

RAJASTHAN HIGH COURT

सत्यमेव जयते

HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S.B. Civil Writ Petition No. 16990/2025

Sukhbir Singh Sidhu S/o Sh. Mahendra Singh Sidhu, Proprietor Of M/s Sukhbir Singh Sidhu, Registered Office: B-30, Raghav Marg, Hanuman Nagar, Khatipura, Jaipur - 302012 (Rajasthan).

-----Petitioner

Versus

1.

Rajasthan State Road Transport Corporation (RSRTC), through its Chairman, Parivahan Marg, Chomu House, Jaipur - 302001 (Rajasthan).
2.

The General Manager, (Bus Body), Rajasthan State Road Transport Corporation (RSRTC), Parivahan Marg, Chomu House, Jaipur - 302001 (Rajasthan).
3.

Executive Director (Engineering), Rajasthan State Road Transport Corporation (RSRTC), Head Office, Parivahan Marg, Chomu House, Jaipur - 302001 (Rajasthan).
4.

Azad Roadways Partnership Firm, through its authorised partner, Booth No. 46, Anaj Mandi, Banur, Dist. Mohali, Punjab-140601.

-----Respondents

For Petitioner(s)	:	Mr. Narendra Kumar Pareek with Mr. Kartavya Singh Shekhawat Mr. Ajay Singh
For Respondent(s)	:	Mr. Ankit Bishnoi Mr. Prateek Mathur

HON'BLE MR. JUSTICE SAMEER JAIN

Order

1	Arguments concluded on	07.05.2026
2	Order reserved on	07.05.2026
3	Full Order or operative part pronounced	Full Order
4	Pronounced on	27.05.2026

1.

In the present writ petition, the scope of the controversy involved, albeit not limited to, is broadly and predominantly defined by the challenge raised *qua* the arbitrary, discriminatory, and illegal action of

the respondent-Rajasthan State Road Transport Corporation (for short, 'RSRTC') in frustrating the tender process for hiring of Non-AC 2x2 Starline BS-VI diesel fuel buses on kilometer basis, by conducting post-bid price negotiations and subsequently awarding the contract to the L-2 bidder-respondent No.4 contrary to the explicit statutory prohibitions as enshrined under the Rajasthan Transparency in Public Procurement Act, 2012 (for short, 'RTPP Act').

2. The present writ petition has been filed under Article 226 of the Constitution of India, seeking the following prayers:

*"(i) by issuing an appropriate writ, order or direction quash and set aside the impugned action of the Respondent Corporation in **issuing the Letter of Intent (LOI) to the L-2 bidder in respect of Tender No.F5/HO/EDE/BB/HV/24/660**, being arbitrary, illegal, and contrary to the provisions of the Rajasthan Transparency in Public Procurement Act, 2012 and the rules framed thereunder.*

(ii) Direct the Respondent Corporation to act in accordance with law by honouring the outcome of the tender process and to issue the Letter of Intent (LOI) in favour of the Petitioner, who has been declared as the L-1 bidder after due technical and financial evaluation and negotiation.

(iii) Declare that the Petitioner is entitled to all consequential benefits, including award of work and execution of contract, arising out of the said tender process.

(iv) Pass any other or further order(s) that this Hon'ble Court may deem just, fit, and proper in the facts and circumstances of the present case, in the interest of justice.

(v) Cost of the writ petition may kindly be awarded to the Petitioner."

FACTUAL MATRIX OF THE LIS AT HAND:

3. Before adverting to the rival submissions and entering upon the realm of arguments advanced by the learned counsel for the respective parties, it is considered apposite to delineate the factual background and the circumstances, in a nutshell, which have culminated in the present adjudication:

3.1 The respondent-RSRTC issued a Notice Inviting Tender dated 16.12.2024 for the hiring of Non-AC 2x2 Star Line BS-VI diesel fuel buses on kilometer basis. The petitioner, a sole proprietorship concern, participated in the said tender process.

3.2. After successfully filing an appeal under Section 38 of the RTPP Act and being declared eligible, the petitioner qualified under both the technical and financial bids and was formally declared as the L-1 (lowest) bidder at a price of Rs. 15.49 per kilometer.

3.3. Post the declaration of the financial bids, the petitioner was called by the respondent-RSRTC vide letter dated 20.05.2025 to participate in price negotiations. In pursuance of the same, the petitioner vide letter dated 26.05.2025 offered a negotiated price of Rs. 15.25 per kilometre.

3.4 In the month of June 2025, the respondent-RSRTC proceeded to issue the Letter of Intent (LOI) in favour of respondent No. 4-the L-2 bidder, who had agreed during the parallel negotiations to lower its rate to Rs. 13.00 per kilometer, which was lower than the negotiated rate of Rs. 15.25 per kilometer offered by the petitioner. Aggrieved by the award of the contract to the L-2 bidder, the petitioner has approached this Court by filing the present writ petition.

