HIGH COURT OF JUDICATURE FOR RAJASTHAN AT JODHPUR

D.B. Special Appeal Writ No. 655/2026

M/s Bhaskar Industries, through its Proprietor Meena Devi D/o Shri Prem Prakash Khetan aged about 36 years, R/o H-273, RIICO, Jhunjhunu, Rajasthan

----Appellant

Versus

1. The State of Rajasthan, through the Secretary Department of Food and Civil Supplies and Consumer Affairs, Government Of Rajasthan, Secretariat, Jaipur Raj.
2. The District Supply Officer, Bhilwara, Rajasthan

----Respondents

For Appellant(s)	:	Mr. Manoj Bhandari, Sr. Advocate assisted by Mr. Aniket Tater Mr. Manish Patel Mr. Dinesh Jain
For Respondent(s)	:	Mr. S.S. Ladrecha, AAG with Mr. Ravindra Jala Mr. Dhanesh Saraswat with Mr. Shubham Modi

---

HON'BLE DR. JUSTICE PUSHPENDRA SINGH BHATI

(VACATION JUDGE)

HON'BLE MS. JUSTICE REKHA BORANA

(VACATION JUDGE)

JUDGMENT

1. Date of conclusion of arguments	**02.06.2026**
2. Date on which judgment was reserved	**02.06.2026**
3. Whether the full judgment or only the operative part is pronounced:	**Full Judgment**
4. Date of pronouncement	**30.06.2026**

<u>Per, Rekha Borana, J:</u>

1. The present Special Appeal has been filed aggrieved of judgment dated 21.05.2026 passed in S.B. Civil Writ Petition No.

21690/2025 whereby the writ petition as filed by the appellant with the prayer for quashing of note-sheet/order dated 31.10.2025, stood rejected.

2. Vide note-sheet/order dated 31.10.2025, the technical bid of the appellant firm submitted in pursuance to Notice Inviting Bid (NIB) No. 2/2025-26 dated 15.09.2025 for the work of "Handling and transportation of food grains under PDS from FCI depots in District Bhilwara", stood rejected.

3. The technical bid of the appellant firm was rejected on the count that it violated Condition No. 5.2.2. of NIB; Sections 7(2)(e), 11(2)(B) & 11(3)(A) of the Rajasthan Transparency Public Procurement Act, 2012 (hereinafter referred to as the 'RTPP Act'); and Rule 81(3)(D) of the Rajasthan Transparency in Public Procurement Rules, 2013 (hereinafter referred to as the 'Rules of 2013').

4. Vide the judgment impugned, the learned Single Judge, while taking into consideration Rule 81(3)(d) of Rules of 2013, observed that apart from the indisputed spousal relationship between the Proprietors of the appellant firm and one M/s. Maruti Industries (other bidder), it was also indisputed that the firms were operating from the same premises. Further, the Chartered Accountant of both the firms was also the same and even the bid documents of both the firms were notarized by the same Notary Advocate. The said facts were sufficient to indicate that the firms were in a position to have access to information relating to each others bids through common third party and hence, the same being in contravention to Rule 81(3)(d) of Rules of 2013, the

rejection of the technical bid of the appellant firm was held to be valid.

5. Counsel for the appellant while relying upon the Meghalaya High Court judgment in ***Ms. La Monte Enterprise Vs. Union of India & Ors.; 2023 SCC OnLine Megh 694*** (decided on 01.12.2023) submitted that the learned Single Judge erroneously recorded the above findings as the rejection of the technical bid of the firm was only on the count of the Proprietors of two firms being spouses. He submits that husband and wife are two different entities in law and a mere spousal relationship cannot lead to disqualification in a tender process.

6. Counsel submits that there was no evidence available on record to indicate any actual collusion, bid rigging or exchange of information between the two firms. In absence of any such tangible evidence, the rejection of bid on mere presumptions is totally bad. Further, neither does the provisions of RTPP Act nor did the condition of NIB provided/stipulated for any disqualification on the ground of spousal relationship. In view thereof, Rule 81(3)(d) of the Rules of 2013 cannot be interpreted in a manner to conclude an automatic disqualification on the ground of a spousal relationship. Without any actual collusion or without it having been proved that any of the bid information was influenced by other, the bid of the appellant firm could not have been rejected.

7. Per contra learned Senior Counsel appearing on behalf of the intervenor firm, while relying upon the Madras High Court judgment in ***M/s. Travel News Services (India) Pvt. Ltd. Vs. Airports Authority of India (Southern Region) & Ors.; 2017 SCC OnLine Mad 37875*** (decided on 11.08.2017), submitted

that the bid of the appellant firm has rightly been rejected in terms of Rule 81(3)(d) of the Rules of 2013. Counsel submits that in fact, the writ petition itself was misconceived and filed with a *mala-fide* attempt to linger on the present tender process. In fact, the work order for the preceeding year was awarded to M/s. Maruti Industries i.e., the firm of the present appellant's husband and it is the said firm which is indirectly being benefited because of the pendency of the present writ proceedings. The technical bid of M/s. Maruti Industries was also rejected in the present tender process. Now, with an oblique motive to somehow frustrate the present tender process, the writ petition in question was filed, which has rightly been dismissed by the learned Single Judge.

