



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CWP No.8897-2026

Kannect Engineers Pvt. Ltd.

.....Petitioner

versus

Punjab State Power Corporation Ltd. and others

.....Respondents

1.	The date when the judgment is reserved	27.05.2026
2.	The date when the judgment is pronounced	07.07.2026
3.	The date when the judgment is uploaded on the website	08.07.2026
4.	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced	Full
5.	The delay, if any, of the pronouncement of full judgment, and reasons thereof	Not applicable

CORAM: HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MS. JUSTICE LAPITA BANERJI

Present: Mr. Anand Chhibbar, Senior Advocate with
Mr. Jivtesh Singh Negi and
Mr. Utkarsh Khatana, Advocate for the petitioner.

Mr. Rahul Sharma, Senior Advocate with
Mr. Ayush Loomba, Advocate for respondent No.1 and 2

Mr. Prateek Gupta, Advocate for respondent No.3.

DEEPAK SIBAL, J.

1. On February 20, 2025, respondent-Punjab State Power Corporation Limited (for short – PSPCL) issued a Tender Enquiry through which it invited e-bids for supply, installation, testing, commissioning, reading, analysis, integration with billing system (alongwith one year operation and maintenance) of 1000 power quality meters. In the Notice Inviting Tenders (for short – NIT), which formed part of the Tender Enquiry,



it was stated that a pre-bid meeting with the prospective bidders would be held on 27.02.2025; the last date for downloading of tender documents was 06.03.2025; the last date for submission of the e-bid was 06.03.2025 and that the bids shall be opened on 10.03.2025.

2. The NIT also contained a check list of 18 documents which were mandatorily required to be uploaded alongwith the bid and item No.14 of such 18 documents, which is relevant, pertained to furnishing of the required type test certificate(s) to the effect that the offered equipment was compliant with the technical standards prescribed in the NIT.

3. Clauses 1.0, 3.0, 5.0, 6.0, 28.0 and 29.0 of the NIT provided for the scope of the Tender Enquiry, applicable standards and the general technical requirements of the equipment in question as also dealt with the manner in which the type test reports with regard to the offered equipment, meeting the applicable technical standards, were to be submitted by the bidder.

Clauses 1.0, 3.0, 5.0, 6.0, 28.0 and 29.0 of the NIT are extracted below:-

“1.0 SCOPE

i) Design, Supply, Installation, Testing, Commissioning, Reading, Analysis, Integration with billing system and 1 year O&M of Permanent Power Quality Meters complying to IEC 61000-4-30 class A for measurement of different electrical parameters, listed elsewhere in the document, including Voltage Harmonics, Current Harmonics, Frequency, THD (of Current and Voltage), Unbalance (Current and Voltage), Crest factor, Sag and Swell, Number of Interruptions, Total Demand Distortion, Flicker etc. Meter shall be suitable for 11kV and above supply.

ii) Meter should be AMR compliant with external modem through any of the port available in the offered meter, so that it can be connected to Automated Remote Meter Reading System. Meter manufacturer shall supply relevant API/software, IT infrastructure required for this purpose.

iii) Reading, Analysis, Integration with billing system including O&M for period of one year.

iv) Software for data downloading and analysis.

v) Meter shall have EN50160/IEEE519 compliance reporting.

vi) Training on installation / configuration of Power quality Instrument.



2.0 xxx xxx xxx

3.0 APPLICABLE STANDARDS

The equipment offered shall comply with the recognized rules of technology and are therefore in accordance with the corresponding Indian/ IEC standards with latest amendments thereof unless otherwise specified.

Sr. No.	Standard	Description
1.	IEC 61000-4-30	Electromagnetic compatibility (EMC)-Testing and measurement techniques-Power quality measurement methods
2.	IEEE519	Recommended Practice and Requirements for Harmonic Control in Electric Power Systems
3.	IEC 61000-4-7	Testing and measurement techniques -General guide on harmonics and inter-harmonics measurements and instrumentation, for power supply systems and equipment
4.	IEC 61000-4-15	Flicker Measurement
5.	IEEE1159.3	Defines power quality data interface format
6.	IEEE 1159	IEEE Recommended Practice for Monitoring Electric Power Quality
7.	IEC 61000-4-2	Electrostatic discharge
8.	IEC 61000-4-3	Immunity to radiated fields
9.	IEC 61000-4-4	Immunity to fast transients
10.	IEC 61000-4-5	Immunity to surge
11.	IEC61000-4-6	Immunity conducted
12.	IEC61000-4-12	Damped oscillatory waves immunity
13.	IS 17036: 2018	Indian Standard Distribution System Supply Voltage Quality

For conflict related with specification, the order of priority shall be – i) This technical specification ii) IEC 61000-4-30 (with latest amendments).

