



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

FRIDAY, THE FOURTEENTH DAY OF NOVEMBER
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE SRI JUSTICE NAGESH BHEEMAPAKA

WRIT PETITION NO: 18854 OF 2023

Between:

M/s S.S. Consultancy, (Out Sourcing, Manpower supply and Security Services),
Rep. by its Proprietor B. Venkatesham, Son of Late B. Ramulu, Aged about 52
years, Occ. Contractor, R/o H.No.5-5-1261/RE/101, Royal Enclave Apartments,
Opp. D Mart, Indira Nagar, Phase-II, Vanasthalipuram, Ranga Reddy District-500
070.

...PETITIONER

AND

1. The State of Telangana, Represented by its Principal Secretary, Department of Health, Medical and Family Welfare, BRK Bhavan, Hyderabad.
2. The Director Medical Education, Government of Telangana, Koti, Hyderabad.
3. The District Collector, Hyderabad District.
4. The Superintendent, Sarojini Devi Eye Hospital, Mehdipatnam, Hyderabad District.
5. The State of Telangana, Represented by its Commissioner, Department of Agriculture, Gunfoundry, Hyderabad.
6. T.Venkateswarlu, S/o. Lingaiah, Age about 51 years, Occ. Contractor, H.No.18-104, Shanthinagar, Miryalaguda, Nalgonda - 508 207.

...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 call for the records from the Respondents and to issue an appropriate Writ, order or direction, more particularly one in the nature of Writ of Mandamus, declaring the impugned proceedings issued by the 3rd respondent vide Rc.No.A1/ HDS/ SDEH / 20230/297/2020, dated 21.06.2023 awarding e-tender contract work to the 6th respondent and the proceedings of the 4th respondent issued vide Rc.No.A1/ HDS/ SDEH / 2023/2021, dated 21.06.2023 herein thereby directing the 6th respondent to take over possession of the premises of 4th respondent hospital i.e Sarojini Devi Eye Hospital in respect of providing Integrated Hospital Facility Management Services at 4th respondent Eye hospital



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even though the 6th respondent is not eligible and not qualified in the technical bid as per the tender conditions and not submitted the valid documents as per the tender conditions in spite of not fulfilling the tender conditions stipulated in e-Tender Document No. Rc. No. 298/SDEH/2022 Sarojini Devi Eye Hospital/Hyderabad District/ JHFMS / 2022- 23 dated 15.06.2022 issued by the 4th respondent ignoring Petitioners valid and eligible tender as illegal unjust invalid contrary to law arbitrary without any transparency in violation of tender conditions discriminatory violative of Article 14 and 16 of the Constitution of India and set aside the same and consequently direct the 3rd and 4th Respondents to consider the bid of the petitioner and award the tender work to the petitioner in providing Integrated Hospital facility Management Services in 4th Respondent hospital i.e Sarojini Devi Eye Hospital forthwith.

IA NO: 1 OF 2023

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 suspend the operation of proceedings issued by the 3rd respondent vide Rc.No.A1/HDS/SDE / 20230/297/2020, dated 21.06.2023 awarding e-tender contract work to the 6th respondent and the proceedings of the 4th respondent issued vide Rc.No.A1/ HDS/ SDEH / 2023/2021, dated 21.06.2023 herein thereby directing the 6th respondent to take over possession of premises of 4th respondent hospital i.e Sarojini Devi Eye Hospital in respect of providing Integrated Hospital Facility Management Services at 4th respondent Eye hospital, pending disposal of the Writ Petition.

