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08.01.2026
Court. No. 25
D.Hira

WPA 29996 of 2025

Shree Jagdamba Coke Industries
Private Limited & Anr.
Vs.
Union of India & Ors.

Mr.Saptangsu Basu, Sr. Adv.,
Mr. Amritam Mondal,
Mr. Supravat Banerjee,
Mr. Jyotirmoy Jha.

...for the Petitioners.

Mr. Souvik Nandy, Sr. Adv.,
Ms. Supriya Dubey.

... for the respondent Nos. 2 to 4

Mr. Amal Kumar Datta,
Mr. Ram Chandra Agarwal.

... for the Union of India

1. The petitioners have filed the present writ application challenging the tender notice issued by the Steel Authority of India for supply of coke breeze of 92,500 metric tons for six months at their plants at IISCO Steel Plant, Rourkela Steel Plant and Durgapur Steel Plant.
2. Learned counsel for the petitioners submits that as per Clause 5 (2) (b) of the eligibility criteria of the said tender, the bidders should have supplied minimum 24,500 metric tons coke breeze by rail to any Central or State Government organizations/PSU/Public Limited Company over a period of any consecutive twelve months during the last five financial years and current financial year

ending last day of the month prior to the month in which this tender is issued.

3. Mr. Saptangsu Basu, learned senior advocate appearing for the petitioners submits that the condition imposed by the Steel Authority of India for supply of coke breeze by rail is arbitrary in nature and is only to favour a particular entity and no other bidders in the entire market can participate in the said tender.
4. This application was moved before the Vacation Bench on 31st December, 2025 and this Court has passed an interim order restraining the respondent authorities for taking any decision for inviting tender till 8th January, 2026 and the Steel Authority of India is directed to file a report on the date fixed.
5. Today when the matter is called on, learned counsel appearing for the Steel Authority of India has filed a report after serving a copy to the learned counsel for the petitioners.
6. Learned counsel for the respondents has raised the issue of maintainability of the present writ application, on the ground that this Court is not having jurisdiction to entertain the writ application as the Steel Authority of India has published the tender from Rourkela Steel Plant and the tender is to be concluded at Rourkela Steel Plant itself. Thus, this Court is not having jurisdiction.

7. The second point raised by the respondents is that the Court does not have the expertise to examine the terms and conditions of the tender document and cannot interfere with the tender process.
8. Learned counsel appearing for the respondents in support of his submissions has relied upon the judgment in the case of ***Oil And Natural Gas Commission Vs. Utpal Kumar Basu & Ors.*** reported in ***(1994) 4 Supreme Court Cases 711*** and submits that in the said case also the Hon'ble Supreme Court has held that the tender was submitted and scrutinized at New Delhi and the execution of the contract works to be carried out at Hazira in Gujarat and merely because advertisement was made at Calcutta and representation was made from Calcutta would not constitute cause of action.
9. Learned counsel for the respondents have further relied upon the judgment in the case of ***Kusum Ingots & Alloys Ltd. Vs. Union of India & Anr.*** reported in ***(2004) 6 Supreme Court Cases 254*** and submits that in the said case also the Hon'ble Supreme Court has considered the case of ***Oil and Natural Gas Commission (supra)*** and held that in order to confer jurisdiction on a High Court to entertain a writ petition it must disclose that the integral facts pleaded in support of the cause of action do constitute a cause so as to empower the

Court to decide the dispute and the entire or a part of it arose within its jurisdiction.

10. He submits that in the present case no cause of action arose within the jurisdiction of this Court and all cause of action is in Rourkela.
11. He further relied upon the judgment in the case of ***Jagdish Mandal vs. State of Orissa & Ors.*** reported in ***(2007) 14 Supreme Court Cases 517*** and submits that the Hon'ble Supreme Court has categorically held that when the power of judicial review is invoked in the matter relating to the tenders or award of contracts certain special features should be borne in the mind. But in the present case, there is no such special feature is brought to the notice of this Court by the petitioner, so that this Court can entertain the writ petition filed by the petitioner.
12. Learned counsel for the respondents have relied upon the judgment in the case of ***Afcons Infrastructure Limited Vs. Nagpur Metro Rail Corporation Limited & Anr.*** reported in ***(2016) 16 Supreme Court Cases 818*** and submits that a mere disagreement with the decision making process or the decision of the administrative authority is no reason for a constitutional Court to interfere with the matter.
13. He further relied upon the judgment in the case of ***N.G. Projects Limited Vs. Vinod Kumar Jain &***

Ors. reported in **(2022) 6 Supreme Court Cases 127** and submits that the tender condition is primarily upon the authority inviting the bids. Such authority is aware of the expectations from the tenderers while evaluating the consequences of non-performance.