Meter should conform to all the applicable standards amended upto the original date of issue of this tender enquiry.

4.0 xxx xxx xxx

5.0 GENERAL TECHNICAL REQUIREMENTS

1	TYPE	Power quality meter shall comply with IEC 61000-4-30 class "A" standard for measurement of different electrical parameters for evaluating supply quality. Measurement of True rms
2	Accuracy	confirming to Class A as per IEC 61000-4-30 and IEC62586-2.
3	FREQUENCY	50HZ ± 5%
4	SECONDARY VOLTAGE	Suitable for operation from 110VPh-Ph or 63.5VPh-N.
5	BASIC CURRENT(Ib)	-/5 Amps or -/1 Amps as per requirement
6	MAXIMUM CONTINUOUS CURRENT	200% Ib
7	POWER FACTOR	0.0 lag-Unity-0.0 Lead
8	Onboard Memory (in Mbytes)	128 MB or more



6.0 The meter shall have capability to detect and log power quality parameters as defined in IEC61000 4-30 Class A Edition 3 and High accuracy measurements with 1/2 cycle update rate for:

- a) Supply Frequency - 10 Sec Logging
- b) Magnitude of supply voltage & Current- 10 Min logging
- c) Flicker – Short time and Long time PST 10 Min and PLT 2 Hours logging
- d) Voltage & Current harmonics upto 50th order -10 min and 3* sec logging
- e) Over/Under voltage deviation --10 Min logging
- f) Voltage unbalance –10 Min logging
- g) Supply Voltage Dips & swell- measured in accordance with IEC-61000-4-30 in duration from 10 ms up to and including 1 min.
- h) Short Supply Voltage Interruptions -measured in accordance with IEC-61000-4-30 in duration from 10 ms up to and including 1 min.
- i) Long or sustained Supply Voltage Interruptions -measured in two indices SAIDI & SAIFI (Interruptions to be considered for duration more than 3 minutes).

Note 1:- However all other Power Quality parameters as per IEC-61000-4-30 shall also be provided.

Note 2: It is clarified that Meter shall be capable of giving report as per IEEE 519 for both very short time (3sec interval) and short time (10 min, interval) harmonic values. Further data logging for 10 min is required in both meter and cloud, however option for logging of 3 sec interval should be available in meter i.e. the same is configurable.

Note 3: The meter data logging feature and the server polling shall be configurable as required for validation of reports generated by server on cloud.

The indicative Logs are attached as per Annexure.

Bidder is advised to submit logs generated from offered PQ meter as mentioned above along with bid.

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28.0 TYPE TESTS

Bidder shall furnish along with the offer type tests reports as per IEC 61000-4-30 class A and other standards mentioned in Clause no.3 of this specification from any recognized lab (national or international) duly authorized for testing of class A power quality meters as per IEC 61000-4-30.

Bidders shall also submit, along with offer Type Test Certificates of high quality Reinforced Polycarbonate or equivalent High Grade Engineering Plastic material used for meter housing material i.e. base/cover/terminal cover from any Govt. approved Laboratory. However, if bidder provides metallic meter module then the relevant clauses of IS 14697 will be applicable.



Reports for type tests conducted in manufacturer's own laboratory and certified by testing institute shall not be acceptable.

The purchaser reserves the right to demand repetition of some or all the type tests in the presence of purchaser's representative free of cost. In case type test certificate are not enclosed with the offer then the offer shall be rejected.

In addition to these, the tenderers shall submit valid ISO 9001:2015 certification for meter manufacturing, ISO 27001:2005 for information security management system & ISO 14001:2004 for environmental management system at the time of opening of Tender (i.e. part- I & II of Tender).

29.0 CONSTRUCTIONAL REQUIREMENTS, METER COVER & SEALING ARRANGEMENT

29.1 CONSTRUCTION

Meter shall be made of high-quality materials/components to ensure high reliability and long life. For this, a meter should be subjected to mechanical tests and to evaluate the material used in the meter, it should be evaluated with following tests as per relevant IEC/IS14697 mentioned. The meter should be sealed in such a way that the inside of the meter is not accessible without breaking the seal and tampering with the body of the meter.

To evaluate the construction under the physical influences during packaging and transportation.