Counsel for the Petitioner : SRI A K JAYAPRAKASH RAO

Counsel for the Respondents No 1, 2 & 4: GP FOR MEDICAL HEALTH FW

Counsel for the Respondent No 3 : GP FOR REVENUE

Counsel for the Respondent No 5 : GP FOR AGRICULTURE

Counsel for the Respondent No 6: ----

The Court made the following: ORDER



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HON'BLE SRI JUSTICE NAGESH BHEEMAPAKA

WRIT PETITION No. 18854 OF 2023

ORDER:

This Writ Petition is filed aggrieved by the action of Respondents 3 and 4 in issuing the impugned proceedings dated 21.06.2023 and dated 21.06.2023, whereby the e-tender contract for Integrated Hospital Facility Management Services (IHfMS) at Sarojini Devi Eye Hospital, Hyderabad was awarded to the 6th respondent. Petitioner contends that such action is illegal, arbitrary, violative of the tender conditions and contrary to Articles 14 and 16 of the Constitution of India. They therefore, seeks to declare the impugned proceedings as null and void and consequently, to direct Respondents 3 and 4 to consider and award tender work in their favour.

2. Petitioner states that it is an established agency engaged in the business of providing manpower, sanitation, housekeeping, and security services to various Government Departments and private institutions for more than fifteen years. The Agency has consistently maintained an unblemished record and has been recognized for its efficiency, reliability and quality of services rendered. It has successfully executed several contracts of similar nature in the past across Telangana



and Andhra Pradesh, thereby acquiring considerable professional experience in hospital and institutional facility management services. It is stated, petitioner's Agency employs a substantial workforce duly registered under the applicable labour and social security enactments such as the Employees' Provident Fund and Miscellaneous Provisions Act and the Employees' State Insurance Act. By reason of this extensive experience and compliance with statutory obligations, petitioner asserts that the Agency is fully qualified to participate in tenders relating to Integrated Hospital Facility Management Services (IHFMS).

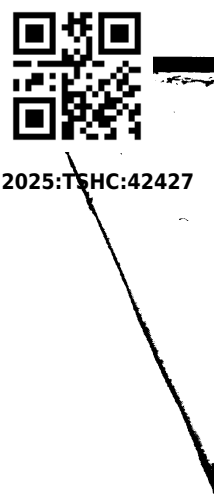
2.1. It is stated, the 4th respondent, Superintendent of Sarojini Devi Eye Hospital, issued e-Tender Notification dated 15.06.2022 for providing IHFMS at the said hospital for a period of three years covering 2022-23, 2023-24, and 2024-25. In compliance with the terms of the tender, petitioner duly submitted bid through the Government e-Procurement portal, uploading all mandatory documents, declarations, certificates, and supporting records, along with the requisite Earnest Money Deposit (EMD) in the prescribed manner and within the stipulated time. It is also stated, petitioner's bid was in strict



conformity with the tender conditions, demonstrating their eligibility both technically and financially.

2.2. It is also stated, seven bidders participated in the said tender, namely: (1) petitioner, (2) M/s Agile Security Force Pvt. Ltd. (3) the 6th respondent, (4) M/s Sai Security Services Pvt. Ltd. (5) M/s Surya Teja Facilities Management Pvt. Ltd. (6) M/s Sai Security Services, and (7) M/s Quality Property Management Services Pvt. Ltd. Out of these, only two bidders ie. petitioner and the 6th respondent were declared qualified for opening the financial bid. Upon verification of the documents uploaded by the 6th respondent through e-Procurement portal, petitioner discovered multiple irregularities and non-compliance with the mandatory technical conditions. According to petitioner, the 6th respondent failed to furnish crucial documents required under Section IV of the tender, therefore was not entitled to be considered at all in the technical evaluation stage.

2.3. Petitioner pointed out that under Clause 4.2.3(e) of Section IV of the tender document, every bidder was required to upload the latest Income Tax Returns along with proof of receipt and the accompanying statements of accounts, including profit and loss account and balance sheet, as evidence of financial



soundness. However, the 6th respondent uploaded only an acknowledgment of submission of Income Tax Returns and failed to produce complete documents that would reveal the financial particulars, thereby violating the said clause. Petitioner emphasizes that submission of complete Income Tax Returns is not a procedural formality but a mandatory condition designed to assess the financial capacity of the bidder. Non-submission of such essential documents, according to petitioner, rendered the 6th respondent's bid incomplete and liable to be summarily rejected.

