



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD
WRIT PETITION NO.1935 OF 2026**

Sai Infrastructure

through its Partner,
Shri. Ganesh S/o Atmaram More,
Age : 50 years, Occ.: Business,
R/o : Plot No. 17/18, Chaitraben Colony,
Near Mahabal, Jalgaon,
Taluka & District Jalgaon.

...Petitioner

Versus

1. The Union of India
through the Secretary,
Ministry of Power, Shramshakti Bhavan,
Pati Marg, New Delhi.
2. The State of Maharashtra
through Principal Secretary,
Ministry of Industry, Energy,
Labour Department,
Mantralaya, Mumbai – 400 032
3. Maharashtra State Power Generation
Company Pvt. Ltd.,
through its Chief Managing Director,
Prakashgad, Bandra (East), Mumbai
4. Maharashtra State Power Generation
Company Pvt. Ltd.,
Urja Bhavan, Urja Nagar,
Bhusawal Thermal Power Station,
Deepnagar,
Tal. Bhusawal, District- Jalgaon
through its Chief Engineer.

...Respondents

**ALONGWITH
WRIT PETITION NO.1938 OF 2026**

Krishna Enterprises,

A registered Partnership Firm,
under the Indian Partnership Act, 1932,
through its Partners :

A) Mr. Jignesh Kantilal Kenia

Age : 39 years, Occ.: Business
R/o : 225, Satra Plaza, Plot No. 19,
Sector- 19D, Vashi,
Navi Mumbai – 400 705

B) Mr. Ramesh Mohanlal Bhanushali

Age : 42 years, Occ.: Business
R/o : B-801, Satyam Imperial Heights,
Plot No.11, Sector No.11, Ghansoli,
Navi Mumbai – 400 701

...Petitioners

Versus

1. The Union of India

through the Secretary of Power
Department,
[(Mr. Pankaj Agrawal (IAS)]
Ministry of Power, Shramshakti Bhavan,
Rafi Marg, New Delhi - 110001

2. The State of Maharashtra

through Principal Secretary,
Ministry of Industry, Energy and
Labour Department,
Mantralaya, Mumbai – 400 032

3. Maharashtra State Power Generation
Company Pvt. Ltd.,

through its Chairman & Managing Director
Prakashgad, Bandra (East), Mumbai

4. Maharashtra State Power Generation
Company Pvt. Ltd.,

through its Chief Engineer,

Urja Bhavan, Urja Nagar,
Bhusawal Thermal Power Station,
Deepnagar,
Tal. Bhusawal, District- Jalgaon

5. Phoenix's SSPM Ventures
through its Proprietor
Plot No.18, Gopal Nagar,
Behind GST Bhavan, Sakri Road,
Dhule- 421001.

...Respondents

Mr. Amit S. Deshpande, Advocate for Petitioner in WP No.1935 of 2026.

Mr. Anand P. Bhandari, Advocate for Petitioners in WP No.1938 of 2026.

Mr. S.B. Narwade, AGP for Respondents-State in both Petitions.

Mr. R.A. Tambe, Advocate for Respondent Nos. 3 and 4 in both Petitions.

**CORAM : SMT. VIBHA KANKANWADI &
HITEN S. VENEGAVKAR JJ.**

**JUDGMENT
RESERVED ON : 16th MARCH, 2026**

**JUDGMENT
PRONOUNCED
ON : 6TH MAY, 2026**

JUDGMENT (PER HITEN S. VENEGAVKAR, J.) :

1. These two Writ Petitions, namely Writ Petition No.1938 of 2026 and Writ Petition No.1935 of 2026, are being disposed of by this common judgment, since they arise out of the same tender process, involve challenge to the same course of action adopted by the Respondent authorities in relation to disposal of Pond Ash at

Bhusawal Thermal Power Station, and raise overlapping questions of fact and law. Both the Petitions question the legality of the action of the Respondent authorities in cancelling the earlier e-auction process after the Petitioners had been declared highest bidders and had deposited security amounts, and further challenge the issuance of a fresh e-auction notice thereafter.

