



2026:CGHC:10374-DB

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HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 902 of 2026

M/s Piyush Construction Shanti Nagar, Shivnandanpur, Post Office-
Bishrampur, District- Surjapur (C.G.) Through Its Partner, Rakesh Kumar
Agrawal, S/o Shri Prahlad Rai Agrawal, Aged About 46 Years, R/o Ward No.
12, Nehru Park Road, District- Surajpur (C.G.)

... Petitioner

versus

**1 - South Eastern Coalfields Limited Through Chairman Cum Managing
Director, Secl Hq- Seepat Road, District- Bilaspur (C.G.)**

**2 - General Manager (Civil/hod) Office Of The General Manager(Civil/hod),
Secl, Bishrampur Area, Post Office Bishrampur, District Surajpur (C.G.)**

**3 - Area General Manager Office Of The Area General Manager, Secl,
Bishrampur Area, Post Office Bishrampur, District Surajpur (C.G.)**

**4 - Tender Committee Through Staff Officer (Civil) Secl, Bishrampur Area, Post
Office Bishrampur, District Surajpur (C.G.)**

... Respondents

(Cause title taken from Case Information System)

For Petitioner	:	Mr. Chandresh Shrivastava, Advocate
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For Respondents	:	Mr. Rajeev Shrivastava, Senior Advocate along with Mr. Pankaj Singh, Advocate
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Hon'ble Shri Ramesh Sinha, Chief Justice
Hon'ble Shri Ravindra Kumar Agrawal, Judge

Order on Board

Per Ramesh Sinha, Chief Justice

27/02/2026

1. The present writ petition has been filed under Article 226 of the Constitution of India by the petitioner–firm calling in question the decision dated 04.02.2026 contained in the noting sheet whereby the respondent authorities have resolved to cancel the earlier tender process initiated pursuant to Notice Inviting Tender dated 25.03.2025 for construction of Cement Concrete Road with toe wall and side drain around the coal stock yard at Gayatri UG Mine under Bishrampur Area, and have further assailed the subsequent fresh Notice Inviting Tender dated 19.02.2026 issued by the respondents. The petitioner, having been declared L-1 in the earlier tender process, seeks quashment of the cancellation decision as well as the fresh NIT and further prays for issuance of a direction to the respondents to award the work in its favour. The grievance of the petitioner is essentially founded on alleged arbitrariness, mala fides, violation of the terms and conditions of the NIT, and breach of principles of natural justice in cancelling the earlier tender and proceeding for re-tendering.
2. The present petition has been filed by the petitioner seeking the following reliefs:-
 - “10.1. The Hon'ble Court may kindly be pleased to call for the entire record pertaining to the case of the petitioner.



10.2. The Hon'ble Court may kindly be pleased to quash the impugned decision dated 04/02/2026 contained in noting sheet (Annexure P-10) with regard to cancellation of tender and retendering.

10.3. The Hon'ble Court may kindly be pleased to quash the impugned NIT dated 19/02/2026 (Annexure P-2) issued by respondent authorities.

10.4. The Hon'ble Court may kindly be pleased to direct the respondent no. 2 to 4 to issue the work order in favour of petitioner with respect to NIT bearing No. GM/BSPR/Civil/e-tender/2024-25/65 dated 25.03.2025 for which the petitioner was declared L-1.

10.5. The Hon'ble Court may kindly be pleased to direct the respondent no.1 to make enquiry and take appropriate legal departmental action against the authorities acting arbitrarily.

10.6. Any other relief, which this Hon'ble Court may deem fit and proper may also be awarded to the petitioner including the cost of the petition."

3. The facts of the case as emerges from the pleadings of the petition are that, the petitioner is a registered partnership firm carrying on civil construction works and is duly registered under the relevant statutory provisions, including GST registration. The firm participated in an e-tender process initiated by respondent No.1 South Eastern Coalfields



Limited (hereinafter referred to as “SECL”) pursuant to Notice Inviting Tender dated 25.03.2025 for construction of Cement Concrete Road with toe wall and side drain around the coal stock yard at Gayatri UG Mine under RGK Sub Area, Bishrampur Area, for an estimated cost of Rs. 2,28,92,655/- with a stipulated completion period of 240 days.