- i. Spring hammer test according to IEC publication 60068-2-75*
- ii. Shock test was performed according to IEC 60068-2-27*
- iii. Vibration test according to IEC 60068-2-6*
- iv. The test was carried out according to IEC 60529, protection degree IP54 (indoor). CAT 2 as per IEC 60529.*
- v. Material of both the terminal block and the meter case was subjected to a glow-wire test in accordance with IEC 60695-2-1.*

To Evaluate the materials used and the Construction of the meter under the climate influences, meter should be assessed with regards to following points:

- i. Dry heat test as per IEC 60068-2-2*
- ii. Cold test as per IEC 60068-2-1.*
- iii. Damp heat cyclic test according to IEC 60068-2-30*

Note: The above tests according to IS 14697 will also be acceptable.

The terminals shall be moulded/tight fit constructions with barriers and covers to provide secure and safe connections of CTs and PTs through the stranded copper conductors of 2.5mm size. The terminal block material was tested in accordance with ISO 75. The material of both the terminal block and the meter case was subjected to a glow-wire test in accordance with IEC 60695-2-1. The temperature of the glow-wire was 960 degree C for the terminal block, 650 degree Celsius for the meter case and cover. The materials meet the requirements.



The terminal cover preferably be sealed independently of the meter cover. Bidder must submit the test certificate to this effect.

(emphasis supplied)

4. As per the NIT, the check list of documents which were required to be uploaded alongwith the bid, is also reproduced below for ready reference:-

“CHECK LIST OF DOCUMENTS CONSISTING OF TENDER/OFFER

Following documents are mandatory. Bidder to ensure that these are uploaded along with the tender for it to be treated as complete document:-

Sr. No.	Details	To be sealed in	Remarks
1.	EMD/PEMD (See para-13 of Schedule-'E' of tender documents)	Separate envelope & scanned copy with tender (Part-I of tender)	
2.	Schedule-A (particulars of the firm i.e. names & address of Directors etc.) duly filled up & signed.	Part-II	Fill online
3.	Schedule-B (Un-Priced Bid Schedule) duly filled up & signed	Part-II	Fill online
4.	Schedule-C (GTPs) duly filled up and signed by authorized official complete in all respects.	Part-II	Fill online
5.	Schedule-C-I (Information for appraisal of firm) duly filled up and signed	Part-II	Fill online
6.	Schedule-D (Schedule of Deviation) duly filled up and signed by authorized official complete in all respects and enclosing any supporting documents.	Part-II	Fill online and upload relevant documents.
7.	Annexure-A (Detail of Testing Facilities)	Part-II	Fill online and upload relevant documents.
8.	Annexure-B (undertaking form for Order Preference duly filled up and signed by authorized official complete in all respects.	Can be submitted upto 5.00PM on the date of opening of Part-I & II or of Price Bid (i.e. Part-III)	
9.	Income Tax Returns of firm as well as Directors/ partners/ Proprietor of the firm for the latest 3 years.	Part-II	Scan & Upload
10.	Duly Audited Annual Financial Reports or Turn Over figures certified by Chartered Accountant for latest three years.	Part-II	Scan & Upload
11.	Legally valid Authorization signed by Chairman & other Directors of the firm in case of Limited	Part-II	Scan & Upload



	<i>Companies & by all partners in case of partnership firms authorizing the signatory to sign the tender & deal with PSPCL.</i>		
12.	<i>Memorandum & Article of Association for public/ private Ltd. firm, Partnership deed for Partnership firms and supporting document for proprietary firm</i>	<i>Part-II</i>	<i>Scan & Upload</i>
13.	<i>Schedule-B (Breakup of prices) as Part-III of offer</i>	<i>Part-III</i>	<i>Fill online only</i>
14.	<i><u>Type Test Certificate(s) of offered item</u></i>	<i><u>Part-II</u></i>	<i><u>Scan & Upload</u></i>
15.	<i>Undertaking regarding liaison etc.</i>	<i>Part-II</i>	<i>Scan & Upload</i>
16.	<i>Logs generated from offered PQ Meter</i>	<i>Part-II</i>	<i>Scan & Upload</i>
17.	<i>Screenshot of Meter Display</i>	<i>Part-II</i>	<i>Scan & Upload</i>
18.	<i>Any other supporting documents enclosed mentioning the purpose</i>	<i>Part-II</i>	<i>Scan & Upload</i>