2.4. Further, under Clause 4.2.3(1) of Section IV, the bidder was required to upload a list of all employees employed by the agency, along with their ESI and EPF account numbers, accompanied by ECR copy for the latest month, as proof of compliance with labour welfare and statutory provisions. Petitioner states that the 6th respondent did not furnish the said list or the requisite ECR documents. Omission of such documents, in petitioner's view, amounts to a material defect, since the ability to provide manpower is central to the nature of the contract for hospital facility management. Non-compliance with this Clause, therefore, disentitled the 6th respondent from being treated as technically-qualified.



2.5. Petitioner further states that the most significant deficiency in the 6th respondent's bid pertains to Clause 4.2.3(i) of the tender document, which specifically mandates that a valid Pest Control Applicator Licence under Rule 10(3A) of the Insecticide Rules, 1971, must be produced. Such a licence is a statutory requirement for undertaking fumigation, pest control, and related sanitization activities within hospital premises. Contrary to this express stipulation, the 6th respondent uploaded a licence issued under Rule 10(4) of the Insecticide Rules, which merely authorizes the licensee to sell, stock, or distribute insecticides and does not permit carrying out pest control operations. Petitioner contends that this deficiency strikes at the very root of the eligibility of the 6th respondent's bid. A licence under Rule 10(4) cannot substitute a licence under Rule 10(3A), since the latter alone confers authorization for operational use of insecticides for fumigation, fogging, and pest control. Petitioner relied upon the clarification issued by the Commissioner and Director of Agriculture, Government of Telangana, *vide* Proceedings No. COMAG-PP/Misc/17/2022-PP dated 21.04.2022, wherein it was categorically directed that licences for commercial pest control operations involving



fumigation and fogging must be issued only under Rule 10(3A) of the Insecticide Rules, 1971, and that licences issued under Rule 10(4) are limited to sale or distribution of insecticides. The said clarification, being issued by the competent authority, leaves no ambiguity regarding the distinction between these two categories of licences. Furthermore, petitioner placed reliance upon the RTI reply dated 15.06.2023 issued by the Public Information Officer, Office of the Commissioner of Agriculture, wherein it was confirmed that a licence issued under Rule 10(4) is not valid for carrying out pest control or fumigation activities in hospitals, including Sarojini Devi Eye Hospital. It is stated that despite these authoritative clarifications, respondents wrongly accepted the invalid licence produced by the 6th respondent, thereby violating tender conditions and compromising the integrity of the selection process.

2.6. Petitioner further states that they bought all these irregularities and violations to the notice of Respondents 3 and 4 through written representations dated 01.05.2023, specifically pointing out non-compliance of the 6th respondent with the tender conditions. However, the said representations were ignored, and Respondents 3 and 4, in undue haste and without due verification, issued impugned proceedings dated



21.06.2023 awarding contract to the 6th respondent. Petitioner contends that the speed and manner in which the award was made, coupled with ignoring clear deficiencies, reveal an element of arbitrariness and colourable exercise of power intended to favour the 6th respondent. It is asserted, official respondents failed to act as fair and impartial authorities in evaluating bids, thereby violating the principles of natural justice and the doctrine of level playing field in public procurement.