2. The Petitioner in Writ Petition No.1938 of 2026 is a registered partnership firm having two partners, namely Jignesh Kenia and Ramesh Bhanushali. The Petitioner in Writ Petition No.1935 of 2026 is also a partnership firm. Respondent No.1 is the Union of India through the Secretary, Power Department. Respondent No.2 is the State of Maharashtra through its concerned Department. Respondent Nos.3 and 4 are Maharashtra State Power Generation Company Limited and its concerned officers/authorities connected with Bhusawal Thermal Power Station. Respondent No.5 is stated to be Phoenix SSPM Ventures, which, according to the Petitioners, was earlier enjoying the benefit of lifting Pond Ash under an interim or *ad hoc* arrangement.

3. It is submitted by the Petitioner that for ensuring a transparent, competitive and time-bound process for disposal of Pond

Ash, the State Government issued the Ash Utilisation Policy, 2025, dated 19 September 2025, regulating disposal and utilisation of Ash generated from thermal power stations. It is submitted by the Petitioner that under the said policy, disposal of Pond Ash is required to be undertaken through an open e-tender/e-auction mechanism, so that public assets are not alienated in an arbitrary or opaque manner and the generating company secures the best available price.

4. It is submitted by the Petitioner that even prior to the present round of litigation, an earlier sale order in favour of Respondent No.5 at the rate of Rs.193 per metric tonne was the subject matter of challenge in Writ Petition No.8531 of 2025. It is submitted by the Petitioner that by order dated 19 September 2025, this Court had set aside the earlier sale arrangement in favour of Respondent No.5 and had directed Respondent Nos.3 and 4 to undertake and complete a fresh tender process for disposal of Pond Ash within a short period. It is further submitted by the Petitioner that during the interregnum, Respondent No.5 was permitted to continue lifting Pond Ash only as a temporary stop-gap arrangement and only till the fresh process was concluded. It is also submitted by the Petitioner that by subsequent order dated 13 October 2025 in

Civil Application No.10680 of 2025, further directions came to be issued having regard to the newly notified Ash Utilisation Policy, 2025.

5. It is further submitted by the Petitioner that in compliance with the aforesaid orders and the policy framework, Respondent Nos.3 and 4 issued an e-auction tender notice for sale of Pond Ash at Bhusawal Thermal Power Station. In Writ Petition No.1938 of 2026, the Petitioner asserts that the e-auction in question was scheduled to be held on 14 January 2026 and that the Petitioner participated by submitting all necessary documents and quoted a bid price of Rs.635 per metric tonne for lifting pond ash. It is submitted by the Petitioner that by email dated 15 January 2026, the Petitioner was informed that it was the highest bidder and was called upon to deposit security of Rs.10 lakhs within seven days. According to the Petitioner, the said security amount was deposited within time.

6. The Petitioner in Writ Petition No.1938 of 2026 submitted that after depositing the security amount, it called upon Respondent Nos.3 and 4 on 22 January 2026 to issue the work order/sale order in its favour and to discontinue the earlier ad hoc

arrangement. It is submitted by the Petitioner that instead of giving effect to the concluded auction, Respondent authorities issued an email communication dated 31 January 2026 informing that e-auction No.38553 for sale of Pond Ash conducted on 14 January 2026 had been cancelled. The grievance of the Petitioner is that the cancellation communication did not disclose any reasons whatsoever and that, despite demands made by the Petitioner, no valid reasons were supplied contemporaneously.

7. According to the Petitioner in Writ Petition No.1938 of 2026 the sequence of events clearly reveals arbitrariness and a design to benefit Respondent No.5. According to the Petitioner, transportation of Pond Ash had earlier been closed on 24 January 2026, the Petitioner was called upon in connection with the work order on 27 January 2026, yet on 29 January 2026 the earlier transportation arrangement was restored, and thereafter on 31 January 2026 the auction itself was cancelled. It is submitted by the Petitioner that restoration of the earlier arrangement even before formal cancellation of the auction unmistakably indicates that the cancellation was not bona fide but was intended to continue the benefit to Respondent No.5 and similarly placed persons at the old

rate of Rs.193 per metric tonne. It is submitted that thereafter a fresh e-auction notice and catalogue came to be issued on 5 February 2026 by Respondent authorities for the very same subject matter, with the auction slated for a later date. It is the grievance of the Petitioner that the fresh qualifying requirements were so tailored as to enable only selected persons or firms to qualify and thereby the fresh auction itself stood vitiated by discrimination, favouritism and colourable exercise of power. It is further submitted by the Petitioner that the authorities were duty-bound to complete the auction process within the period contemplated by the earlier orders of this Court and could not, by cancelling the process at the final stage, defeat the judicial directions and perpetuate the stop-gap arrangement.

