.

3. Initially the petitioner challenged the said order on the ground that respondent No.2 is not the tendering authority/employer of the tender as the NIT was floated by respondent No.4/Indore Municipal Corporation who has found the petitioner to be technically qualified as well as L-1 bidder in financial bill. However, during the course of the hearing Senior counsel for the petitioner submitted that he is not pressing the said point of competence of the respondent No.2. He argued the matter on merit that the decision taken by the respondent No.2 is arbitrary and discriminatory. Therefore, it is violative of Article 14 of the Constitution of India. He argued that it is settled law that the highest bidder has no vested right and it is for the employer to accept or reject the highest bid in the public interest, however, he argued that the decision of the committee is arbitrary and discriminatory. In support of his submission he relied on the following judgments

a) Subodh Kumar Singh Rathour vs. Chief Executive Officer & Ors. reported in AIR 2024 Supreme Court 3784.

b) Raunaq International Ltd. vs. I.V.R Construction Ltd. & Ors. reported in (1999) 1 SCC 492.

c) Monarch Infrastructure (P) Ltd. vs. Commissioner, Ulhasnagar, Municipal Corporation & Ors. reported in (2000) 5 SCC 287.

d) Cellular Operators Association of India & Ors. vs. Union of India & Ors. reported in (2003) 3 SCC 186.

e) Union of India & Anr. vs. International Trading Co. & Anr. reported in (2003) 5 SCC 437.

f) Directorate of Education vs. Educomp Datamatics Ltd. reported in (2004) 4 SCC 19.

4. Learned Advocate General argued that the tender was floated in Amrit scheme for carrying out survey, Soil investigation, design and execution of for various works, Procurement, laying, jointing, testing & commissioning of distribution network of 20 new OHT's and 46 existing overhead Tanks & replacement of old distribution network with house service connections and monitoring system and achieving continuous (24 x 7) pressurized water supply plus 10 years operation and maintenance for Indore city. In the said scheme, 25% fund is provided by the central Government, 58% by the State Government and 17% by the local bodies who are the executing agencies. He argued that since it was a scheme of the Central Government carrying important work under the Amrit Scheme containing various public survey operation etc. a committee was constituted. The SLTC is an expert committee constituted by the State Government in pursuance of the guidelines issued by the Central Government. It comprises of 09 members and has been established exclusively for technical evaluation of the schemes under Atal Mission for Rejuvenation and Urban Transformation (AMRUT 2.0). The SLTC being a expert committee entrusted with oversight with under AMRUT 2.0, is responsible for scrutinising, evaluating and approving such schemes. The SLTC was created by virtue of the order dated 17.03.2022, which categorically outlines the responsibilities of the committee.

Further, point No. 06 of the aforesaid order specifically provides that the committee is responsible for approving the bids. It is pertinent to mention that the petitioner has not challenged the order dated 17.03.2022, whereby authority has been given to the SLTC to approve bids. Thus, SLTC has the power to either approve or disapprove the proposal/bids after judicious evaluation of the same. He further argued that in the meeting of SLTC held on 18.11.2025, the bids were examined. After considering all the facts, SLTC took the decision to cancel the tender and issue a fresh tender. The said decision was taken in light of the fact that the bidding process observed very low participation and only 04 bidders participated in the bidding process, out-of which 02 were disqualified in the technical bid, and only 02 bidders submitted their financial bid. The bids submitted by the bidders were 16.92% and 22.99% higher than the PAC. Therefore, SLTC directed for a fresh tender so that more bidders can participate

and the bid amount can be brought down. Out of 4 bidders, two have been declared to be disqualified and, therefore, there was insufficient participation in the tender and according to him atleast there should have been panel of 3 tenders. He further argued that the tender has been rejected by the Corporation by order dated 12/12/2025 and the same was done on the ground that there was insufficient competition and higher rates were quoted which were above tender value. There is no challenge to the said order and, therefore, the petitioner cannot seek any relief in the matter without challenging the said order. No amendment has been filed in the petition challenging the said order. Since the tender itself has been cancelled, now fresh NIT will be issued and the petitioner shall be free to participate in the fresh tender. He relied on clause 19.5 which confers power on the Employer, the right to accept or reject any bid and to annul the bidding process and reject all the bids at any time prior to contract award, without incurring any liability. In all such cases reasons shall be recorded. Clause 19.5 is reproduced as under:-

