

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.14030 of 2025

M/s Frontline (NCR) Business Solutions Pvt. Ltd. through its Authorised representative Anand Ashesh, Male, aged about 35 years, S/o Surendra Singh, Assistant Manager having its office at 301, 3rd Floor, Super Market Building, Frazer Road, Patna- 800001, R/o - Naya Kendriya Revenue Quarter, South Mandiri, P.O. GPO and P.S. - Kotwali, Patna, Bihar- 800001.

... ... Petitioner/s

Versus

1. Lalit Narayan Mithila University through its Registrar, Rameshwar Nagar, Darbhanga, Bihar- 846008.
2. Vice-Chancellor, Lalit Narayan Mithila University through its Registrar, Rameshwar Nagar, Darbhanga, Bihar- 846008.
3. Registrar, Lalit Narayan Mithila University Rameshwar Nagar, Darbhanga, Bihar- 846008.
4. Samanta Security and Services Pvt. Ltd. having its office at Shashi Complex, Road No. 205, Second Floor, Exhibition Road, Patna- 800001.

... ... Respondent/s

Appearance :

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| For the Petitioner/s | : | Mr. Umesh Prasad Singh, Sr. Advocate |
| | : | Mr. Vaibhava Veer Shanker, Advocate |
| | : | Mr. Kumar Gaurav, Advocate |
| For the Respondent/s | : | Mr. Bindhyachal Rai, Adv. |
| For the LNMU | : | Mr. Md. Nadim Seraj, Advocate |
| | : | Mr. Shaileshh Kumar, Advocate |
| For Respondent No. 4 | : | Mr. Siddhartha Prasad, Advocate |
| | : | Mr. Om Prakash Kumar, Advocate |

CORAM: HONOURABLE THE CHIEF JUSTICE
and
HONOURABLE MR. JUSTICE ALOK KUMAR SINHA
CAV JUDGMENT
(Per: HONOURABLE MR. JUSTICE ALOK KUMAR SINHA)

Date : 24-09-2025

Heard the parties

2. The petitioner in the present writ application has
prayed for following reliefs:

*“(i) To issue a rule NISI in the nature
of writ of mandamus commanding the respondents*



to disclose all the relevant documents including the bid documents submitted by respondent no. 4 being one of the bidder who has been declared successful bidder after opening of the price bid as 'L1' in violation of the terms and conditions of the tender documents/ Notice Inviting Tender (NIT).

(ii) To issue a rule NISI in the nature of writ of mandamus directing the respondents to disclose the decision of the tender committee declaring the respondent no. 4 after opening of the financial bid as 'L1'

(iii) To issue a rule NISI in the nature of writ of certiorari to quash and cancel the decision of the tender committee dated 06.08.2025 by which the respondent no. 4 has been declared as 'L1'

(iv) To issue a writ of mandamus directing the respondents to consider the matter afresh and be further pleased to direct that the work should be awarded to the bidder who has submitted the bid complying all the provisions of NIT."

3. Learned counsel for the petitioner submits that the petitioner is a company incorporated under the provisions of the Companies Act and has approached this Hon'ble Court under Article 226 of the Constitution, being aggrieved by the decision of the Tender Evaluation Committee dated 06.08.2025, whereby respondent no. 4 has been declared as the successful bidder (L1) in



complete violation of the mandatory terms and conditions of the Notice Inviting Tender (NIT). It is contended that the tender in question was issued by respondent no. 2 and respondent no. 3 vide advertisement no. EST/01/25 for "*Hiring of agency for providing Security and Housekeeping service for the L.N. Mithila University, Darbhanga.*" The learned counsel points out that the said tender invited as per section III Special Conditions of Contract, the intending bidders were required to comply besides other terms and conditions of the NIT, one of the terms & conditions which forms part of Section no. III of the Special Conditions of Contract (Relevant clauses of NIT- Annexure-P/1 AND Format of the Financial Bid- Annexure-P/2), the relevant clause (iii) reads thus:-

"The applying firm will quotes the ESL, EPF, Bonus, Uniform, Uniform washing and HRA rate in the column Daily Wages Rate on the current rate as per the Govt. Norms as quoted in the Part A of the Financial Bid (Statutory wages and deduction should be as per norms). Bidders not quoting rates in accordance with the prescribed format will be outrightly rejected."

