



2026:CGHC:12381-DB

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 1108 of 2026

1 - Sulabh International Social Service Organisation, (Registered Society Under The Society Registration Act, 1860) Through Ranjit Kumar, Registered Office At 147, Adarsh Chowk, Sundar Nagar, Raipur (C.G.) 492013

... Petitioner

versus

1 - Municipal Corporation Bhilai Through Commissioner, Akashganga, Supela, G.E. Road, Supela, Bhilai, Durg (C.G.)

2 - Health Officer Municipal Corporation Bhilai, Akashganga, Supela, G.E. Road, Supela, Bhilai, Durg (C.G.)

3 - State of Chhattisgarh Through Secretary, Department of Urban Administration and Development, Mahanadi Bhawan, Atal Nagar, Nava Raipur, Raipur (C.G.)

4 - Sindhu Sanrakshan Samajik Sansthaan Gandhi Nagar, Durga Mandir, Kosanagar, Bhilai, Durg (C.G.)

... Respondents

(Cause-title taken from Case Information System)

For Petitioner : Mr. Kshitij Sharma, Advocate.

For Respondent No.1 : Mr. Amrito Das, Advocate.

For State : Mr. Prasun Bhaduri, Deputy Advocate General.

Hon'ble Shri Ramesh Sinha, Chief Justice

Hon'ble Shri Ravindra Kumar Agrawal, Judge

Order on Board

Per Ramesh Sinha, Chief Justice

16-03-2026

1. The petitioner by way of present petition under Article 226 of the Constitution of India prays for following relief(s):-

- “10.1 Issue a Writ of Certiorari or a Writ in the nature of mandamus, or any other appropriate Writ, Order or directions quashing the Impugned Communications 03.03.2026 and 05.03.2026 (Annexure P/1 (Colly.)) since the same is arbitrary, illegal and contrary to law;
- 10.2 Issue a Writ of Mandamus or any other appropriate Writ, Order or directions directing the Respondent No. 1 to adhere to the Letters of Extension dated 16.02.2023 and 17.02.2023 (Annexure P/7 (Colly.)) and the Petitioner be permitted to continue the management and maintenance of the subject toilets up until 15.02.2028;
- 10.3 Issue appropriate writ / order / direction restraining the Respondent No. 1 and its officers from taking any restrictive / coercive action against the Petitioner pursuant to the Impugned Communications dated 03.03.2026 and 05.03.2026 and de hors the extension dated 16.02.2023 and 17.02.2023;
- 10.4 Grant the costs of the petition;
- 10.5 That any other relief which this Hon'ble Court may

deem just and proper in the facts and circumstances of the case may kindly be issued in favour of the petitioners along with the cost of the petition.”

2. The facts as mentioned in the petition in brief are that, originally, the Special Area Development Authority (SADA) entered into an agreement with the Petitioner on 31-05-1989 for the construction, management, and maintenance of certain public toilets in Bhilai for a period of thirty years. Upon the succession of SADA by the Municipal Corporation, Bhilai (Respondent No. 1), the agreement was extended from time to time, most recently through extension letters dated 16-02-2023 and 17-02-2023, granting the Petitioner rights to continue operations until 15-02-2028. It is case of the petitioner that despite the subsistence of this contractual right, Respondent No. 2 issued communications dated 03-03-2026 and 05-03-2026 directing the Petitioner to hand over the management of the concerned public toilets to Respondent No. 4. The Petitioner submitted a representation asserting its valid rights under the extension; however, the Respondent authorities disregarded the same. Aggrieved by the alleged arbitrary and erroneous actions of the Respondents, particularly the failure to consider the valid extension granted in 2023, the Petitioner has filed the present writ petition challenging the impugned communications.

3. Learned counsel appearing for the petitioner would submit that the petitioner was entrusted with the management and maintenance of the subject public toilets for a period of 30 years as per the agreement dated 31-05-1989 and it was extended from time to time and its recent

extension is reflected in the letters dated 16-02-2023 and 17-02-2023. Thus, it is clear that the petitioner's right shall subsist till 15-02-2028. There was clause in the said agreement that further extension shall be given for next five years if the petitioner's performance is found satisfactory. Therefore, the impugned communications dated 03-03-2026 and 05-03-2026 issued by Respondent No.2 are non est in law and liable to be set aside as they clearly disregard and flout the express terms of Agreement dated 31-05-1989 read with extension letters dated 16-02-2023 and 17-02-2023.

4. On the other hand, learned counsel for respondent No.1 would submit that the term of petitioner's agreement has already completed in the year 2019 and from the year 2019 to 2023 the petitioner was continuing without any authority. As per clause 9 of the agreement dated 16-02-2023, the petitioner's extension was effected from the date of agreement, i.e., 16-02-2023, therefore, it cannot be said that the agreement dated 16-02-2023 was executed in continuation of the earlier agreement which was expired in the year 2019. In the year 2026 there new expression of interest was called, in which the petitioner has participated and found eligible and the petitioner's agency was called for agreement for management and maintenance of one toilet and two other toilets' work was granted to other agencies. Thereafter, the petitioner is raising objection on the basis of the agreement dated 16-02-2023 that the petitioner is having extension for five years and claiming for the work of all three toilets.

5. We have heard learned counsel for the parties and perused the

pleadings and documents appended in the writ petition.