The Employer reserves the right to accept or reject any bid and to annul the bidding process and reject all the bids at any time prior to contract award, without incurring any liability. In all such cases reasons shall be recorded.

5. To booster his submission he placed reliance on the judgment passed in the case of Haryana Urban Development authority and others vs. Orchid Infrastructre Developers Pvt. Ltd. reported in 2017 (4) SCC 243.

6. Shri Rishi Tiwari, learned counsel for the Municipal Corporation adopted the arguments canvassed by the learned Advocate General and submitted that the tender itself has been cancelled by order dated 12/12/2025 and the same has not been challenged, therefore, no relief can be granted to the petitioner. However, it would be open for him to participate in the fresh tender. He further argued that the judgment relied by the learned counsel for the petitioner in the case of Saurabh Singh would not be applicable in the facts of the present case as there is no voice of arbitrariness and discrimination. In support of his submission, he placed reliance on the judgment passed by the co-ordinate Bench at Jabalpur in matter relating to Amrit Scheme itself in W.P No.36437/2025 (N.P Patel and Co A Registeres Partnership Firm vs. State of Madhya Pradesh & Ors.) and another connected petition. In the said case, the co-ordinate Bench referring to the judgment passed by the Apex Court in the case of the Principal Chief Conservator of Forest & Ors. vs. Suresh Mathew & Ors. in Special Leave Petition (C) Nos.12353-12355 of 2021 held that "the authority can cancel the tender process and decision of the authority to cancel the tender process shall give a fresh opportunity to all interested bidders to compete with each other in the process of the fresh selection". It has been further held that "no rights accrue to a entity who is at the stage of bidding process till award of contract".

7. In reply to the learned counsel for the respondent, counsel for the petitioner vehemently argued that under the similar circumstances, the same committee had accepted the tenders in respect of other places in which the offer was above

the reserve price. The decision of the Committee is arbitrary and discriminatory.

8. After hearing learned counsel for the parties, since the petitioner has already given up challenge to the competence of the Committee therefore, the only question remains for consideration is that whether the decision taken by the committee is arbitrary and discriminatory?

9. Upon perusal of the decision of the committee, we find that the committee was of the view that there was insufficient participation and, therefore, the best price could not be fetched. Out of 4 tenders, two were disqualified and only two tenders had qualified including the petitioner. We further find that there is no discrimination as the tenders in respect of the same work in other towns were accepted on the higher rate above fixed price after number of rounds of the tender process which is clear from the documents. In one case it was after 7th round and in other cases it was 2nd, 3rd or 4th round. Even otherwise, the decision is not taken by any individual Authority but by Committee. There is no allegation of malafide against the committee. In absence of any allegations of malafide, we cannot interfere with the decision taken by the committee.

10. In the case of Haryana Development authority (supra) it has been held that even the highest bidder has no vested right to have the auction concluded in his favour. It is for the authority to accept or reject the highest bidder. In the present case also the right is reserved with the employer as per clause 19.5 of the Tender Scheme.

11. In the case of State of Jharkhand & Ors. vs. Cwe-Sona Consortium reported in (2016) 4 SCC 172 in para 12, 13, 19 to 21 it has been held that there is no obligation on the part of the person issuing tender notice to accept any of the tenders or even the lowest tender. It is well settled that so long the bid has not been accepted the highest bidder acquires no vested right to have the auction concluded in his favour.