[Emphasis Supplied]

4. The petitioner's counsel submits that three bidders, including the petitioner and respondent no. 4, were found technically qualified and, accordingly, their financial bids were opened on 06.08.2025. However, despite the categorical stipulation in the tender conditions, respondent no. 4 quoted less



than the minimum rate prescribed for EPF and, more significantly, quoted “NIL” in the Bonus column. The petitioner, on the other hand, quoted Bonus @ 8.33% and EPF @ 13% in strict compliance with the prescribed format. It is further contended that, had respondent no. 4 quoted the statutory minimums as mandated, it would have stood relegated to the position of ‘L3’ and could not have been declared successful.

5. Learned counsel for the petitioner therefore submitted that the quotation of ‘NIL’ in respect of statutory dues such as EPF and Bonus cannot be regarded as a clerical error but amounts to a material non-compliance of the tender conditions as well as a breach of statutory obligations under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Payment of Bonus Act, 1965, and the Minimum Wages Act. It is urged that the acceptance of such a non-compliant bid by the respondents has resulted in conferring an unfair advantage upon respondent no. 4, thereby violating the doctrine of level playing field in public procurement, which flows from Article 14 of the Constitution.

6. The learned counsel further submits that immediately upon declaration of the result on 06.08.2025, the petitioner submitted a detailed representation on 06.08.2025 (Annexure: P/3) before respondent no. 3 highlighting the illegality and arbitrariness



in the decision of the Tender Committee. Another technically qualified bidder, namely Elitefalconz Pvt. Ltd., also lodged a representation on 07.08.2025 (Annexure: P/3) raising identical grievances. However, both representations were neither considered nor replied to, thereby demonstrating clear bias and favoritism extended to respondent no. 4. The inaction of the respondents in not responding to the objections filed by the unsuccessful bidders is asserted to be violative of the principles of natural justice, particularly the right to a fair hearing.

7. It is also submitted that the present tender, unlike in the past eight years where the engagement of security services was initially for two years extendable for one more year, has now been awarded for a period of four years, extendable for two further years on satisfactory performance. Such a departure from past practice, according to the learned counsel, reinforces the suspicion that the impugned tender has been tailored to favour respondent no. 4 and to secure its engagement for an unusually long term of six years, thereby excluding fair competition for a significant duration.

8. The learned counsel for the petitioner, therefore, argues that the impugned action of the respondents in awarding the contract to respondent no. 4, despite its non-compliance with



mandatory statutory requirements, is arbitrary, unreasonable, and malafide, and is liable to be interfered with by this Hon'ble Court in the exercise of its writ jurisdiction. It is urged that the action of the respondents not only undermines the statutory labour law protections available to the workmen who are to be engaged under the contract but also has serious financial implications involving public funds.

9. Learned counsel for the respondent No.4, on the other hand, has opposed the writ petition and submits that the Lalit Narayan Mithila University, Darbhanga, had issued Tender Notice vide Advertisement No. Est./01/2025 inviting bids for hiring of an agency to provide Security and Housekeeping Services at the University premises. Pursuant thereto, the last date for submission of bids was duly fixed as 31.07.2025. It is contended that both the petitioner as well as respondent no. 4, namely M/s Samanta Security & Intelligence Service Pvt. Ltd., along with other bidders, duly participated in the tender process by submitting their bids within the prescribed time and format. It is further submitted that the provisions contained in the Special Conditions of Contract (Section III) were made applicable, which clearly stipulated that the intending bidders were required to quote statutory contributions such as ESI, EPF, Bonus, Uniform, Uniform washing



and HRA strictly in accordance with the prescribed norms. Learned counsel states that respondent no. 4 duly submitted its financial bid before the competent authority of the University in conformity with the said stipulations, and upon evaluation, was found to be the lowest bidder (L-1). Consequently, after scrutiny of the financial bids, the petitioner was placed in the category of L-3, whereas respondent no. 4 was declared successful.

10. Learned counsel for the respondents further submits that thereafter, the University, being satisfied with the compliance of all requisite conditions, executed an agreement with respondent no. 4 on 30.08.2025 (Annexure:R/B), thereby binding both parties to the terms and conditions of the contract. It is urged that only after the declaration of the result did the petitioner, out of malafide intention and with ulterior motive, approach this Court alleging violation of tender conditions.