2.7. Petitioner states that under Clause 8.3.1 of the tender document, financial bids of only those bidders who are found technically-qualified are to be opened and considered. As the 6th respondent was not technically-qualified, opening of his financial bid was *ex facie* illegal and contrary to the procedure prescribed by the tender. Petitioner further relies on Clauses 1.1.12 and 1.1.13 of the tender, which expressly caution that bids devoid of proper documentation are liable to be rejected, and that only those bidders who have furnished all the required documents in complete and proper form shall be considered for evaluation. These clauses, according to petitioner, are mandatory and leave no discretion with the Tender Inviting Authority to overlook or condone non-compliance. It is



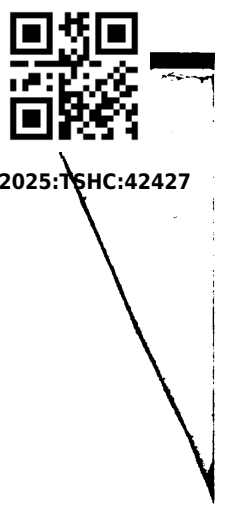
therefore, stated that the decision of Respondents 3 and 4 in opening the 6th respondent's financial bid and awarding contract in his favour is wholly unsustainable in law, devoid of transparency, and discriminatory in nature. Petitioner further stated that even subsequent to the award, the 6th respondent failed to comply with the contractual obligations such as furnishing the required bank guarantee and taking possession of the premises within the prescribed time, thereby demonstrating that he was never a *bona fide* or competent contractor. Consequently, the impugned proceedings are illegal, arbitrary, and violative of Articles 14 and 16 of the Constitution of India.

3. Respondent No. 1 filed a counter affidavit asserting that entire tender process was carried out strictly in accordance with the rules and established procedure governing the Integrated Hospital Facility Management Services (IHFMS). Before the tender was finalized, the department had obtained the considered legal opinion of the Government Pleader for Health, Medical & Family Welfare, *vide* opinion dated 08.06.2023, who, after examining the record and documents submitted by the Tender Inviting Authority, advised that contract could be awarded to the 6th respondent as he



possessed the highest average annual turnover over the last three financial years in comparison with other bidders including petitioner. It is contended that decision of the tender committee was based solely on objective and transparent criteria as stipulated in Clause 8.3.7 of the tender document, which mandates that where two or more bidders have quoted the same percentage of management service charges, the bidder having the highest average turnover shall be considered as LI. It was further contended that petitioner's allegations of irregularity and non-compliance were baseless and made only with an intent to stall the implementation of hospital management services. Respondent No. 1 emphasized that there was no deviation from procedure and that the entire tender process had been conducted in a fair, impartial, and lawful manner under the supervision of the District Tender Committee and in compliance with the policy instructions of the Government.

4. Respondent No. 3 - District Collector, Hyderabad, who is also the Chairman of the District Tender Committee, filed a detailed counter affidavit setting out the sequence of events and the rationale behind the decision to award the contract to the 6th respondent. It was stated, pursuant to the policy introduced by the Government of Telangana under

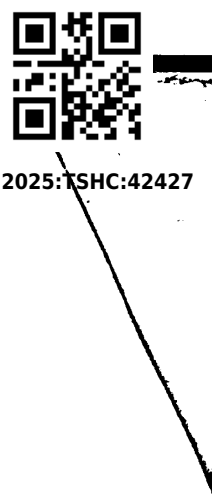


G.O.Ms.No.31, dated 12.03.2024, tender process for IHFMS contracts was decentralized to be managed at the district level under the chairmanship of the respective Collectors, with the objective of enhancing efficiency and accountability in hospital management services. In accordance with these directions, the Superintendent, Sarojini Devi Eye Hospital, issued e-tender notification, to which seven bidders responded, including petitioner and the 6th respondent. Upon evaluation by the Technical Committee constituted under the IHFMS policy, six out of the seven bidders were found to be technically-qualified and eligible for financial evaluation. As all the technically-qualified bidders quoted an identical rate of 0.01% for management service charges, the Committee, in compliance with Clause 8.3.7 of the tender document, applied the criterion of highest average annual turnover for determining the successful bidder. On such evaluation, the 6th respondent, having an average annual turnover of Rs. 9.95 crores over the last three financial years, was found to be the most suitable bidder and was consequently, recommended for award of contract. It is further averred that decision was taken only after due scrutiny of all the uploaded documents, including Income Tax Returns, ESI and EPF details, and the pest control licence.