8. It is further submitted that the Petitioner had arranged finances and had outstanding business liabilities, and had altered its position after being declared the highest bidder and on being asked to deposit the security amount. It is submitted by the Petitioner that despite its compliance and despite being found qualified, the denial of the work order has caused grave financial prejudice to it. The Petitioner therefore seeks quashing of the cancellation email dated 31 January 2026, quashing of the fresh e-auction process, and a direction

to the Respondent authorities to honour the earlier auction and issue the letter of acceptance/work order in its favour.

9. The Petitioner in Writ Petition No.1935 of 2026 submitted broadly on similar lines, that in pursuance of the relevant e-auction notice dated 20 October 2025, it participated in the auction process for disposal of 8,00,000 metric tonnes of Pond Ash, quoted Rs.632 per metric tonne plus applicable GST, was found to be the highest bidder, and deposited the security amount of Rs.10 lakhs on 19 January 2026. It is submitted by the Petitioner that the only step remaining thereafter was issuance of the work order and that the Respondent authorities, having found the Petitioner qualified and successful, could not arbitrarily abandon the process.

10. It is submitted that by communication dated 29 January 2026, pond ash transportation was reinstated in favour of the earlier lifters at the old rate, and by the subsequent email dated 31 January 2026 the entire e-tender/e-auction process was cancelled. It is submitted by the Petitioner that on 5 February 2026 a fresh auction notice came to be published, in breach of the earlier directions of this Court, and with altered qualifying requirements intended to suit only

particular entities. It is submitted by the Petitioner that the fresh auction is therefore not merely a fresh commercial decision, but a consequence of an unlawful withdrawal from a concluded and valid process.

11. The grounds raised in both the Petitions, though framed separately, may now be noticed in substance. It is submitted by the Petitioner that once the Petitioners were declared highest bidders and were called upon to deposit security amounts, and once the security amounts were accepted, the Respondent authorities could not, without valid and disclosed reasons, cancel the process and revert to an interim arrangement. It is submitted by the Petitioner that the cancellation is vitiated by non-disclosure of reasons, hostile discrimination, arbitrariness, mala fide preference to Respondent No.5 and others, violation of Article 14 of the Constitution, violation of the State policy dated 19 September 2025, and non-compliance with the earlier directions issued by this Court in the previous writ proceedings. It is also submitted by the Petitioner that complaints by non-participants or disqualified entities could not have furnished a valid foundation for undoing a concluded auction.

12. It is submitted by the Petitioner that the irregularities later referred to in the affidavit-in-reply are minor, procedural and wholly extraneous to the Petitioners' entitlement. It is submitted by the Petitioner that even assuming there were deficiencies in scrutiny of other bidders or in internal file maintenance, those matters could not have justified cancellation of the entire process after the highest bidders had emerged, particularly when no fault is attributed to the Petitioners themselves. It is submitted by the Petitioner that the Respondent authorities could have taken action against erring officials without annulling the auction itself.

13. It is submitted by the Petitioner that the Respondent authorities have acted contrary to public interest, because they have continued disposal of Pond Ash at the much lower rate of Rs.193 per metric tonne despite receiving bids in excess of Rs.630 per metric tonne in the auction process. According to the Petitioners, the difference in revenue is substantial and the continuation of the old arrangement, despite better bids having been discovered through competitive auction, itself demonstrates that the authorities were more interested in protecting private parties than in protecting public revenue.

14. In support of the aforesaid submissions, it is submitted by the Petitioner that State action in tender matters remains subject to Article 14 and judicial review where arbitrariness, mala fides or irrationality is shown. Reliance is placed by the Petitioners on decisions including *Subodh Kumar Singh Rathore v. Chief Executive Officer, AIR 2024 SC 3784*, *Golden Food Products India v. State of Uttar Pradesh, 2026 INSC 22*, and *Eva Agro Feeds (P) Ltd. v. Punjab National Bank, (2023) 10 SCC 189*, to contend that even in contractual matters the State cannot act capriciously, and that a valid auction cannot be cancelled merely because the authority expects a still higher price or chooses to change course without a lawful basis.