INSTRUCTION: *The check list be marked in confirmation of enclosing the documents mentioned therein. Bidder to ensure that the documents are enclosed in the serial order as mentioned in the check list. ”*
(emphasis supplied)

5. As per the above extracted clauses of the NIT, the equipment offered by the bidder was requirement to comply with each of the prescribed standards stipulated under Clause 3.0 and the technical requirements given under Clauses 5.0, 6.0 and 29.0. Clause 28.0 clearly provided that, alongwith the bid, the bidder was required to upload type test reports certifying that the offered equipment was meeting the prescribed standards and technical requirements as per recognized Indian/ IEC standards (with latest amendments). Clause 28.0 of the NIT further stipulated that in case, alongwith the e-bid, the required test reports were not uploaded, the offer made, shall be rejected. Even as per the given check list of documents, type test certificates of the offered equipment, complying with the prescribed technical standards, were mandatorily required to be uploaded along with e-bid.



6. On 27.02.2025, a pre-bid meeting was held in which the prospective bidders raised several queries. One suggestion made by one of the prospective bidders namely M/s Energy Electricals was to accept the bids with type test report with regard to the prescribed standard IEC 61000-4-30 conforming to the 2015 standards as against the latest standards laid down in the year 2021 which suggestion was accepted by the PSPCL resulting in the issuance of Corrigendum-IV on 07.04.2025. Clause 4 of Corrigendum-IV, which is relevant, reads as follows:-

"Sr. No.	Clause No.	Existing Clause	Amended Clause
4.	Clause: 28.0 TYPE TESTS	Bidder shall furnish along with the offer type tests reports as per IEC 61000-4-30 class A and other standards mentioned in Clause no.3 of this specification from any recognized lab (national or international) duly authorized for testing of class A power quality meters as per IEC 61000-4-30. Bidders shall also submit, along with offer Type Test Certificates of high quality Reinforced Polycarbonate or equivalent High Grade Engineering Plastic material used for meter housing material i.e. base/ cover/ terminal cover from any Govt. approved Laboratory. However, if bidder provides metallic meter module then the relevant clauses of IS 14697 will be applicable. Reports for type tests conducted in manufacturer's own laboratory and certified by testing institute shall not be acceptable. The purchaser reserves the right to demand repetition of some or all the type tests in the presence of purchaser's representative free of cost. In case type test certificate are not enclosed with the offer then the offer shall be rejected. In addition to these, the tenderers shall submit valid ISO	Bidder shall furnish along with the offer type tests reports as per IEC 61000-4-30 class A and other standards mentioned in Clause no.3 of this specification from any recognized lab (national or international) duly authorized for testing of class A power quality meters as per IEC 61000-4-30. Bidders shall also submit, along with offer Type Test Certificates of high quality Reinforced Polycarbonate or equivalent High Grade Engineering Plastic material used for meter housing material i.e. base/ cover/ terminal cover from any Govt. approved Laboratory. However, if bidder provides metallic meter module then the relevant clauses of IS 14697 will be applicable. Reports for type tests conducted in manufacturer's own laboratory and certified by testing institute shall not be acceptable. The purchaser reserves the right to demand repetition of some or all the type tests in the presence of purchaser's representative free of cost. In case type test certificate are not enclosed with the offer then the offer



		9001:2015 certification for meter manufacturing, ISO 27001:2005 for information security management system & ISO 14001:2004 for environmental management system at the time of opening of Tender (i.e. part- I & II of Tender),	shall be rejected. In addition to these, the tenderers shall submit valid ISO 9001:2015 certification for meter manufacturing, ISO 27001:2005 for information security management system & ISO 14001:2004 for environmental management system at the time of opening of Tender (i.e. part- I & II of Tender). <u>NOTE: The bidder is required to submit type test report along with the bid, In case the type-test report submitted by the bidder is found to be conducted as per IEC 61000-4-30 Ed.3 (Class A Power Quality Meter), albeit with certain short falls, then the PSPCL’s competent authority may accept an undertaking from the bidder that, in case an order is placed upon the bidder/ the bidder is empanelled, the bidder shall get these type test(s) conducted at no extra cost to PSPCL and submit the requisite type-test reports before start of supply as per original CDP/before issue of empanelment letter by PSPCL. In case of empanelled vendor, if the sample fails during the type tests, the firm will not be considered for empanelment.”</u>
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(emphasis supplied)