8. Learned Counsel appearing for the State, while supporting the impugned judgment, submits that the rejection of the technical bid is totally in consonance with the RTPP Act and Rules of 2013 as well as the conditions of the NIB.

9. Heard the Counsels. Perused the record.

10.1. Condition Nos. 5.2.2.1. & 5.2.2.2. of the NIB in question provided as under:

5.2.2.	*Code of Integrity*	*5.2.2.1*	*The Bidder is required to comply with the Code of Integrity and all prevailing sanctions policies and procedures as set forth in the* ***Section 11 (Code of Integrity) of RTPP Act and Rule 80(2) (Code of Integrity) of RTPP Rules*** *and its amendments. Further, none of them shall indulge in corrupt, fraudulent, coercive and collusive practices. For this clause, these practices are defined as below:* *1. "****corrupt practice****" means the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.* *2. "****fraudulent practice****" means any act or omission, including a misrepresentation that knowingly or recklessly misleads or attempts to mislead a party to obtain a financial or other benefit or to avoid an obligation.* *3. "****coercive practice****" means impairing or*

			harming or threatening to impair or harm, directly or indirectly, any party or the property or the party to influence improperly the actions of a party. *4. "**collusive practice**" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.*
		5.2.2.2	*The Procuring Entity shall take legal action against the Bidder under **Section 11(3), Section 46 and chapter IV of RTPP Act,** if it breaches any provisions of the Code of Integrity or is determined to have engaged directly or through an agent in corrupt, fraudulent, coercive or collusive practices in competing for or in execution of the Contract.*

10.2. Clause 5 and 6 of the declaration (Form TECH-5) to be submitted by the bidder as per the NIB, provided as under:

> *"5. I/We do not have a conflict of interest as specified in the Rajasthan Transparency in Public Procurement Act, the Rajasthan Transparency in Public Procurement Rules and this Bidding Document, which materially affects fair competition.*
>
> *6. I/We have complied and shall continue to comply with the Code of Integrity as specified in the Rajasthan Transparency in Public Procurement Act, the Rajasthan Transparency in Public Procurement Rules, and this Bidding Document, till completion of all our obligations under the Contract."*

10.3. Section 7(2)(e) of the RTPP Act provides as under:

> *"**7. Qualification of bidders**.-*
>
> *(1)…. …. ….*

(2) Any bidder participating in the procurement process shall-

(a)… … …

(b)… … …

(c)… … …

(d)… … …

(e) ***not have a conflict of interest*** *as may be prescribed and specified in the pre-qualification documents, bidder registration documents or bidding documents, which materially affects fair competition."*

10.4. Rule 81(3)(d) of Rules of 2013 provides as under:

*"**81. Conflict of interest**.*

(1)… …

(2) …. … …

(3) A Bidder may be considered to be in conflict of interest with one or more parties in a bidding process if, including but not limited to :

(a) they have controlling partners in common;

(b) they receive or have received any direct or indirect subsidy from any of them;

(c) they have the same legal representatives for purposes of the bid;

***(d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another**;*

(e) A bidder participates in more than one bid in the same bidding process. However, this does not limit the inclusion of the same sub-contractor, not otherwise participating as a bidder, in more than one bid; or

(f) A bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the subject matter of procurement of the bidding process. All bidders shall provide in Qualification Criteria and Biding Forms, a statement that the bidder is neither associated nor has been associated directly or indirectly, with the consultant or any other entity that has prepared the design, specifications and other documents for the subject matter of procurement or being proposed as Project Manager for the contract."

11. What can be concluded from the above provisions is that it is the clear intent of the RTPP Act and the related Rules to ensure that no corrupt, fraudulent, coercive or collusive practices are undertaken by any entity/bidder during the tender process. Stipulation for strict legal action/penalty in such cases has been provided for in the Act/Rules. Further, to ensure that such practices are not adopted by the bidders, a condition to file specific declarations to the said effect by the bidder, has also been incorporated in the NIB in question.

12. It is not in dispute that the above declarations were very well filed by the appellant firm alongwith its bid. As per the said

declaration, it was specifically submitted on behalf of the appellant firm that it had no conflict of interest as specified in the RTPP Act/ Rules of 2013/NIB, which materially affected fair competition.

13. The issue therefore is - Whether the learned Single Judge rightly held the appellant firm to be hit by Rule 81(3)(d) of Rules of 2013 or not?