In so far as the grievance regarding quotation of “NIL” in the Bonus column is concerned, learned counsel explains that the same was quoted only in respect of the category of Security Supervisor (Ex-Man) and Security Guard with arms (Ex-Man). Reliance is placed on the Payment of Bonus Act, 1965, as amended by the Payment of Bonus (Amendment) Act, 2015, whereby employees whose monthly wages exceed ₹21,000/- are



not entitled to statutory bonus. It is submitted that the Security Supervisor (Ex-Man) is paid a basic wage of ₹26,280/- per month and the Security Guard with arms (Ex-Man) to be is to be paid ₹23,218/- per month, both of which are above the statutory ceiling of ₹21,000/-. Accordingly, respondent no. 4 rightly filled “NIL” in the bonus column for these categories, whereas for employees entitled to bonus, the statutory rates would be applicable. It is submitted that this action is in strict compliance with the provisions of Section 2(13) read with Section 10 of the Payment of Bonus Act, 1965, and cannot be treated as a breach of tender conditions.

With regard to the Employees’ State Insurance (ESI), learned counsel points out that under the Employees’ State Insurance Act, 1948, as amended in 2016, the wage ceiling for coverage was enhanced to ₹21,000/- per month, and the statutory contribution rate was revised to 3.25% of wages payable by the employer. Respondent no. 4, while submitting its financial bid, has strictly adhered to this mandate and quoted the contribution rate accordingly. It is thus contended that no illegality can be attributed to respondent no. 4 in respect of the ESI component.

As regards the Employees’ Provident Fund (EPF), learned counsel for the respondents submits that under the



Employees' Provident Funds and Miscellaneous Provisions Act, 1952, contributions are payable only on the prescribed wage ceiling of ₹15,000/- per month. Employees whose monthly wages exceed ₹15,000/- fall within the definition of "excluded employees" under Para 2(f) of the EPF Scheme, 1952. Accordingly, the contribution quoted by respondent no. 4 was restricted to the statutory ceiling, and a fixed contribution amount was mentioned in respect of the categories of Security Supervisors and Security Guards whose wages exceed the ceiling. It is thus contended that the quotation of EPF contribution by respondent no. 4 is also in consonance with statutory requirements, and no deviation or irregularity can be alleged.

11. Learned counsel for the respondent further submits that the writ petition is vague and speculative, filed without supporting documents, and is based on mere conjectures and surmises. It is pointed out that after execution of the agreement dated 30.08.2025, respondent no. 4 has already commenced work in accordance with the terms of the contract, and since the commencement of services, no complaint has been received by the Registrar of the University. On the contrary, the work of respondent no. 4 has been found to be satisfactory and efficient.



It is also urged that respondent no. 4 has participated in several other tenders floated by different institutions, including in the State of Jharkhand, where similar rates and terms were quoted and duly accepted by the competent authorities without any objection. This, according to learned counsel, demonstrates that the bid submitted by respondent no. 4 is strictly in conformity with law and industry practice, and the objections raised by the petitioner are unfounded and motivated. In view of the above, learned counsel for the respondents submits that the writ petition deserves to be dismissed as misconceived and lacking in merit, as the petitioner has failed to establish any arbitrariness, illegality, or violation of statutory provisions in the award of the tender to respondent no. 4.

ISSUES IN QUESTION:

1. Whether the present writ petition can be entertained, particularly when it has been instituted after the declaration of the result of the financial bid?

2. Whether respondent no. 4 has complied with the mandatory tender conditions in relation to statutory contributions towards Bonus, Employees' State Insurance (ESI), House Rent Allowance (HRA), and other allied



components, or whether such deviations, if any, would entail disqualification?

3. Whether Condition No. 3 of the Special Provisions, which mandates that statutory wages and deductions should be quoted strictly as per norms, is required to be interpreted in consonance with the governing legislations such as the Payment of Bonus Act, 1965, the Employees' State Insurance Act, 1948, and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952?

4. Whether the decision of the University in declaring respondent no. 4 as the lowest bidder (L-1) and awarding the contract in its favour suffers from arbitrariness, mala fides, or violation of Article 14 of the Constitution of India, thereby warranting interference by this Court in exercise of its writ jurisdiction?

FINDINGS:

Issue 1: Whether the present writ petition can be entertained, particularly when it has been instituted after the declaration of the result of the financial bid?