7. After the issuance of Corrigendum-IV the last date to submit bids was now 17.04.2025 and the date of their opening was fixed as 21.04.2025.
8. Along with other bidders, the petitioner and respondent No.3 submitted their respective bids. The technical bids were opened on 28.04.2025 and in May 2025, bench testing on the samples provided by the bidder was conducted by the Data Assessment Committee of the PSPCL (for short –DAC) at ME Laboratory, Jalandhar. PSPCL authorities then wrote to the bidders including the petitioner and respondent No.3 seeking therein certain



clarifications and for submission of remaining type test reports in pursuance whereof, on 10.07.2025, the petitioner submitted the type test report – IEC - 61000-4-30 Edition 2021 whereas respondent No.3 submitted a letter dated 09.07.2025 by its original equipment manufacturer i.e. M/s Siemens Limited as per which respondent No.3's OEM undertook to furnish the type test reports pertaining to various prescribed technical standards, including IEC-61000-4-30-Edition 2021, before supply of the equipment in question. On 24.09.2025 further tests were conducted by the PSPCL on the offered equipment in which only M/s ESFRO Solutions and respondent No.3 participated as the petitioner and other bidders voluntarily declined to participate on the ground that such re-test was not contemplated under the terms of the NIT and that the same was being conducted only to favour respondent No.3 since it had failed the test conducted in May, 2025.

9. The petitioner and respondent No.3 were both found to be technically qualified and accordingly, their financial bids were opened on 09.10.2025, after which, on 10.10.2025, reverse auction was conducted on the government's e-portal. In the reverse auction the petitioner and respondent No.3 duly participated. After the reverse e-auction the financial bids submitted by respondent No.3 were found to be the lowest and therefore, respondent No.3 was declared L-1.

10. On 02.12.2025, negotiations took place between PSPCL and respondent No.3 which resulted in respondent No.3 voluntarily accepting to maintain the offered equipment for a period of 5 years instead of 01 year at no extra cost. Thereafter, on 18.03.2026, purchase order for the supply of 1000 power quality Class A electrical meters was placed by PSPCL on respondent



No.3 after which on 29.04.2026, respondent No.3 submitted 2021 edition test reports pertaining to the standard IEC-61000-4-30 (class A). Since other test reports were still pending to be submitted by respondent No.3, PSPCL wrote a letter dated 07.05.2026 to respondent No.3 calling for submission of such reports, in pursuance whereof, on 08.05.2026, test reports with regard to EMC-Immunity standards and construction/ material and environmental type tests were submitted by respondent No.3. However, since “over and under deviation type reports” were still pending, on 14.05.2026, another reminder was issued by the PSPCL to respondent No.3 with regard to submission of such reports. The other test reports awaited from respondent No.3 were pertaining to the prescribed technical standards IEC-60068-2-27 (shock test), IEC-60068-2-6 (vibration test) and IEC-61068-2-30 (damp heat cyclic test).

11. The controversy in the instant matter is as to whether respondent No.3 met the qualification criteria as per the terms of the NIT dated 20.02.2025 read with Corrigendum-IV dated 07.04.2025.

12. Mr. Anand Chhibbar, learned Senior Counsel appearing for the petitioner submitted that respondent No.3's offered equipment failed the bench testing conducted by the DAC in May 2025; such equipment was subjected to re-testing on 24.09.2025 which re-testing was alien to the provisions of the NIT; such re-test was done only with the mala fide intention of passing respondent No.3's offered equipment; as per clause 28 of the NIT, read with the check list of documents required to be furnished along with bid, test reports, as per IEC-61000-4-30 Class A and other technical standards prescribed in the NIT, were required to be uploaded by the bidder along with its bid; such condition was modified through Corrigendum-IV dated



07.04.2025 only to the extent that if the type test report as per IEC-61000-4-30 Class A which had been submitted by the bidder was not conforming with the latest amendment or had been filed with certain short falls, only such short falls or deficiencies could be made good by the bidder before the supply of the offered equipment but in the case in hand several test reports for the standards which duly found mention in Clauses 3.0, 5.0, 6.0 and 29.0 of the NIT were submitted for the first time by respondent No.3 much after the last date for submission of bids which was 17.04.2025 and that some of the test reports have not been filed even till date which clearly rendered respondent No.3 ineligible and that the operations and maintenance clause was amended from 01 year to 05 years without putting the petitioner to any notice which is also clearly arbitrary and vitiates the entire tendering process.