12. In the case of Meerut Development Authority vs. Association of Management Studies and Anr. reported in (2009) 6 SCC 171, the Apex Court held that the Court is not concerned with the merits or correctness of the decision, but with the manner in which the decision is taken or the order is made. By way of judicial review, the Court cannot examine the details of the terms of the contract which have been entered into by the public bodies or the State. The Courts have inherent limitations on the scope of any such enquiry.

13. In the case of Siemens Aktiengesellschaft and Siemens Ltd. vs. Delhi Metro Rail Corporation Ltd. & Anr. reported in (2014) 11 SCC 288 the Supreme Court quoted from the judgment reported as (1994) 6 SCC 651 (Tata Cellular vs. Union of India) and (2007) 14 SCC 517 (Jagdish Mandal vs. State of Orissa) to hold as under:

"23. There is no gainsaying that in any challenge to the award of contract before the High Court and so also before this Court what is to be examined is the

legality and regularity of the process leading to award of contract. What the Court has to constantly keep in mind is that it does not sit in appeal over the soundness of the decision. The Court can only examine whether the decision making process was fair, reasonable and transparent. In cases involving award of contracts, the Court ought to exercise judicial restraint where the decision is bona fide with no perceptible injury to public interest."

14. This Court does not sit as Court of appeal over the satisfaction of the State in respect of eligibility of tenderer to carry out the work for which tenders have been invited. Neither this Court has expertise nor the jurisdiction to sit as a Court to appeal to return a finding that decision making process is the matter of eligibility to carry out the work is satisfied or not or otherwise.

15. In (2016) 16 SCC 818 (Afcons Infrastructure Ltd. v. Nagpur Metro Rail Corporation Ltd.), it was held that the owner or the employer of a project, having authored the tender documents, is the best person to understand and appreciate its requirements and interpret its documents. The constitutional Courts must defer to this understanding and appreciation of the tender documents, unless there is mala fide or perversity in the understanding or appreciation or in the application of the terms of the tender conditions.

16. In a latter judgment reported as (2016) 15 SCC 272 (Montercarlo Ltd. vs. N.T.P.C Ltd.) it was held that in the competitive commercial field the technical bids pursuant to the notice inviting tenders are scrutinized by the technical experts and sometimes third party assistance from those unconnected with the owner's organization is taken. Bidder's expertise and technical capability and capacity must be assessed by the experts. In the matter of financial assessment, consultants are appointed. It is because to check and ascertain that technical ability and the financial feasibility have Sanguinity and are workable and realistic.

17. Furthermore, trite it is that the scope of interference in the matter relating to awarding of contracts by the Government or public undertaking is limited to the extent of decision making process. In Master Marine Services (P) Ltd. vs Metcalfe & Hodgkinson (P) Ltd., (2005) 6 SCC 138 it was held that while exercising power of judicial review in respect of contracts, the Court should concern itself primarily with the question, whether there has been any infirmity in the decision making process. By way of judicial review, Court cannot examine details of terms of contract which have been entered into by public bodies or State. Further, in Michigan Rubber (India) Ltd. vs State of Karnataka, (2012) 8 SCC 216 it was held that if State or its instrumentalities acted reasonably, fairly and in public interest in awarding contract, interference by Court would be very restrictive since no person could claim fundamental right to carry on business with the Government. Therefore, the Courts would not normally interfere in policy decisions and in matters challenging award of contract by State or public authorities. In the cases at hand, evidently no such procedural irregularity in the decision making process is shown. In our considered opinion, non-acceptance of bid for non-compliance of essential condition cannot be termed to be a

procedural irregularity.

18. Thus, in view of the aforesaid enunciation of law we do not find any fault or arbitrariness with the decision making process of the respondents. The decision is taken by the Committee and in absence of any allegation of malafide we cannot interfere with the decision taken by the committee as we do not find any arbitrariness or discrimination.

19. Accordingly, the petition being bereft of merit is hereby dismissed.

No order as to cost.