The tender was invited under a two-bid system (technical and price bid) through the online portal. The petitioner submitted its bid within the prescribed time along with requisite documents relating to experience, turnover, and other eligibility criteria as stipulated in the NIT. Upon opening of the technical bids on 14.04.2025, the petitioner was found eligible along with other bidders, and the Tender Committee recommended opening of the price bid. Thereafter, the price bid was opened and the petitioner was declared L-1 (lowest bidder) as reflected in the BOQ summary uploaded by the respondents. It is the case of the petitioner that the tender file was thereafter processed and approved by the competent authority for award of work.

The petitioner alleges that subsequently certain irregularities occurred at the administrative level and that an illegal demand was made by one of the officials, which the petitioner declined. According to the petitioner, the file was thereafter not processed further and complaints were made by the petitioner before higher authorities. The petitioner has also averred that the matter was highlighted in the media and that one official was transferred. It is further pleaded that after a lapse of more than six months from the date of declaration of the petitioner as L-1, the respondent authorities revisited the issue relating to the petitioner's eligibility, particularly with respect to the turnover



certificate and status of the partnership firm. Reference is made to an internal noting dated 10.02.2026 in another tender process, wherein certain observations were made regarding the petitioner's status.

Based on the said internal deliberations, respondent No.4 Tender Committee made a recommendation dated 04.02.2026 to cancel the entire earlier tender process. Acting upon the said recommendation, the respondents issued a fresh Notice Inviting Tender dated 19.02.2026 for the same work. Aggrieved by the decision cancelling the earlier tender process and issuance of fresh NIT, the petitioner has filed the present writ petition contending that the action of the respondents is arbitrary, mala fide, contrary to the terms of the NIT, violative of principles of natural justice, and hit by Article 14 of the Constitution of India.

The respondents, on the other hand, have justified the cancellation of the tender process on administrative grounds and in exercise of their discretion under the tender conditions, contending that no vested right accrues to a bidder merely upon being declared L-1 and that the employer retains the authority to cancel the tender process in public interest prior to issuance of work order.

4. Mr. Chandresh Shrivastava, learned counsel for the petitioner would submit that pursuant to NIT No. GM/BSPR/CIVIL/e-Tender/2024-25/65 dated 25.03.2025 issued by South Eastern Coalfields Limited (SECL), the petitioner participated in the tender process and after detailed technical scrutiny by the Tender Committee, was found responsive and eligible. Thereafter, the price bid was opened and the petitioner emerged as L-1, quoting Rs. 1,25,77,137.64 (exclusive of GST), which was substantially below the approved estimate of Rs. 2,28,92,655/-. It is



submitted that once the Tender Committee, after scrutiny of all documents including the turnover certificate, declared the petitioner technically qualified and opened its financial bid, the issue of eligibility stood conclusively determined.

It is contended that the very same turnover certificate, which is now sought to be doubted, was part of the technical bid documents and was examined by the Tender Committee before declaring the petitioner eligible. The respondents cannot be permitted to reopen the issue after declaration of L-1, particularly in absence of any misrepresentation or concealment on part of the petitioner. The petitioner submits that the partnership firm was constituted on 03.10.2023, but the business was a continuing concern of the same partners, and the consolidated turnover reflected the business activities carried on by them. The turnover certificate was issued by a Chartered Accountant and there was no suppression of material facts.

It is argued that the Tender Committee has no statutory authority under the NIT conditions to review its own earlier decision declaring the petitioner eligible. The tender conditions provide for scrutiny and clarification at the stage of technical evaluation; however, once that stage is concluded and price bid is opened, the respondents cannot retrospectively introduce new standards.