15. Per contra, it is the contention of the Respondents that the initial background of Ash utilisation itself demonstrates the public importance of continuous and proper disposal of Ash. It is the contention of the Respondents that pursuant to environmental norms and policy decisions, including the requirement of 100% Ash utilisation and the obligation to avoid environmental consequences of under-utilisation, the authorities were required to adopt an efficient and lawful mechanism for sale/disposal of Ash. It is the contention of the Respondents that the relevant policy framework contemplated

transparent bidding for substantial quantities of Fly Ash and Pond Ash, but also permitted interim arrangements so that Ash disposal may not come to a halt.

16. It is the contention of the Respondents that though the Petitioners were initially found qualified and were declared highest bidders, several complaints were thereafter received regarding the conduct of the tender process, the qualification of bidders, treatment of EMD requirements, turnover and experience certificates, and misinterpretation of the qualifying requirements. It is the contention of the Respondents that in view of the seriousness of those complaints, the higher authorities issued an office order dated 21 January 2026 constituting a team of officials to undertake a thorough inquiry and submit a detailed report.

17. It is the contention of the Respondents that the inquiry team visited Bhusawal Thermal Power Station, inspected the relevant records, and found serious procedural irregularities in the scrutiny and qualification process. According to the Respondents, the committee found that technical and financial scrutiny had been done independently without demonstrated involvement of the tender/

auction committee; deviations were sought from bidders without approval of competent authority; bidder evaluation sheets were not properly authenticated; auction files were poorly maintained; qualification clauses, including QR Nos.6 and 7, were misinterpreted; bidders were treated as eligible despite absence of relevant experience or supporting evidence; EMD-related compliance was not handled uniformly; and other discrepancies existed in relation to scrutiny records, verification of location criteria and publication of corrigenda. It is the contention of the Respondents that these were not trivial defects but defects striking at the fairness and integrity of the process itself.

18. It is the contention of the Respondents that the committee submitted its report on 27 January 2026 recommending cancellation of the auction and re-floating of a fresh process, and that the competent authority concurred with the said recommendation. It is the contention of the Respondents that the Petitioners were thereafter informed by email dated 31 January 2026 that the earlier auction stood cancelled. It is further the contention of the Respondents that disciplinary action has already been initiated against the erring officers concerned, which itself demonstrates that

the cancellation was based upon genuine procedural concerns and not upon any ulterior object.

19. It is the contention of the Respondents that the Petitioners acquired no vested or enforceable right merely by being declared highest bidders or by depositing the security amounts. According to the Respondents, the process in such commercial matters consists of several stages, namely discovery of the highest bid, call for security deposit, execution of agreements/contracts, issuance of the sale/work order, and commencement of lifting of Ash. It is contended that in the present case the process had not culminated in a concluded contract, no work order or sale order had been issued pursuant to the impugned auction, and therefore no legal right accrued which could be specifically enforced in writ jurisdiction.

20. It is the contention of the Respondents that the authority inviting the tender has the right to cancel the process and invite fresh bids where the process is found defective or where public interest so requires. It is the contention of the Respondents that the decision in the present case advanced, rather than harmed, public interest, because it sought to ensure a fair, transparent and legally sustainable

auction process. The Respondents therefore contend that there is no arbitrariness, no mala fide, no favouritism and no warrant for interference under Article 226. In support of such submissions, reliance is placed on *Tata Cellular v. Union of India*, (1994) 6 SCC 651; *Jagdish Mandal v. State of Orissa*, (2007) 14 SCC 517; *Michigan Rubber (India) Ltd. v. State of Karnataka*, (2012) 8 SCC 216; *Caretel Infotech Ltd. v. Hindustan Petroleum Corpn. Ltd.*, (2019) 14 SCC 81; *Silppi Constructions Contractors v. Union of India*, (2020) 16 SCC 489; *N.G. Projects Ltd. v. Vinod Kumar Jain*, (2022) 6 SCC 127; and *Tata Motors Ltd. v. Brihan Mumbai Electric Supply and Transport Undertaking (BEST)*, (2023) 19 SCC 1.