At the very outset, it is necessary to test the maintainability of the present writ petition in the backdrop of well-settled principles of law governing judicial review in contractual



and tender matters. The facts are not in dispute that the financial bids were opened, respondent no. 4 was declared as the lowest bidder (L-1), and thereafter a formal agreement was executed between the University and respondent no. 4 on 30.08.2025. It is further borne from the record that respondent no. 4 has already commenced the work and is discharging its obligations under the terms of the contract.

In such circumstances, the present petition, filed after the culmination of the tender process, seeks to unsettle a concluded contract.

The law is well settled that writ jurisdiction under Article 226 is primarily preventive and not curative in matters relating to tenders. Where the tender process has already reached its logical conclusion and contractual rights have crystallised, courts have consistently exercised restraint in entertaining belated challenges. It is by now trite law that once the tender process has culminated into a concluded contract, ordinarily no writ would lie to annul the same, except in cases where the action of the State or its instrumentalities is shown to be vitiated by mala fides, arbitrariness, or violation of statutory/constitutional provisions.

In *Jagdish Mandal v. State of Orissa* reported in (2007) 14 SCC 517, the Court emphasized that post-contract interference



is impermissible except in cases of patent illegality or mala fides, which must be specifically pleaded and proved. Mere dissatisfaction of an unsuccessful bidder is no ground to disturb a concluded contract. Equally instructive is the judgment in *State of U.P. v. Sudhir Kumar Singh* reported in *(2020) 10 SCC 492*, where the Hon'ble Supreme Court reiterated that a concluded contract cannot be lightly disturbed by writ proceedings unless prejudice caused by a patent illegality is clearly established.

Applying the above test to the present case, it is manifest that the petitioner has not demonstrated any mala fide, arbitrariness, or violation of statutory norms in the tender process. The grievance of the petitioner arises only after respondent no. 4 was declared successful. The challenge, therefore, appears to be an afterthought, lacking any substantive legal foundation.

In the present case, the petitioner has approached this Court only after the declaration of the financial results and the contract has already been executed, by which stage a vested right has accrued in favour of respondent no. 4 and corresponding obligations have arisen on the part of the University. Interference at this juncture would not only unsettle a concluded contract but also cause administrative chaos and financial loss to the public exchequer.



In view of the above discussion, this Court is of the opinion that the writ petition, having been instituted after the declaration of the financial bid and there is a subsequent execution of agreement dated 30.08.2025, and thus, cannot be entertained at this stage. The challenge is belated, seeks to unsettle a concluded contract, and does not warrant interference.

Issue 2: Whether respondent no. 4 has complied with the mandatory tender conditions in relation to statutory contributions towards Bonus, Employees' State Insurance (ESI), House Rent Allowance (HRA), and other allied components, or whether such deviations, if any, would entail disqualification?

The principal objection raised by the petitioner is that respondent no. 4 quoted "nil" or lesser figures in certain columns of the financial bid, particularly in relation to Bonus and EPF, and thereby rendered its bid non-compliant with the mandatory requirements of the tender. It is contended that such a deviation ought to have led to outright rejection of the bid.

Having considered the material placed on record, this Court is of the view that the allegation of non-compliance is not substantiated. The Special Condition No. 3 of the tender required that "the applying firm will quote the ESI, EPF, Bonus, Uniform,



Uniform washing and HRA rate in the column Daily Wages Rate on the current rate as per the Government norms quoted in Part A of the financial bid (Statutory wages and deductions should be as per norms)” The operative phrase here is “***as per norms.***” Thus, the requirement was not of an arbitrary quotation but of adherence to statutory prescriptions.

From the material placed on record, however, it emerges that the quotation of “NIL” Bonus was confined only to those categories of employees whose wages exceeded the statutory ceiling of ₹21,000/- per month, namely Security Supervisor (Ex-Man) and Security Guard with arms (Ex-Man). Section 2(13) read with Section 10 of the Payment of Bonus Act, 1965 makes it clear that employees drawing wages beyond the notified ceiling are outside the purview of the Act and are not statutorily entitled to bonus. In that view, the entry of “NIL” against such categories cannot be said to be contrary to law or to the tender stipulations, since the requirement was to quote statutory contributions as per law and not beyond.