6. In nutshell, the petitioner is aggrieved by the fact that vide impugned communications dated 03-03-2026 and 05-03-2026 the petitioner has been asked to hand over the management of public toilets situated at Ward No.37, Sabzi Mandi and Ward No.38, Bus Stand, Power House, Bhilai on the ground that the previous allotment of the management and maintenance right for pay-and-use toilets has already come to an end.

7. The petitioner has relied upon the contract dated 16-02-2023 between the parties, particularly clause 9 of the said contract and contended that his contract has been extended till 16-02-2028, which is as under:-

“09—अनुबंधित एजेंसी को दिनांक आज से 05 वर्ष तक शौचालय संचालन किये जाने हेतु समयावधि अग्रसरित किया गया है तथा संस्था द्वारा संतोषप्रद संचालन की स्थिति में आगामी 05 वर्ष के लिए समयावधि को अग्रसरित किया जा सकेगा।”

8. The Hon'ble Supreme Court in the case of **Tata Motors Limited v The Brihan Mumbai Electric Supply & Transport Undertaking (Best) and Others** passed in Civil Appeal No. 3897 of 2023 vide judgment dated 19.05.2023 held as follows :

“48. This Court being the guardian of fundamental rights is duty-bound to interfere when there is arbitrariness, irrationality, mala fides and bias. However, this Court has cautioned time and again that courts should exercise a lot of restraint while exercising their powers of judicial review in contractual or commercial matters. This Court is normally loathe to interfere in contractual matters unless

a clear-cut case of arbitrariness or mala fides or bias or irrationality is made out. One must remember that today many public sector undertakings compete with the private industry. The contracts entered into between private parties are not subject to scrutiny under writ jurisdiction. No doubt, the bodies which are State within the meaning of Article 12 of the Constitution are bound to act fairly and are amenable to the writ jurisdiction of superior courts but this discretionary power must be exercised with a great deal of restraint and caution. The courts must realise their limitations and the havoc which needless interference in commercial matters can cause. In contracts involving technical issues the courts should be even more reluctant because most of us in Judges' robes do not have the necessary expertise to adjudicate upon technical issues beyond our domain. The courts should not use a magnifying glass while scanning the tenders and make every small mistake appear like a big blunder. In fact, the courts 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 will cause unnecessary loss to the public exchequer. (See: *Silppi Constructions Contractors v. Union of India*, (2020) 16 SCC 489).

52. Ordinarily, a 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 unless something very gross or palpable is pointed out. The court ordinarily should not interfere in matters relating to tender or contract. To set at naught the entire tender process at the stage when the contract is well underway, would not be in public interest. Initiating a

fresh tender process at this stage may consume lot of time and also loss to the public exchequer to the tune of crores of rupees. The financial burden/implications on the public exchequer that the State may have to meet with if the Court directs issue of a fresh tender notice, should be one of the guiding factors that the Court should keep in mind. This is evident from a three-Judge Bench decision of this Court in *Association of Registration Plates v. Union of India and Others*, reported in (2005) 1 SCC 679.

53. The law relating to award of contract by the State and public sector corporations was reviewed in *Air India Ltd. v. Cochin International Airport Ltd.*, reported in (2000) 2 SCC 617 and it was held that the award of a contract, whether by a private party or by a State, is essentially a commercial transaction. It can choose its own method to arrive at a decision and it is free to grant any relaxation for bona fide reasons, if the tender conditions permit such a relaxation. It was further held that the State, its corporations, instrumentalities and agencies have the public duty to be fair to all concerned. Even when some defect is found in the decision-making process, the court must exercise its discretionary powers under Article 226 with great caution and should exercise it only in furtherance of public interest and not merely on the making out of a legal point. The court should always keep the larger public interest in mind in order to decide whether its intervention is called for or not. Only when it comes to a conclusion that overwhelming public interest requires interference, the court should interfere.

54. As observed by this Court in *Jagdish Mandal v.*

State of Orissa and Others, reported in (2007) 14 SCC 517, that while invoking power of judicial review in matters as to tenders or award of contracts, certain special features should be borne in mind that evaluations of tenders and awarding of contracts are essentially commercial functions and principles of equity and natural justice stay at a distance in such matters. If the decision relating to award of contract is bona fide and is in public interest, courts will not interfere by exercising powers of judicial review even if a procedural aberration or error in assessment or prejudice to a tenderer, is made out. Power of judicial review will not be invoked to protect private interest at the cost of public interest, or to decide contractual disputes.”

9. In the present matter, vide impugned communications dated 03-03-2026 and 05-03-2026 work of management and maintenance of the subject toilets has been directed to be handed over to another agency. There is no document produced by the petitioner to demonstrate that from the year 2019, when the term of agreement dated 31-05-1989 completed, till the year 2023 the petitioner has any right/authority to continue with the subject work, hence, the extension of contract as mentioned in clause 9 of the contract dated 16-02-2023 cannot be held to be applicable in the present matter. Further, as per the submission made on behalf of respondent No.1, the petitioner has participated in the process where new expression of interest were called and has been found eligible for the maintenance work of one of the toilets and has also been called for work contract for the same.

10. In view of the aforesaid discussions and also the law laid down by

the Hon'ble Supreme Court, we do not find any scope for interference in the petition and accordingly, the present petition is hereby **dismissed**.

Sd/-
(Ravindra Kumar Agrawal)
Judge

Sd/-
(Ramesh Sinha)
Chief Justice