13. Mr. Chhibbar sought to support his submissions through citing of the following judgments:-

1. Kimberley Club Pvt. Ltd. V/S Krishi Utpadan Mandi Parishad & Ors. 2025 SCC OnLine SC 2323
2. Maha Mineral Mining & Benefication Pvt. Ltd. V/S Madhya Pradesh Power Generating Co. Ltd. 2025 SCC OnLine SC 1942
3. Banshidhar Construction Pvt. Ltd. V/S Bharat Coking Coal Limited & Ors. (2024) 10 SCC 273
4. Subodh Kumar Singh Rathour V/S Chief Executive Officer & Ors. (2024) 15 SCC 461
5. Manuelsons Hotels Pvt. Ltd. V/S State of Kerala & Ors. (2016) 6 SCC 766
6. Afcons Infrastructure Ltd. V/S Nagpur Metro Rail Corporation Ltd. & Anr (2016) 16 SCC 818
7. Reliance Energy Ltd. & Anr. V/S Maharashtra State Road Development Corporation Ltd. & Ors. (2007) 8 SCC 1
8. Dutta Associates Pvt. Ltd. V/S Indo Merchantes Pvt. Ltd. and others (1997) 1 SCC 53
9. Tata Cellular V/S Union of India (1994) 6 SCC 651
10. Sterling Computers Ltd. V/S M/s M & N Publications Ltd. & Ors. (1993) 1 SCC 445
11. K. Manjusree V/S State of Andhra Pradesh & Anr. (2008) 3 SCC 512



12. Jagdish Mandal V/S State of Orissa & Ors. (2007) 14 SCC 517
13. Prakash Asphaltings & Toll Highways (India) Ltd. V/S Mandeepa Enterprises & Ors. 2025 SCC OnLine SC 1959
14. Saheli Nandi V/S Union of India & Ors. 2023 SCC OnLine Cal 4953

14. Mr. Rahul Sharma, learned Senior Counsel appearing for PSPCL sought dismissal of the instant petition by submitting that in May 2025 first round of bench testing was conducted by the DAC on the samples provided by all the bidders; in such bench testing respondent No.3 was not declared to have failed the test; however, after notice to all bidders, further testing was resorted to on 24.09.2025 in which the petitioner failed to participate and only M/s ESFRO Solutions and respondent No.3 took part; on 03.10.2025, respondent No.3 was declared to have passed the bench test; at no stage prior to 03.10.2025 was the equipment offered by respondent No.3 ever declared to have failed any test; as per Corrigendum-IV dated 07.04.2025 test reports with regard to meeting of the prescribed technical standards could have been provided before the supply of the offered equipment which Corrigendum was and has been never questioned by the petitioner; thus, through the afore Corrigendum, the submission of type test reports was converted from a bid eligibility condition into a contractual performance condition; all the test reports except “over and under deviation type test”, shock test, vibration test and damp heat cyclic test have been supplied by respondent No.3; dispatch clearance will not be provided to respondent No.3 till all the type tests are submitted by it; in case of failure by respondent No.3 to submit the required type test reports, penalty shall be imposed upon it as per Clause 9.0 of the NIT; the PSPCL being the author of the Tender Enquiry, including the NIT,



was the best judge to interpret the contents thereof; as per settled law this Court should not interfere in the matter especially when no malafides are even alleged and no arbitrariness or perversity in the tendering process is proved and that the petitioner having taken part in the entire tendering process without questioning any part of such process at any stage was estopped from challenging such process after having been declared unsuccessful.

15. In reliance of his afore submissions Mr. Sharma cited the following judgments:-

1. Silppi Constructions Contractors v. Union of India and another (2020) 16 SCC 489
2. Tata Motors Limited v. Brihan Mumbai Electric Supply and Transport Undertaking (Best) and Others (2023) 19 SCC 1
3. Montecarlo Limited v. National Thermal Power Corporation Limited (2016) 15 SCC 272
4. Jagdish Mandal v. State of Orissa and others (2007) 14 SCC 517
5. Air India Limited v. Cochin International Airport Ltd. and Others (2000) 2 SCC 617
6. Siemens Healthcare Private Limited v. Punjab Health Systems Corporation and Another 2026 SCC OnLine P&H 15287
7. Jal Mahal Resorts Private Limited v. K P Sharma and Others (2014) 8 SCC 804
8. Prakash Asphaltings and Toll Highways (India) Limited v. Mandeepa Enterprises and Others (2026) 4 SCC 310
9. Noorul Hassan v. Nahakpam Indrajit Singh and Others (2024) 9 SCC 353

16. Mr. Prateek Gupta, learned counsel appearing for the successful bidder-respondent No.3 adopted the arguments raised on behalf of respondent Nos.1 and 2.