Similarly, under the Employees’ State Insurance Act, 1948, as amended, coverage extends only to employees drawing wages up to ₹21,000/- per month. Respondent no. 4 has quoted the prescribed contribution at the notified rate of 3.25% in respect of



eligible employees. There is no material to show that contribution was omitted where statutorily applicable.

With regard to the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, Para 2(f) of the EPF Scheme defines "excluded employee" to include an employee whose monthly wage exceeds ₹15,000/. The stand of respondent no. 4 is that contributions were quoted in respect of eligible employees, while those drawing above the ceiling were restricted to statutory ceiling. This Court finds merit in the said explanation, for the tender condition did not require bidders to assume liabilities not mandated by law.

As to HRA, Uniform and Uniform Washing, no specific deviation has been alleged by the petitioner. The bid of respondent no. 4, on its face, reflects the inclusion of these heads in terms of the tender requirements. It is settled law that where tender conditions require compliance with statutory obligations, the test of conformity must be applied with reference to the governing law and not by insisting on contributions beyond the statute.

The records indicate that respondent no. 4's financial bid, when read as a whole, reflected compliance with the statutory minima under the Employees' State Insurance Act, 1948, the Employees' Provident Fund and Miscellaneous Provisions Act,



1952, and the Payment of Bonus Act, 1965. No specific statutory provision has been demonstrated by the petitioner that stands violated by respondent no. 4. The contention that “nil” or “lesser” figures were quoted does not, ipso facto, establish illegality. What is relevant is whether the bid, in substance, ensured payment of the prescribed statutory dues to workmen, and there is no material to suggest otherwise.

It is also pertinent that the concerned authorities, comprising subject-matter experts, after scrutinizing all bids, declared respondent no. 4 as ‘L1’. The Committee was satisfied that the figures quoted by respondent no. 4 conformed to statutory norms and did not result in any dilution of labour welfare obligations. The petitioner has not been able to place on record any cogent evidence that workers would be denied statutory entitlements if the contract were executed as per respondent no. 4’s bid.

In view of the foregoing discussion, this Court finds that respondent no. 4 has complied with the mandatory tender requirements concerning Bonus, ESI, EPF, and allied components. The deviations alleged by the petitioner are either immaterial or misconceived, and do not warrant disqualification and the objection raised by the petitioner is without merit.



Issue: 3. Whether Condition No. 3 of the Special Provisions, which mandates that statutory wages and deductions should be quoted strictly as per norms, is required to be interpreted in consonance with the governing legislations such as the Payment of Bonus Act, 1965, the Employees' State Insurance Act, 1948, and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952?

The Court has examined Condition No. (iii) of the Special Conditions of The Contract which requires bidders to quote statutory elements—ESI, EPF, Bonus, Uniform, Uniform washing, HRA—“*on the current rate as per the Government norms*” and further provides that “*Bidders not quoting rates in accordance with the prescribed format will be outrightly rejected.*” The condition, read as a whole, operates with two complementary mandates: (i) the statutory components must be quantified in conformity with the governing statutes (i.e. “as per norms”); and (ii) the prescribed format of the tender must be followed so that the evaluation can be carried out on an even and comparable basis. Both mandates are capable of harmonious application and must be read together. Upon careful scrutiny, it is apparent that these entries are fully consistent with the applicable



statutory provisions and do not constitute a deviation warranting disqualification.

The Court is of the considered view that this requirement must be interpreted harmoniously with the governing central legislations, namely, the Payment of Bonus Act, 1965, the Employees' State Insurance Act, 1948, and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. These statutes lay down thresholds and ceilings expressed in terms of monthly wages (per mensem), whereas the tender format required entries in terms of daily wage rates. Such apparent divergence does not create inconsistency but can be reconciled by arithmetical translation of monthly ceilings into daily equivalents on the basis of working days. A frequent practical difficulty arises where the statute speaks in terms of wages per mensem while the NIT asks for rates on a per-day basis. The two formulations are not in conflict; they are convertible. The proper method is to translate the statutory per-mensem ceiling into an equivalent per-day figure consistent with the tender's convention for calculating daily. To illustrate, using 26 working days:

Monthly ceiling under the Bonus Act / ESI: ₹21,000 per mensem.

Calculation: ₹21,000 ÷ 26 = ₹807.6923076923 ≈ ₹807.69 per day.



EPF scheme ceiling: ₹15,000 per mensem.