21. Having considered the rival pleadings and submissions, the first aspect which must be kept steadily in view is the settled scope of judicial review in matters of tenders and contracts. The Court does not act as an appellate commercial authority. It does not sit to decide whether a different administrative choice may have been wiser, more profitable, or commercially preferable. The Court is concerned primarily with the legality of the decision-making process, and interferes only where the decision is shown to be arbitrary, mala fide, irrational, actuated by bias, or contrary to public interest in a

constitutionally unacceptable manner. This principle, stated in *Tata Cellular* (supra), has been repeatedly reaffirmed in *Jagdish Mandal*, *Michigan Rubber*, *Caretel Infotech*, *Silppi Constructions*, *N.G. Projects and Tata Motors* (supra).

22. It is equally well settled that a bidder, even if declared the highest bidder, does not for that reason alone obtain an indefeasible right to insist upon award of the contract. Until the process matures into a concluded contractual relationship in accordance with the governing tender conditions, the bidder's position remains provisional. At the same time, the bidder is entitled to fair, non-arbitrary and lawful treatment. The distinction, therefore, is between absence of a vested right to demand contract and the continuing right to challenge a palpably arbitrary cancellation. Golden Food Products India lucidly notices this distinction.

23. In my considered view, the Petitioners are right to the limited extent that the Respondent authorities cannot defend an arbitrary cancellation merely by invoking freedom of contract. If there had been no infirmity in the process, no complaint warranting scrutiny, no material irregularity, and if the process had been

abandoned simply because the authority wished to secure some still higher price or to prefer another private entity, judicial review would certainly have been available. *Golden Food Products India and Eva Agro Feeds* (supra) illustrate that a valid auction cannot be cancelled on extraneous grounds, and that mere expectation of a better price, without more, is not by itself a lawful basis to discard a completed auction.

24. But the present case, on the material placed before the Court, does not stand on that footing. Here, the cancellation is not defended solely on the premise that the authority desired a better commercial return. The record, as pleaded by the Respondents, shows that after complaints were received, a fact-finding inquiry was ordered by the competent authority; the inquiry team examined the tender records; and the team reported multiple irregularities bearing upon eligibility scrutiny, manner of calling deviations, EMD treatment, authentication of evaluation sheets, maintenance of records, and misinterpretation of qualifying requirements. The decision to cancel the auction was taken after consideration of that report. Whether every deficiency independently justified cancellation is not the true question in judicial review. The true question is

whether the authority had some relevant and bona fide material before it on the basis of which it could legitimately conclude that the integrity of the process stood impaired. On the pleadings before the Court, that question must be answered in the affirmative.

25. The Petitioners submitted that many of the complaints were by non-participants or disqualified persons. That submission, by itself, does not carry the matter far. A complaint may be motivated, but the authority does not act upon motive alone; it acts, or must act, upon verification. If the complaint prompts an independent inquiry and the inquiry reveals process-level deficiencies, the source of the complaint loses much of its determinative force. What matters is the independent satisfaction of the authority founded on objective scrutiny. In the present matter, the Respondents have specifically pleaded such an independent inquiry and a reasoned recommendation to re-float the tender.

26. The Petitioners further submitted that the alleged irregularities concern scrutiny of other bidders and internal record-keeping, and not any fault of the Petitioners themselves. That may be so; but where the authority comes to a bona fide conclusion that the

process of qualification and evaluation itself stood compromised, the question is not confined to the innocence of the highest bidder. A public tender is not merely a bilateral matter between the authority and the top bidder. It is a competitive public process in which every stage must retain credibility. If the authority reasonably concludes that ineligible bidders may have been treated as eligible, that deviations were called without authority, and that scrutiny records were deficient or unauthenticated, it cannot be compelled to proceed to contract merely because the highest bidder is personally blameless. The legitimacy of the process as a whole remains the governing consideration. This is consistent with the restraint emphasized in Michigan Rubber, Silppi Constructions and N.G. Projects.