SUBMISSIONS PUT FORTH ON BEHALF OF THE PARTIES:

4. At the outset, learned counsel for the petitioner submitted that the action of the respondent-RSRTC in bypassing the L-1 bidder and conducting post-bid price negotiations is patently illegal, discriminatory, and contrary to the explicit statutory provisions of the RTPP Act and the rules framed thereunder.

5. It was submitted that Section 15 of the RTPP Act categorically prohibits price negotiations with any bidder after the opening of financial bids, subject to narrow statutory exceptions, such as Sections 31 and 35, which do not apply to the present open bidding process.

Therefore, the action of the respondents in carrying out negotiations is entirely *ultra vires* and beyond their statutory jurisdiction.

6. It was further submitted that once the petitioner was declared the successful L-1 bidder, the respondents were under a legal obligation to award the contract to the petitioner, and that the State authorities cannot run contrary to the provisions of the parent Act. In support of the contentions made insofar, learned counsel placed reliance on the landmark judgment of the Hon'ble Supreme Court in **Tata Cellular v. Union of India**, reported in **(1994) 6 SCC 651** and submitted that the writ petition is maintainable as the administrative action of the respondents is tainted with gross arbitrariness and legal infirmity.

7. *Per contra*, learned counsel Mr. Prateek Mathur, appearing on behalf of the respondent-RSRTC vehemently opposed the present writ petition and raised a preliminary objection regarding its maintainability. It was submitted that judicial review is highly restricted in commercial and contractual matters, and that the Writ Court cannot sit as an appellate authority over the financial and business decisions of the Corporation.

8. It was next submitted that the tender document explicitly contained a clause reserving the sole discretion of the RSRTC to accept or reject any bid at any stage. It was argued that in the larger interest of the Corporation, price negotiations were conducted with both the L-1 and L-2 bidders in a fair and transparent manner. It was further submitted that while the petitioner refused to offer any rate below Rs. 15.25 per kilometer, the L-2 bidder-respondent No.4 agreed to perform the contract at the rate of Rs. 13.00 per kilometer, thereby saving substantial public revenue for the Corporation.

9. To justify the procedure of the price negotiations carried out by the respondents, reliance has been placed upon Rule 70(3) of the

Rajasthan Transparency in Public Procurement Rules, 2013 and it was next submitted that the petitioner actively participated in the negotiation proceedings without any demur, and having failed to match the lowest offer, is now hit by the principles of estoppel and acquiescence. In regard of the aforesaid contentions, learned counsel relied upon the judgment dated 05.12.2024 passed by the Co-ordinate Bench of this Court at the Principal Seat, Jodhpur in **S.B. Civil Writ Petition No. 17666/2024** titled **Mahadev Stone Crusher v. State of Rajasthan & Ors.**, wherein it has categorically been held that if a bidder participates in post-bid negotiations, they cannot subsequently challenge the rejection of their bid and the same will be hit by the principles of estoppel.

DISCUSSION AND FINDINGS:

10. Having heard the rival arguments advanced by learned counsel for the parties at length, considering the judgments cited at Bar, and upon an assiduous perusal of the material available on record, including the administrative records of the respondent-Corporation, this Court has formulated the following views:

11. As a threshold matter, this Court must address the preliminary objection regarding the maintainability of the writ petition under Article 226 of the Constitution of India. While it is a settled principle that courts must exercise judicial restraint in commercial and contractual matters, as public authorities require a certain degree of administrative flexibility, it is equally trite that executive actions must strictly conform to the rule of law. When a statutory body acts in flagrant disregard of a parent legislation, the Writ Court is not only competent but is duty bound to interfere to correct such a patent legal infirmity. Hence, the present writ petition is maintainable.

12. Adverting to the nitty-gritty of the instant dispute, the primary question of law to be adjudicated is whether the respondent-Corporation, by incorporating terms in its bid document, can permit post-bid price negotiations in direct contravention of the parent statute. For better adjudication of the matter at hand, it is apposite to analyze the mandate as enshrined under Section 15 of the RTPP Act, 2012, which is reproduced as under:

"15. Price negotiations.- Save as otherwise provided in Section 31 or Section 35 or in such circumstances and subject to such conditions as may be prescribed, no price negotiation shall be held by a procuring entity with a bidder with respect to a bid presented by him."

(emphasis supplied)

13. This Court has also analyzed the impugned condition as enshrined under the tender document and the same has been reproduced as under:

"The procuring entity shall award the contract to the bidder whose offer has been determined to be the lowest or most advantageous and if the bidder has been determined to be qualified to perform the contract satisfactorily on the basis of qualification criteria fixed for the bidders in the bidding document for the subject matter of procurement i.e. hiring of buses on kilometer basis."