17. We have heard learned counsel for the parties and with their able assistance also perused the record.

18. The Tender Enquiry in question was for the supply, installation, testing, commissioning, reading, analysis, integration with billing system



alongwith one year operation and maintenance of 1000 power quality Class A electrical meters. The technical standards to which the aforesaid meters were required to be compliant with were clearly specified under clauses 3.0, 5.0, 6.0 and 29.0 of the NIT, which formed part of the Tender Enquiry. As per clause 28.0 of the NIT, test reports from Indian/ Internationally recognized bodies, certifying that the offered electrical meters were compliant with the prescribed technical standards were required to be uploaded by the bidder along with its e-bid, the last date for which was 17.04.2025. Clause 28.0 further provided that if alongwith the e-bid, the required test reports were not uploaded, such bid was liable to be outrightly rejected.

19. The NIT further provided for a check list of documents which were mandatorily required to be uploaded alongwith the e-bid. At item 14 of such check list, test reports with regard to the offered equipment complying with the prescribed technical standards found a categoric mention.

20. Clauses 3.0, 5.0, 6.0, 28.0 and 29.0 of the NIT and the check list of documents mandatorily required to be uploaded alongwith the e-bid have been earlier reproduced in extenso and the relevant portions thereof, even for the sake of repetition, are extracted below for ready reference:-

“3.0 APPLICABLE STANDARDS

The equipment offered shall comply with the recognized rules of technology and are therefore in accordance with the corresponding Indian/ IEC standards with latest amendments thereof unless otherwise specified.

Sr. No.	Standard	Description
1.	IEC 61000-4-30	Electromagnetic compatibility (EMC)-Testing and measurement techniques-Power quality measurement methods
2.	IEEE519	Recommended Practice and Requirements for Harmonic Control in Electric Power Systems
3.	IEC 61000-4-7	Testing and measurement techniques -General guide on harmonics and inter-harmonics measurements and instrumentation, for power supply systems and equipment



4.	IEC 61000-4-15	Flicker Measurement
5.	IEEE1159.3	Defines power quality data interface format
6.	IEEE 1159	IEEE Recommended Practice for Monitoring Electric Power Quality
7.	IEC 61000-4-2	Electrostatic discharge
8.	IEC 61000-4-3	Immunity to radiated fields
9.	IEC 61000-4-4	Immunity to fast transients
10.	IEC 61000-4-5	Immunity to surge
11.	IEC61000-4-6	Immunity conducted
12.	IEC61000-4-12	Damped oscillatory waves immunity
13.	IS 17036: 2018	Indian Standard Distribution System Supply Voltage Quality

For conflict related with specification, the order of priority shall be – i) This technical specification ii) IEC 61000-4-30 (with latest amendments).

Meter should conform to all the applicable standards amended upto the original date of issue of this tender enquiry.

4.0 xxx xxx xxx

5.0 GENERAL TECHNICAL REQUIREMENTS

1	TYPE	Power quality meter shall comply with IEC 61000-4-30 class "A" standard for measurement of different electrical parameters for evaluating supply quality. Measurement of True rms
2	Accuracy	confirming to Class A as per IEC 61000-4-30 and IEC62586-2.
3	FREQUENCY	50HZ ± 5%
4	SECONDARY VOLTAGE	Suitable for operation from 110VPh-Ph or 63.5VPh-N.
5	BASIC CURRENT(Ib)	-/5 Amps or -/1 Amps as per requirement
6	MAXIMUM CONTINUOUS CURRENT	200% Ib
7	POWER FACTOR	0.0 lag-Unity-0.0 Lead
8	Onboard Memory (in Mbytes)	128 MB or more

6.0 The meter shall have capability to detect and log power quality parameters as defined in IEC61000 4-30 Class A Edition 3 and High accuracy measurements with 1/2 cycle update rate for:

- a) Supply Frequency - 10 Sec Logging
- b) Magnitude of supply voltage & Current- 10 Min logging
- c) Flicker – Short time and Long time PST 10 Min and PLT 2 Hours logging
- d) Voltage & Current harmonics upto50th order -10 min and 3* sec logging
- e) Over/Under voltage deviation --10 Min logging
- f) Voltage unbalance –10 Min logging



g) Supply Voltage Dips & swell- measured in accordance with IEC-61000-4-30 in duration from 10 ms up to and including 1 min.

h) Short Supply Voltage Interruptions -measured in accordance with IEC-61000-4-30 in duration from 10 ms up to and including 1 min.

i) Long or sustained Supply Voltage Interruptions -measured in two indices SAIDI & SAIFI (Interruptions to be considered for duration more than 3 minutes).