14. He submits that in the present case, the authorities is of the view that the Coke Breeze should be supplied by the tenderer in a safe condition and the Rail Rack protect material quality better than road transport in India.
15. Accordingly, the authorities have imposed the condition for supply of the coke breeze by rail.
16. He submits that the petitioners have not made out any case of arbitrary on behalf of the respondents and have also not made out any case for interfering in the tender process. Accordingly, he prays for dismissal of the writ petition.
17. Per contra, learned counsel appearing for the petitioners in reply has relied upon the judgment in the case of **Meerut Development Authority Vs. Association of Management Studies & Anr.** reported in **(2009) 6 Supreme Court Cases 171** and submits that the tender is an offer. It is something which invites and is communicated to notify acceptance. Broadly stated it must be unconditional, it must be in the proper form, the

person by whom tender is made, must be able to and willing to perform his obligations.

18. He submits that by incorporating the condition for supply of coke breeze by rail, the respondent authorities intending to issue the tender work only for their favourite bidder knowing that in India only two firms are supplying coke breeze by rails, that is, one M/s. Mahalaxmi Wellman Fuel and M/s. Vimla Fuel and Metals Private Limited but at present M/s. Vimla Fuel and Metals Private Limited has already been suspended. Only to favour M/s. Mahalaxmi Wellman Fuel and to oust all other parties have incorporated the condition for supply by Rail Rack.
19. Heard the leaned counsel for the respective parties and perused the materials on record.
20. The eligibility criteria of the tender documents at Clause 5 reads as follows:

5. Eligibility Criteria:-

1) Documentary evidence in support of their eligibility to be attached along with the techno-commercial bid, failing which the offer is liable to be rejected.

2) Eligibility Criteria In order to be eligible to participate in this tender, the bidder must fulfill the following-

a) The tenderer should be manufacturers of coke or coke Breeze. In support of being a manufacturer of coke / coke breeze, tenderer must submit the documentary evidence i.e.,

manufacturing license issued by Govt. authority/certificate issued by Pollution control board/DIC/SSI/NSIC Certificate etc. The above certificate(s) must be submitted duly self certified by authorized person of the company. The documentary evidence indicating the bidder as manufacturer of Coke or Coke Breeze must be valid as on opening of Bid and it is the responsibility of the bidder to ensure the validity of the manufacturing certificate throughout the contract period.

b) For ISP & RSP market: Bidder should have supplied minimum 24500MT of coke breeze by Rail to any Central/State govt. Organization/PSU/Public limited company over a period of any consecutive 12 months during the last five financial years and current financial year ending last day of the month prior to the month in which this Tender is issued.

For DSP market: Bidder should have supplied minimum 15750MT of coke breeze by Rail to any Central/State govt. Organization/PSU/Public limited company over a period of any consecutive 12 months during the last five financial years and current financial year ending last day of the month prior to the month in which this Tender is issued.

The Tenderer shall submit self attested copies of the Purchase Order(s) and a consolidated statement duly certified by Chartered Accountant with valid UDIN & registration no.,

mentioning Purchase order no. & date, Customer name & city, dispatch details (RR no. RR date and RR quantity) and total supplied Quantity in support of their meeting the eligibility criteria.

3) SAIL reserves the right to call for original documents for verification at any time during tendering, evaluation and/or the execution of the contract. In case of any documents/information submitted by bidder(s) found to be false and containing any misrepresentation of having any fraudulent declaration in it, then in such eventually, legal action (including cancellation of contract, banning of business dealing, damages criminal proceeding etc.) as deemed fit may be initiated by SAIL against the bidder.

4) Only manufacturer of coke or coke breeze is allowed to participate. Offer of traders/dealers will not be considered for this tender.

5) In case any specific adverse report is received against a tenderer, as an information or upon enquiry made by SAIL, in respect of capabilities and performance of the tenderer, after receipt of tender (even after opening of price bid), the quotation/tender submitted by such tenderer is liable to be rejected.”

21. As per the Clause 5 (2) (b), the bidders should have supplied the minimum 24,500 metric tons of coke breeze by rail for ISP and RSP market and minimum 15750 MT for DSP market. Admittedly, the petitioners are not supplying the coke by rail.