(emphasis supplied)

14. An assiduous analysis of the statutory scheme reveals that the provisions enshrine under Section 15 of the RTPP Act allows price negotiations only in exceptional circumstances under Sections 31 and 35, which pertain uniquely to emergent tenders and sole-bidder/single-source procurement. The present tender, being an open competitive bidding process, falls squarely within the restrictive mandate of Section 15 of the RTPP Act.

15. It is a settled proposition of law that the instructions, guidelines, or tender conditions issued by the State authorities and its

instrumentalities cannot march contrary to, bypass, or override the explicit provisions of the parent Act. If a bid condition or a rule runs contrary to the parent statute, the same is *ultra vires*, void, and non-est. In regard of the aforesaid observations, this Court places reliance upon the judgments encapsulated by the Hon'ble Supreme Court in **Laghu Udyog Bharati v. Union of India, (1999) 6 SCC 418, Collector of Central Excise, Vadodara v. Dhiren Chemical Industries, (2002) 2 SCC 127**, and subsequently clarified by the Hon'ble Constitution Bench in **Commissioner of Central Excise, Bolpur v. Ratan Melting & Wire Industries, (2008) 13 SCC 1**, wherein the settled position of law has been unequivocally reiterated that subordinate legislation, administrative circulars, guidelines, or executive instructions cannot override, bypass, or supplant the explicit statutory provisions of law. Therefore, the terms and conditions of the bid document permitting post-bid negotiations in an open tender are void and the same are not sustainable in the eyes of law.

16. The respondents have contended that the petitioner, having participated in the negotiation meetings on 20.05.2025 and 26.05.2025, is hit by the principles of estoppel and acquiescence and the reliance in regard of the aforesaid submissions has been placed upon the judgment of the Co-ordinate Bench of this Court in **Mahadev Stone Crusher (supra)**. This Court notes that while the principles of estoppel and acquiescence are relevant, it is equally trite that there can be no estoppel against a statute, and therefore, this Court is of the considered view that statutory violation of Section 15 of the RTPP Act cannot be validated or cured by the mere participation of a bidder in an illegal negotiation process.

17. However, this Court cannot shut its eyes to the subsequent developments and the element of delay and laches in the present case.

It is pertinent to note that the Letter of Intent (LOI) was issued to respondent No. 4 in the month of June 2025 and the petitioner, despite being aware of the same, chose to approach this Court only in the month of October 2025, after an unexplained lapse of approximately four months. In the intervening period, much water has flown under the bridge; the LOI has already been issued, the performance has commenced, and the commercial operations are currently ongoing.

18. Taking note of the fact that in commercial and public utility contracts, time is of the absolute essence, this Court is of the view that disrupting the public transportation services at this belated stage by quashing an awarded contract would cause immense inconvenience to the general public and the same will result in severe administrative chaos.

19. Moreover, considering the peculiar facts and circumstances of the case at hand, this Court is of the opinion that the public interest in the continuous operation of RSRTC buses must be balanced against the technical violation of the procurement law, especially when the actions of the respondent-RSRTC were guided by the *bona fide* objective of saving substantial public revenue by securing a rate of Rs. 13.00 per km against the petitioner's offer of Rs. 15.25 per km.

CONCLUSION:

20. In light of the aforesaid, this Court deems it apposite to note that while the present writ petition cannot be allowed to the extent of quashing the concluded contract due to the efflux of time, the flagrant disregard of the RTPP Act by a State instrumentality such as the RSRTC cannot be condoned. The statutory safeguard under Section 15 of the RTPP Act was enacted to prevent arbitrary, non-transparent, and corrupt practices in public procurement. Bypassing this statutory

mandate by incorporating contrary terms in bid documents strikes at the very root of public accountability.

21. In view of the foregoing discussions, findings and considering the peculiar and unique nature of facts and circumstances involved in the present case, this Court answers the point of law in favour of the petitioner and holds that post-bid price negotiations in open competitive bidding tenders are strictly prohibited and illegal as per the provisions enshrined under Section 15 of the RTPP Act, 2012.

22. Accordingly, the present writ petition is disposed in light of the aforesaid observations. However, this Court refrains from interfering with the ongoing contract of respondent No.4 due to delay, laches, and subsequent developments.

23. The respondent-RSRTC is hereby directed to strictly abide by the provisions of Section 15 of the RTPP Act, 2012, in all future open bidding tenders, and is restrained from incorporating any terms, conditions, or guidelines in its bid documents that permit post-bid price negotiations contrary to the parent Act.

24. It is cautiously made clear that the present judgment shall not be treated as binding precedent *qua* the work order issued in furtherance of the Notice Inviting Tender/Bid processes.

25. With the above observations and directions, the writ petition stands disposed of. Pending applications, if any, shall also stand disposed. No order as to costs.

(SAMEER JAIN),J

DEEPAK/