27. Much emphasis was laid by the Petitioners on the absence of reasons in the cancellation email dated 31 January 2026. It is true that administrative fairness ordinarily demands disclosure of reasons, particularly where the process has reached an advanced stage. Yet, in tender jurisprudence, the Court examines the decision-making record as it emerges before it and not merely the brevity of the intimation sent to the bidder. If the decision is shown in the affidavit and record to have been preceded by a relevant inquiry, and

if the contemporaneous administrative file reveals the basis of the cancellation, the action cannot be struck down only because the communication to the bidder was terse. The vice which invalidates State action is absence of reason in substance, not mere absence of elaboration in the outward form of communication. In the present case, the Respondents have placed a substantive justification founded upon the inquiry report dated 27 January 2026.

28. The allegation that the cancellation was actuated by a desire to favour Respondent No.5 and to continue the old rate of Rs.193 per metric tonne certainly raises suspicion at first blush, particularly because the Petitioners' bids were considerably higher. However, suspicion, however strong, is not proof of mala fides. Mala fides must be pleaded with specificity and established by clear material. Here, the Respondents have offered an explanation that Ash disposal could not be brought to a standstill in view of environmental obligations and operational imperatives, and that short-term or interim arrangements were therefore continued. More importantly, the Respondents have not rested only on that interim continuation; they have also relied on the inquiry report and the re-floating of the process. In the absence of clear evidence demonstrating that the

inquiry was sham, contrived or demonstrably false, this Court would be transgressing settled limits if it were to infer mala fides merely from sequence of dates.

29. The Petitioners then urged that public interest lay in accepting their high bids and that rejection of those bids has caused monetary loss to the State. Public revenue is undoubtedly a relevant consideration. But public interest in tender matters cannot be reduced to arithmetic alone. The Supreme Court has repeatedly held that public interest is not always synonymous with immediate monetary gain, and that preservation of the fairness, transparency and legality of the process is itself a matter of public interest. Where the process is viewed by the authority as tainted by serious irregularities, the decision to scrap and re-tender may itself be a public-interest decision. That principle stands recognized in the Supreme Court's tender jurisprudence, including the recent reiterations that cancellation or re-tendering may fall within the zone of permissible administrative discretion.

30. The reliance placed by the petitioners on ***Golden Food Products India and Eva Agro Feeds*** (supra) does not ultimately assist

them on the facts of the present case. In *Golden Food Products India* (supra), the cancellation was held arbitrary because the auctioning authority had accepted the technical and financial bid, there was no fraud, collusion or process infirmity alleged, and the bid was cancelled on an extraneous comparison with smaller plots and on the notion that a higher rate might have been secured. *Eva Agro Feeds* (supra) also turned on arbitrary cancellation of an otherwise valid auction merely in the hope of a better price. Those cases proceed on the absence of any legally sustainable process defect. The present case is materially different because the Respondent authorities have justified cancellation not on a desire for a better bargain but on recorded irregularities in the very conduct of the tender process. The ratio of *Golden Food*, therefore, cannot be extended to compel the State to complete a process which it has, on inquiry, found to be procedurally compromised.

31. Equally, the Petitioners cannot derive decisive advantage from the fact that they deposited the security amount. Deposit of security after being declared highest bidder may strengthen an argument of legitimate expectation; but legitimate expectation cannot ripen into an enforceable right against the express

or implicit contingency that the process must remain lawful and free from material defect. Where the State demonstrates that the process itself stood impaired, the doctrine of legitimate expectation must yield to the larger requirement of legality and institutional fairness. That position also emerges from recent case law which has recognized that the doctrine cannot be used to override conditional or provisional stages of a public tender process.

32. We also do not find merit in the submission that the Respondents, having discovered irregularities, should have proceeded to issue work orders to the highest bidders and simultaneously taken action against erring officers. Such a course would amount to bifurcating process integrity from contract finalisation in a manner unknown to tender law. If the authority bona fide concludes that the very scrutiny leading to identification of qualified bidders and highest bidders is suspect, issuance of a work order would not cure the defect; it would compound it. A tender process must be lawful not merely in result, but in its route.