14. Rule 81(3)(d) specifically provides that a bidder shall be disqualified if by any relationship or association with any other bidder, it is in a position to have access to information relating to the bid or to influence the bid of such other bidder.

15. Herein, it is an admitted fact that both the appellant firm as well as M/s. Maruti Industries were operated through the same address. Further, the same Chartered Accountant firm was managing the accounts of both the firms. Furthermore, all the documents/annexures as submitted with the bid document of both the firms had been notarized by the same Notary Advocate.

16. In that event, even if the fact of the Proprietors of both the firms being spouses is ignored, it can safely be concluded that both the firms were clearly in a position to have access to information of each others bid and were definitely in a position to influence the bid of the other.

17. As held by the Madras High Court in ***M/s. Travel News Services (India) Pvt. Ltd.*** (supra), such relationship of two bidders shall be deemed to have a conflict of interest. Therein, the court observed that the proposition of law to the effect that even husband and wife do not automatically become related person and cannot automatically assume mutuality of interest, cannot be applied to the tender process which bars two close relatives

participating in the tender process as per Clause 2.2.1 (c)(vi) of the Request For Proposal. Therein, the Court was dealing with Clause 2.2.1 (c)(vi) of the conditions applicable therein, which read as under:

> *"(vi) such Bidder, or any Associate thereof has a relationship with another Bidder, or any Associate thereof, directly or through common third party/parties, that puts either or both of them in a position to have access to each other information about, or to influence the Proposal of either or each other;"*

18. Evidently, the above clause is akin to Rule 81(3)(d) of Rules of 2013 involved in the present matter.

19.1 The same view has been reiterated by Hon'ble Delhi High Court in ***Sterlite Grid 20 Limited Vs. PFC Consulting Limited & Anr.; 2021:DHC:2817-*****DB** wherein "conflict of interest" had been defined in the concerned clause of NIT/NIB as under :

> *"A Bidder shall be considered to be in a Conflict of Interest with one or more Bidders in the same bidding process <u>if they have a relationship with each other, directly or through a common company, that puts them in a position to have access to information about or influence the Bid of another Bidder</u>;"* (underlining supplied)

19.2 While dealing with the above clause, the Court held as under :

> *"22. It is important to reiterate that the respondent was not called upon to examine*

> *the situation at hand with a microscopic lens, and determine whether, as a matter of fact, information was exchanged.* ***All that the respondent was required to examine was, whether, the two companies were in a position so as to have access to information of the other company with regard to their bids****. In the light of the discussion above, we are of the view that the conclusion drawn by the respondent that both companies were in a position to access information of each other, was reasonable, well informed and justified."*

19.3 Meaning thereby, where a conflict of interest is to be ascertained between the bidders, it is not essential to record a specific finding to the effect that actual information was exchanged between the bidders so as to affect the respective bid. The only fact required to be examined is whether the two bidders were in a position to have access to information of their respective bids.

19.4. Applying the above ratio to the present matter, herein, in view of the specific condition of NIB, it was clearly established on record that the two firms in question were so closely intertwined in their operational infrastructure that the possibility of mutual access to bid related information – whether through shared premises, shared financial records maintained by a common Chartered Accountant firm or through shared documents verified by a common Notary, could not be ruled out. The inference drawn by the learned Single Judge is a reasonable inference based on the material available on record. The Order passed by the learned

Single Judge therefore, being in conformity with law, does not deserve any interference.

20. So far as the judgment in ***Ms. La Monte Enterprise*** (supra) relied by Counsel for the appellant is concerned, the ratio laid therein would not even apply to the present matter, as that was a case of debarring for the reason of mandatory non-disclosure of spousal relationship by the bidders. Therein the Court observed as under:

> "*11. Husband and wife are two different identities in law and the same relationship cannot lead to any disqualification in a tender process until and unless there exist a specific restriction incorporated in the related terms and conditions. No law has been placed before this Court which can permit any restriction on two separate business establishments irrespective of the fact of being they relate two each other as husband and wife. The provision of Section 3 of the Competition Act, 2002 also nowhere in specific term restricts participation of husband and wife as two separate business identity in a bidding process. There is also no allegation of petitioner having an agreement, express or implied, with the proprietor of M/s GSG Associates or they have formed a cartel to create non-competitive levels in the bidding process.*"

21. The above observation itself is sufficient to conclude that the same would not apply to the present matter as herein, there was a specific condition stipulating the conflict of interest. Further,

there is a specific rule governing the issue in question. Furthermore, there is sufficient documentary material available on record to show that both the bidders had a relation which had put them in a position to have clear access to information about each others bid.

22. In view of the above analysis, no case for interference in the order impugned is made out and the present Special Appeal is hence, **dismissed**.

23. Stay application also stands **disposed of**.

(REKHA BORANA),VJ **(DR.PUSHPENDRA SINGH BHATI), VJ**

43-Mak/-