It was stated that the entire process was conducted through the Government e-Procurement portal, ensuring transparency and equal opportunity to all bidders. The Collector denied any favouritism or procedural irregularity and maintained that the award was based purely on merit and in adherence to the tender conditions.

4.1. Respondent No. 3 also placed on record that the Technical Committee, constituted under the District IHFMS framework, had independently verified each document submitted by the bidders *on line*, as required under Clauses 1.1.3, 1.1.11, and 1.1.12 of the tender document. It was emphasized that the Committee examined the uploaded Income Tax Returns for the relevant financial years, ECR copies of ESI and EPF contributions, and the pest control licence submitted by the 6th respondent. According to him, the 6th respondent had uploaded the necessary documents in proper form, and there was no deficiency that warranted disqualification. He thus categorically denied petitioner's allegation that the 6th respondent's technical bid was defective or that the Committee had acted in haste. It was further stated that all the actions of the Tender Committee were taken in the presence of the official



members and were duly recorded in the note files, leaving no scope for allegations of arbitrariness or bias.

5. The 4th respondent - Superintendent of Sarojini Devi Eye Hospital, Hyderabad, also filed a detailed counter affidavit, reaffirming that the tender process was conducted in a fair, transparent, and lawful manner under the direct supervision of the District Collector and the Tender Committee. It was explained that following the decision of the Hon'ble High Court in Writ Petition No. 32936 of 2022 dated 20.03.2023, wherein it was directed to reconsider all the qualified bidders based on their individual turnovers, fresh evaluation was undertaken in compliance with those directions. In this context, the 6th respondent, having the highest average annual turnover of Rs. 9.95 crores for three years, was identified as eligible for the category of hospitals with bed strength between 201 to 500 beds, in accordance with Clause 8.3.4(III) of the tender conditions. The Superintendent further clarified that the 6th respondent had submitted his undertaking regarding other hospital contracts, confirming his eligibility under the prescribed category and number of contracts permitted under the tender rules. It is stated, contract was awarded only after obtaining the opinion of the Government Pleader, Health &



Medical *vide* Letter dated 08.06.2023, which recommended that the bid of the 6th respondent be accepted as per the tender conditions. It was further stated that the 6th respondent duly complied with the post-award requirements by submitting EMD of Rs. 3,76,200/- and furnishing the bank guarantee of Rs. 37,62,000/- as required under Clause (b) of the proceedings dated 21.06.2023 and also executed the agreement within the stipulated time. The 4th respondent, therefore, maintained that there was complete compliance with the tender conditions and that the allegations of the petitioner are unfounded, motivated, and devoid of any merit.

6. In reply, petitioner refuted the contentions raised in the counter affidavits, reiterating that the 6th respondent's bid was defective and not in conformity with the tender requirements. It is emphasized that tender conditions under Section IV, particularly Clause 4.2.3(i), are mandatory in nature and cannot be waived or diluted. It was asserted that possession of a valid pest control licence under Rule 10(3A) is a fundamental eligibility condition and a licence under Rule 10(4) is not legally valid for operational fumigation activities. It is also contended that reliance on higher turnover by respondents cannot override non-compliance with mandatory technical



conditions. The haste and manner in which the impugned proceedings dated 21.06.2023 were issued, despite clear deficiencies in the 6th respondent's documentation, demonstrate lack of fairness and transparency in the tender process.

7. Heard Sri Avinash Desai, learned counsel representing Sri A.K. Jayaprakash Rao, learned counsel for petitioner, learned Government Pleader for Medical, Health and Family Welfare, learned Government Pleader for Agriculture and Sri S.V. Ramana, learned counsel for the 6th respondent.