The petitioner submits that the legal opinion was sought in a different tender (NIT dated 25.08.2025), and the same cannot retrospectively invalidate the earlier completed technical evaluation under the present NIT dated 25.03.2025. The two tender processes are



independent. The eligibility once accepted under one NIT cannot be nullified by a subsequent internal query raised in a different tender.

Learned counsel would further submit that before arriving at a conclusion regarding alleged ineligibility on account of turnover computation, no show cause notice or opportunity of clarification was given to the petitioner, despite Clause 23 of Instructions to Bidders permitting clarification. Cancellation of the entire tender process without affording opportunity to the L-1 bidder is arbitrary and violative of Article 14 of the Constitution of India.

It is submitted that the petitioner had earlier raised complaints regarding irregularities, and thereafter the tender file remained pending for several months. The sudden reconsideration of eligibility after declaration of L-1 clearly reflects arbitrariness and colourable exercise of power. The employer cannot cancel a tender merely to exclude a particular bidder, especially when the petitioner offered the lowest competitive rate resulting in substantial financial benefit to the public exchequer.

The petitioner emphasizes that there is no allegation of fraud, forged documents, or false declaration. The turnover certificate is genuine and issued by a qualified Chartered Accountant. Therefore, cancellation of the entire tender is disproportionate and unsustainable.

5. Mr. Rajeev Shrivastava, learned Senior counsel appearing for the respondents would submit that merely being declared L-1 does not confer any indefeasible or vested right to award of contract. Until issuance of work order or formal acceptance, the employer retains



absolute discretion to cancel the tender process in administrative or public interest. Reliance would be placed on settled principles governing judicial review in tender matters, namely that courts do not sit as appellate authorities over administrative decisions unless arbitrariness, mala fides, or statutory violation is established.

It is submitted that during scrutiny in another contemporaneous tender (NIT dated 25.08.2025), a serious legal issue arose regarding the financial turnover claimed by the petitioner. The partnership firm M/s Piyush Construction was incorporated on 03.10.2023; however, the turnover certificate furnished reflected consolidated turnover of preceding three financial years, i.e., prior to its incorporation. The Tender Committee sought legal opinion on whether turnover of a period preceding incorporation of the partnership firm could be counted for determining eligibility.

The respondents contend that under tender jurisprudence, eligibility criteria must be strictly construed. The financial turnover must pertain to the bidding entity itself. A partnership firm incorporated in October 2023 cannot claim turnover for financial years when the firm did not legally exist. Acceptance of such turnover would dilute eligibility norms and create an uneven playing field.

It is argued that once the anomaly came to notice, the respondents were duty-bound to correct the process to maintain transparency and integrity in public procurement. If eligibility itself is doubtful, the authority is well within its power to cancel and retender rather than proceed with an irregular award. The respondents submit that tender conditions generally reserve the right to reject any or all bids



without assigning reasons. Even otherwise, the authority has inherent administrative power to cancel the tender before final acceptance. The cancellation is not targeted at the petitioner but is based on re-evaluation of eligibility conditions.

It is contended that financial propriety and compliance with eligibility norms are paramount. Public contracts involve public funds; hence, strict adherence to qualification criteria is mandatory. If eligibility is legally doubtful, proceeding with award would expose the organization to audit objections and legal complications.

The respondents would argue that in tender matters, the scope of judicial review is confined to decision-making process, not the decision itself. Unless the petitioner establishes mala fides with cogent material, the administrative decision to cancel the tender cannot be interfered with.

By issuing a fresh NIT, the respondents have not conferred advantage on any particular party. All eligible bidders, including the petitioner (subject to fulfilling eligibility), are free to participate. Therefore, no prejudice is caused.

6. We have heard learned counsel for the parties and considered their rival submissions made herein above and also gone through the entire records of the case with utmost circumspection.
7. Having heard learned counsel for the parties at length and having perused the record, this Court is of the considered view that the controversy lies within a narrow compass, namely, whether the respondent authorities were justified in cancelling the tender process



after declaration of the petitioner as L-1 and issuing a fresh Notice Inviting Tender.