Calculation: ₹15,000 ÷ 26 = ₹576.9230769231 ≈ ₹576.92
per day.

The tender's requirement that bids be submitted in a prescribed format is procedural and designed to ensure comparability. It does not, however, envisage or require bidders to ignore or contradict the central legislations. To interpret Condition No. (iii) otherwise — i.e. to insist that a bidder must, for the sake of form, mechanically insert an amount contrary to statutory law — would place the tendering authority in a position to compel unlawful contractual undertakings. The prescribed format and the statutory command must therefore be given a harmonious construction: bidders must use the prescribed format to disclose the statutory components, and the values entered must be those that flow from the central legislations in the matters of ceiling, rates, exemptions, etc. If a particular statutory head is inapplicable to a category for example, bonus where monthly wage exceeds the statutory ceiling, entering “NIL” or showing non-applicability in the prescribed column is an accurate and faithful use of the format — not a deviation from it. This interpretation preserves both the integrity of the evaluation exercise and the supremacy of statutory law. The principle that essential conditions must be complied with



while immaterial/formal variances should not defeat substantial compliance has been authoritatively recognized by the courts.

This Court observes that converting statutory monthly ceilings into daily wage equivalents for the purpose of completing the tender format is a permissible and accepted practice. This conversion does not alter the substantive statutory obligation; it merely ensures compatibility with the bid evaluation process. Entries such as “NIL” for bonus or capped contributions for EPF and ESI are entirely consistent with statutory laws and the tender’s prescribed format.

In conclusion, the Court finds that respondent no. 4’s financial bid fully complies with Condition No. (iii) of the Special Provisions. The entries correctly reflect statutory requirements under the Bonus Act, ESI Act, and EPF Act while adhering to the prescribed format for evaluation purposes. No deviation or non-compliance arises, and consequently, the bid of respondent no. 4 cannot be disqualified on this ground.

Issue 4: Whether the decision of the University in declaring respondent no. 4 as the lowest bidder (L-1) and awarding the contract in its favour suffers from arbitrariness, mala fides, or violation of Article 14 of the Constitution of



India, thereby warranting interference by this Court in exercise of its writ jurisdiction?

Upon analysis of the arguments raised and careful perusal of the materials on record, it can be observed that the University has conducted the tender process in strict compliance with the Notice Inviting Tender (NIT), the Special Conditions of Contract, and the governing statutory provisions. Respondent no. 4 was declared the lowest bidder (L-1) after a proper comparative assessment of the bids, in which the statutory ceilings under Bonus, ESI, and EPF were duly accounted for in accordance with law.

It is well settled that the exercise of discretion by a tendering authority must be free from arbitrariness, mala fides, or discrimination. However, arbitrariness implies capricious, whimsical, or unjustifiable action, and mala fide requires clear evidence of dishonest or corrupt intent. In the present case, there is no evidence whatsoever to suggest that the University acted dishonestly, whimsically, or in a manner that favoured any particular bidder. On the contrary, the bid evaluation process was conducted in accordance with statutory and tender requirements, and the declaration of respondent no. 4 as 'L-1' is based on objective financial comparison.



The Supreme Court has consistently held that mere disagreement with the decision of a tendering authority does not amount to a violation of Article 14 of the Constitution or justify interference by the Court under Article 226. The Tendering Authority, being the best judge of its requirements, is entitled to construe and apply its own conditions, and in the absence of any demonstrable perversity or illegality, the Court would not sit in appeal over such administrative decisions.

The Hon'ble Supreme Court in **Tata Cellular v. Union of India, (1994) 6 SCC 651**, laid down that judicial review in tender matters is limited to examining the decision-making process and not the merits of the decision itself. Similarly in the case of **Central Coalfields Limited vs SII-SML (Joint Venture Consortium) CIVIL APPEAL NO. 8004 OF 2016** has reiterated the above observation, relevant paras of whose are enclosed herein:

“43.One of the more significant cases on the subject is the three-judge decision in Tata Cellular v. Union of India which gave importance to the lawfulness of a decision and not its soundness. If an administrative decision, such as a deviation in the terms of the NIT is not arbitrary, irrational, unreasonable, mala fide or biased,



the Courts will not judicially review the decision taken. Similarly, the Courts will not countenance interference with the decision at the behest of an unsuccessful bidder in respect of a technical or procedural violation. This was quite clearly stated by this Court (following Tata Cellular) in Jagdish Mandal v. State of Orissa in the following words:

“Judicial review of administrative action is intended to prevent arbitrariness, irrationality, unreasonableness, bias and mala fides. Its purpose is to check whether choice or decision is made “lawfully” and not to check whether choice or decision is “sound”. When the power of judicial review is invoked in matters relating to tenders or award of contracts, certain special features should be borne in mind. A contract is a commercial transaction. Evaluating tenders and awarding contracts are essentially commercial functions. Principles of equity and natural justice stay at a distance. If the decision relating to award of contract is bona fide and is in public interest, courts will not, in exercise of power of judicial review, interfere even if a procedural aberration or error in assessment or prejudice to a tenderer, is made out. The power of judicial review will not be permitted to be invoked to protect private interest at the cost of public interest, or to decide contractual



disputes. The tenderer or contractor with a grievance can always seek damages in a civil court. Attempts by unsuccessful tenderers with imaginary grievances, wounded pride and business rivalry, to make mountains out of molehills of some technical/procedural violation or some prejudice to self, and persuade courts to interfere by exercising power of judicial review, should be resisted. Such interferences, either interim or final, may hold up public works for years, or delay relief and (2007) 14 SCC 517 succour to thousands and millions and may increase the project cost manifold.” This Court then laid down the questions that ought to be asked in such a situation. It was said:

“Therefore, a court before interfering in tender or contractual matters in exercise of power of judicial review, should pose to itself the following questions:

(i) Whether the process adopted or decision made by the authority is mala fide or intended to favour someone;

OR Whether the process adopted or decision made is so arbitrary and irrational that the court can say: “the decision is such that no responsible authority acting reasonably and in accordance with relevant law could have reached”;



(ii) Whether public interest is affected.

If the answers are in the negative, there should be no interference under Article 226.”

It can be inferred that unless arbitrariness, mala fide, or violation of statutory provisions is established, the Court ought not to interfere. Similarly, in *Afcons Infrastructure Ltd. v. Nagpur Metro Rail Corporation Ltd.* reported in *(2016) 16 SCC 818*, it was reiterated that the terms of invitation to tender are in the contractual domain, and the employer's interpretation is to be accorded deference unless it is patently unreasonable.

It is pertinent to note that respondent no. 4's bid was in strict compliance with statutory norms, and the entries made in the prescribed financial format (including per-day calculations for statutory ceilings) were entirely proper. There is no evidence of manipulation or intentional misrepresentation. Furthermore, the subsequent execution of the agreement on 30.08.2025 and the smooth commencement of work by respondent no. 4, without complaint or objection from the University, reinforce the absence of any arbitrary or mala fide conduct.

In view of the above, the Court finds that the University's decision in declaring respondent no. 4 as the lowest



bidder and awarding the contract in its favour is neither arbitrary nor mala fide. The decision is rational, legally sustainable, and in accordance with both the terms of the NIT and the statutory framework governing the statutory components of the bid. Consequently, no interference under Article 226 of the Constitution is warranted on this ground.

12. In view of the above discussion and the perusal of materials on record, this Court is of the considered opinion that the petitioner has failed to establish any arbitrariness, illegality, or mala fide in the tender process culminating in the award of contract to respondent no. 4. The record reveals that the tender was conducted in a fair and transparent manner, all eligible bidders were duly considered, and respondent no. 4 emerged as the lowest bidder in accordance with the evaluation criteria prescribed under the NIT. The allegations of non-compliance with statutory obligations are unfounded, as respondent no. 4 has quoted the statutory rates in conformity with the permissible limits stipulated by relevant Laws. It is reiterated that the scope of judicial review in contractual and tender matters is limited to examining the decision-making process and not to re-appreciate the merits of the decision. In absence of any demonstrable illegality, perversity, or mala fide, this Court finds no reason to interfere with the



administrative discretion exercised by the competent authority.

Accordingly, the writ petition, being devoid of merit, is liable to be dismissed.

13. Accordingly, this writ application is dismissed. All IAs, if any pending, shall stand disposed of. There shall be no order as to costs.

(P. B. Bajanthri, CJ)

(Alok Kumar Sinha, J)

Prakash Narayan

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| AFR/NAFR | AFR |
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