8. This Court has given anxious consideration to the rival submissions and carefully perused the record. It is not in dispute that tender notification dated 15.06.2022 was issued for providing Integrated Hospital Facility Management Services at Sarojini Devi Eye Hospital and that seven bidders participated. It is also admitted that all the bidders quoted the same financial percentage, resulting in application of Clause 8.3.7, which provides that in such an event, the bidder with the highest average annual turnover shall be considered for award of contract.

9. The primary issue that arises for consideration is whether the 6th respondent was technically-qualified in terms of the mandatory conditions stipulated under Section IV of the



tender document, particularly Clause 4.2.3(i), which requires the bidder to possess a valid Pest Control Applicator Licence under Rule 10(3A) of the Insecticide Rules, 1971. On a careful examination of the record, it is evident that the 6th respondent had submitted a licence issued under Rule 10(4), which is intended for sale or distribution of insecticides and not for operational fumigation or pest control work.

10. The clarification issued by the Commissioner and Director of Agriculture dated 21.04.2022, as well as the RTI communication dated 15.06.2023, both categorically state that only licences under Rule 10(3A) are valid for fumigation and fogging operations. Therefore, the licence submitted by the 6th respondent cannot be treated as valid compliance with Clause 4.2.3(i). The said deficiency goes to the root of the matter and renders the 6th respondent ineligible to participate in the tender. The Court also finds substance in petitioner's contention that Clauses 1.1.12 and 1.1.13 of the tender conditions mandate rejection of bids that do not contain all the required documents in proper form, and that no opportunity for rectification can be granted thereafter. Thus, acceptance and evaluation of the 6th respondent's financial bid despite his failure to meet the



technical qualification was contrary to the explicit tender conditions.

11. It is settled that tender conditions are sacrosanct and cannot be deviated to favour any bidder. Official Respondents were under a legal duty to apply the tender conditions uniformly to all the participants. In the present case, deviation by Respondents 3 and 4 amounts to arbitrariness and violative of Article 14 of the Constitution of India. The procedure adopted also lacks transparency required in public procurement processes.

12. In view of the foregoing discussion, this Court holds that the action of Respondents 3 and 4 in awarding e-tender contract for Integrated Hospital Facility Management Services at Sarojini Devi Eye Hospital to the 6th respondent, despite his non-compliance with mandatory technical conditions is illegal, arbitrary and contrary to the terms of the tender. The impugned proceedings dated 21.06.2023 and 21.06.2023 are therefore, set aside.

13. Respondents are directed to reconsider the bids strictly in accordance with the tender conditions and award contract to petitioner, if found otherwise eligible and compliant



with all the requirements. Writ Petition is accordingly, allowed.

No costs.

14. Miscellaneous petitions, if any, pending shall stand closed.

//TRUE COPY//

Sd/P.PONNA KRISHNA
ASSISTANT REGISTRAR

SECTION OFFICER

To,

1. The Principal Secretary, Department of Health, Medical and Family Welfare, State of Telangana, BRK Bhavan, Hyderabad.
2. The Director Medical Education, Government of Telangana, Koti, Hyderabad.
3. The District Collector, Hyderabad District.
4. The Superintendent, Sarojini Devi Eye Hospital, Mehdiapatnam, Hyderabad District.
5. The Commissioner, State of Telangana, Department of Agriculture, Gunfoundry, Hyderabad.
6. One CC to SRI A K JAYAPRAKASH RAO Advocate [OPUC]
7. Two CCs to GP FOR MEDICAL HEALTH FW ,High Court for the State of Telangana at Hyderabad. [OUT]
8. Two CCs to GP FOR REVENUE,High Court for the State of Telangana at Hyderabad. [OUT]
9. Two CCs to GP FOR AGRICULTURE, High Court for the State of Telangana at Hyderabad. [OUT]
10. Two CD Copies


D.N

PMK



2025:TSHC:42427

HIGH COURT

DATED:14/11/2025

ORDER

WP.No.18854 of 2023



ALLOWING THE WRIT PETITION WITHOUT COSTS

(15) MT
24/11/25