The respondent authorities have filed their report by justifying why the condition for supply of coke breeze by rail has been imposed in the tender condition, which reads as follows:-

4. In compliance with the said directions, I beg to submit this report in the form of an affidavit and rely upon the stand of the SAIL and the reply of the respondent Nos. 2 to 4 in the form of this Affidavit in response to the query of the Hon'ble Court. The stand of the SAIL reproduced below, it has been clearly mentioned that on what basis such decision was taken by the Tendering authorities for inviting tender by way of transport through Rail and excluding road transportation by inserting the particular clause in the Tender, such as:

- i) That Pilferage of material during road transit is a significant and persistent issue in India, with the logistics sector losing an estimated Rs.13,000 crore annually to cargo theft and pilferage.**
- ii) A full railway rake movement is generally a more cost-effective freight solution than road transportation methods, especially for large volumes of goods over long distances.**
- iii) Rail rakes (trains) protect material quality better than road transport in India.**
- iv) Trucks involve multiple loading/unloading points and road travel vibrations, causing significant breakage and creating fine dust (fines) from coke breeze, which degrades quality.**

v) Rakes move large quantities in one go with fewer transfers, and wagons offer a more stable journey, preserving the particle size distribution crucial for coke quality.

vi) Railways move massive volumes (e.g., 3,000-4,000 tones per rake) much faster than numerous trucks, reducing the time coke breeze is exposed to adverse weather and handling, ensuring it reaches the plant in better condition.

vii) The requirement of Coke breeze in bulk quantities is essential for maintaining continuous production at SAIL units. Any delay in supply will lead to loss of production having significant adverse monetary impact. Hence, prior experience in terms of proven supply capability including the mode of transport opted (in this case rail) is considered essential.

viii) In case such bulk requirement of Coke breeze is transported by road in trucks, there is high chance of spillage even after covering of the material being transported. Past experience of transportation of this material through road shows that it has led to spillage enroute to the Plant as also inside the Plant thereby causing pollution and safety hazard.

ix) For aforesaid reasons, SAIL/RSP had a reasonable basis for preferring the Suppliers having the capacity to send the material supplied through Rail Rakes over that of road transport. Rourkela Steel Plant, the Central Procurement Agency in present case, is constantly and successfully receiving the

supply of material through Rail Rake and not from the road transport. We are citing an example of previous procurement of material by SAIL/RSP through Rail as under.”

22. This Court considers the justification provided by the authorities. The authorities have issued the tender for supply of coke breeze. In Clause 6 of the tender conditions mode of dispatch is prescribed. In the said conditions also it is mandatory to supply the coke breeze by rail rack. If the bidders will supply the coke breeze by road transport also, the coke breeze supplied by the bidder to the actual weight and quality is to be checked by the purchaser. If the purchaser finds that the materials supplied by the bidder the quality and quantity is not complied with the terms and conditions of the tender document, the purchaser is at liberty to refuse to accept with the direction to supply in terms of the tender condition. If the condition of mode of dispatch is taken into consideration, the same condition can be imposed if the coke breeze is supplied through road transport.

23. Considering the above, this Court is not satisfied with the justification given by the authorities for imposing condition for supply of coke breeze by rail.

24. This Court also finds that in paragraph 21 of the writ application, the petitioners have made a specific averment that the respondents have deliberately and intentionally to give favour to one supplier imposed such condition.
25. In the report submitted by the authorities it is mentioned that two successful parties namely, M/s. Mahalaxmi Wellman Fuel and M/s. Vimla Fuel and Metals Private Limited are the successful parties.
26. It is the submission made by the petitioners that M/s. Vimla Fuel and Metals Private Limited is closed and only M/s. Mahalaxmi Wellman Fuel is supplying the coke by rail rack.
27. Considering the above, this Court finds that by incorporating the condition to supply coke breeze by Rail refrains many firms for participating in the tender process and the reasons assigned for incorporation of the said condition is not justifiable.
28. Accordingly, this Court has entertained the writ application.
29. As regards the jurisdiction of this Court, admittedly the authorities have published the tender from Rourkela and the tender process is to be completed at the office of Rourkela but as per the tender document the tenderer has to supply the coke at IISCO Steel Plant which is situated at West Bengal

and also to Durgapur Steel Plant which is also situated at the State of West Bengal.

30. The judgment relied by the petitioners in the case of ***Kusum Ingots & Alloys Ltd. (supra)*** and ***Oil and Natural Gas Commission (supra)*** are distinguishable from the facts of the present case. In the case in hand, cause of action arose at Rourkela as well as in the State of West Bengal, thus this Court is also having jurisdiction to entertain the writ application.
31. Considering the above, the respondent authorities are directed to proceed with the tender process without imposing the condition for supply of the coke breeze by rail only.
32. Accordingly, WPA No. 29996 of 2025 is disposed of.
33. Urgent Photostat certified copy of this order, if applied for, be supplied to the parties upon compliance with all the necessary formalities.

(Krishna Rao, J.)