8. At the outset, it is well settled that a bidder does not acquire any vested or indefeasible right merely upon being declared L-1. The award of a public contract is not a matter of private bargain but is governed by principles of fairness, transparency and public interest. In **Tata Cellular v. Union of India**, (1994) 6 SCC 651, the Hon'ble Supreme Court authoritatively held that judicial review in contractual matters is confined to examining the decision-making process and not the merits of the decision itself. The Court cautioned that the Government must have freedom of contract and that the scope of interference is limited to cases of arbitrariness, mala fides or violation of statutory provisions.
9. In the present case, it is not in dispute that no work order had been issued in favour of the petitioner. The respondents, during scrutiny in a contemporaneous tender, noticed a legal issue concerning the financial turnover of the petitioner-firm, which was incorporated on 03.10.2023, whereas the turnover certificate reflected consolidated turnover of preceding financial years. The Tender Committee sought legal opinion on whether such turnover, pertaining to a period prior to incorporation of the partnership firm, could be counted towards eligibility. Upon deliberation, the Committee resolved to cancel the tender and proceed for re-tendering.
10. The decision to cancel the tender was thus founded on a reconsideration of eligibility criteria and the requirement that financial turnover must relate to the bidding entity itself. The employer, being the



author of the tender document, is the best judge of its requirements and eligibility standards. In **Jagdish Mandal v. State of Orissa**, (2007) 14 SCC 517, the Hon'ble Supreme Court held that interference in tender matters is warranted only when the process is mala fide, intended to favour someone, or so arbitrary that no reasonable authority would have taken such a decision. The Court further emphasized that if the decision is taken in public interest, courts should refrain from interference even if another view is possible.

11. In the present matter, the petitioner has alleged mala fides; however, no cogent material has been placed on record to substantiate the same. Allegations of illegal demand and administrative impropriety remain unsubstantiated and cannot form the basis for judicial review in absence of credible evidence. The decision to cancel the tender has been taken before finalization of the contract and appears to be based on administrative reconsideration of eligibility compliance.
12. Further, in **Michigan Rubber (India) Ltd. v. State of Karnataka**, (2012) 8 SCC 216, the Hon'ble Supreme Court reiterated that the State and its instrumentalities are entitled to fix eligibility criteria and interpret tender conditions, and the courts must defer to such interpretation unless it is shown to be arbitrary, discriminatory or mala fide. The authority issuing the tender is the best judge to decide whether a bidder satisfies the eligibility norms.
13. It is equally settled in **Master Marine Services (P) Ltd. v. Metcalfe & Hodgkinson (P) Ltd.**, (2005) 6 SCC 138, that the Government is free to cancel the tender process before acceptance of the bid and that no



bidder can insist upon award of contract merely because his bid is lowest.

14. In the case at hand, the respondents have not awarded the contract to any third party pursuant to the earlier NIT but have chosen to retender the work. Retendering, per se, does not establish arbitrariness unless it is shown to be actuated by mala fide intent to favour a particular bidder. No such material has been brought before this Court.
15. The argument of violation of principles of natural justice is also misconceived. Cancellation of a tender prior to acceptance does not entail civil consequences warranting a pre-decisional hearing, particularly when no vested right has accrued in favour of the bidder. The petitioner's expectation of award cannot be equated with a legally enforceable right.
16. In view of the aforesaid legal position and in absence of demonstrable arbitrariness, mala fides, or statutory violation, this Court finds no ground to exercise its extraordinary jurisdiction under Article 226 of the Constitution of India in matters relating to contractual and tender decisions.
17. Accordingly, the writ petition being devoid of merit is liable to be and is hereby **dismissed**. No order as to costs.

Sd/-
(Ravindra Kumar Agrawal)
Judge

Sd/-
(Ramesh Sinha)
Chief Justice