33. The Court must also keep in mind the caution repeatedly administered by the Supreme Court that in commercial

and technical tender matters, constitutional courts must not use a “magnifying glass” to convert every irregularity or every debatable administrative choice into a constitutional infirmity. Tendering authorities are entitled to a degree of “fair play in the joints”, and unless something gross, palpable or demonstrably arbitrary is established, the Court ought not to substitute its own commercial or procedural assessment for that of the employer. *Tata Motors, Silppi Constructions and N.G. Projects* (supra) make this restraint explicit.

34. Applying the above principles to the present case, we are satisfied that the Petitioners have not established such arbitrariness, mala fides or perversity in the decision-making process as would justify interference under Article 226 of the Constitution. The Respondents had before them complaints, constituted an inquiry committee, obtained a report identifying multiple irregularities, accepted the recommendation for cancellation, and then proceeded to issue a fresh auction. There is no material placed before the Court to show that the report was fabricated, that the process defects were wholly imaginary, or that the decision to cancel was a mere pretext unsupported by record. The Petitioners may legitimately feel

aggrieved because they emerged as highest bidders and had deposited the security amounts; but grievance is not the same as illegality.

35. In that view of the matter, the challenge to the email dated 31 January 2026 cancelling the earlier e-auction cannot succeed. Once that challenge fails, the challenge to the consequential fresh e-auction notice also cannot survive, for the fresh notice is only the sequitur to the cancellation of the earlier process on the basis of the inquiry report. Since no enforceable right had crystallized in favour of either Petitioner to compel issuance of a work order under the cancelled auction, no mandamus can be issued directing Respondent authorities to give effect to the earlier bid process.

36. Before parting, it needs to be clarified that this Court has not pronounced upon the ultimate comparative merits of the fresh tender conditions or the individual entitlement of any bidder thereunder, except to the extent necessary for deciding the present challenge. Nor has the Court expressed any opinion on private disputes between the Petitioners and Respondent No.5. The dismissal of these Petitions rests on the limited but decisive ground that the cancellation of the earlier tender process cannot, on the materials

placed before this Court, be characterised as unconstitutional, arbitrary or vitiated by mala fides.

37. For all the aforesaid reasons, both the Writ Petitions fail. **Writ Petition No.1938 of 2026 and Writ Petition No.1935 of 2026 are dismissed.** Rule is discharged. Interim relief, if any, stands vacated. There shall be no order as to costs.

38. If the amounts deposited by the Petitioners pursuant to the cancelled process have not already been refunded or duly adjusted in accordance with subsequent lawful arrangements, the Respondent authorities shall ensure that such refund or adjustment is made in accordance with law and the applicable tender conditions within a reasonable period.

39. Ordered accordingly.

[HITEN S. VENEGAVKAR]
JUDGE

[SMT. VIBHA KANKANWADI]
JUDGE

06 May, 2026

Later on :

40. After pronouncement of the judgment and order dismissing both the Writ Petitions, the learned Advocates appearing for the Petitioners prayed for continuation of the interim relief granted earlier by order dated 5th March, 2026, whereby Respondent Nos. 3 and 4 were restrained from proceeding ahead with the auction process at Bhusawal Thermal Power Station in respect of 60% Pond Ash, so as to enable the Petitioners to challenge the judgment before the Hon'ble Supreme Court of India.

41. The said prayer is opposed by the learned Counsel appearing for the Respondents.

42. Having considered the request, we are not inclined to continue the interim protection. By the judgment pronounced today, we have upheld the decision of the Respondent authorities to cancel the earlier auction process and to initiate a fresh tender process after finding that the decision was neither arbitrary nor malafide and was taken in public interest. We have also held that no vested or enforceable right had accrued in favour of the Petitioners merely

because they were declared highest bidder and had deposited the security amounts.

43. In view of the findings recorded in the judgment, continuation of the interim order would virtually amount to continuing the very relief which has been refused while dismissing the Petitions on merits. Apart from that, the material on record also indicates that disposal of Pond Ash is connected with operational and environmental obligations of the Thermal Power Station and therefore, further restrained on the auction process would adversely affect public interest.

44. The interim protection granted during pendency of the Petitions was purely temporary in nature and cannot be continued after final adjudication of the matters against the Petitioners. In the circumstances, the prayer for continuation of interim relief stands rejected.

[HITEN S. VENEGAVKAR]
JUDGE

[SMT. VIBHA KANKANWADI]
JUDGE