Note 1:- However all other Power Quality parameters as per IEC-61000-4-30 shall also be provided.

Note 2: It is clarified that Meter shall be capable of giving report as per IEEE 519 for both very short time (3sec interval) and short time (10 min, interval) harmonic values. Further data logging for 10 min is required in both meter and cloud, however option for logging of 3 sec interval should be available in meter i.e. the same is configurable.

Note 3: The meter data logging feature and the server polling shall be configurable as required for validation of reports generated by server on cloud.

The indicative Logs are attached as per Annexure.

Bidder is advised to submit logs generated from offered PQ meter as mentioned above along with bid.

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28.0 TYPE TESTS

Bidder shall furnish along with the offer type tests reports as per IEC 61000-4-30 class A and other standards mentioned in Clause no.3 of this specification from any recognized lab (national or international) duly authorized for testing of class A power quality meters as per IEC 61000-4-30.

Bidders shall also submit, along with offer Type Test Certificates of high quality Reinforced Polycarbonate or equivalent High Grade Engineering Plastic material used for meter housing material i.e. base/cover/terminal cover from any Govt. approved Laboratory. However, if bidder provides metallic meter module then the relevant clauses of IS 14697 will be applicable.

Reports for type tests conducted in manufacturer's own laboratory and certified by testing institute shall not be acceptable.

The purchaser reserves the right to demand repetition of some or all the type tests in the presence of purchaser's representative free of cost. In case type test certificate are not enclosed with the offer then the offer shall be rejected.

In addition to these, the tenderers shall submit valid ISO 9001:2015 certification for meter manufacturing, ISO 27001:2005 for information security management system & ISO 14001:2004 for environmental management system at the time of opening of Tender (i.e. part- I & II of Tender).

29.0 CONSTRUCTIONAL REQUIREMENTS, METER COVER & SEALING ARRANGEMENT

29.1 CONSTRUCTION



Meter shall be made of high-quality materials/components to ensure high reliability and long life. For this, a meter should be subjected to mechanical tests and to evaluate the material used in the meter, it should be evaluated with following tests as per relevant IEC/IS14697 mentioned. The meter should be sealed in such a way that the inside of the meter is not accessible without breaking the seal and tampering with the body of the meter.

To evaluate the construction under the physical influences during packaging and transportation.

- i. Spring hammer test according to IEC publication 60068-2-75
- ii. Shock test was performed according to IEC 60068-2-27
- iii. Vibration test according to IEC 60068-2-6
- iv. The test was carried out according to IEC 60529, protection degree IP54 (indoor). CAT 2 as per IEC 60529.
- v. Material of both the terminal block and the meter case was subjected to a glow-wire test in accordance with IEC 60695-2-1.

To Evaluate the materials used and the Construction of the meter under the climate influences, meter should be assessed with regards to following points:

- i. Dry heat test as per IEC 60068-2-2
- ii. Cold test as per IEC 60068-2-1.
- iii. Damp heat cyclic test according to IEC 60068-2-30

Note: The above tests according to IS 14697 will also be acceptable.

The terminals shall be moulded/tight fit constructions with barriers and covers to provide secure and safe connections of CTs and PTs through the stranded copper conductors of 2.5mm size. The terminal block material was tested in accordance with ISO 75. The material of both the terminal block and the meter case was subjected to a glow-wire test in accordance with IEC 60695-2-1. The temperature of the glow-wire was 960 degree C for the terminal block, 650 degree Celsius for the meter case and cover. The materials meet the requirements.

The terminal cover preferably be sealed independently of the meter cover. Bidder must submit the test certificate to this effect.”

“CHECK LIST OF DOCUMENTS CONSISTING OF TENDER/OFFER

Following documents are mandatory. Bidder to ensure that these are uploaded along with the tender for it to be treated as complete document:-

Sr. No.	Details	To be sealed in	Remarks
1 to 13	xxx	xxx	xxx
14.	<u>Type Test Certificate(s) of offered item</u>	<u>Part-II</u>	<u>Scan & Upload</u>



15 to 18	xxx	xxx	xxx
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***INSTRUCTION:** The check list be marked in confirmation of enclosing the documents mentioned therein. Bidder to ensure that the documents are enclosed in the serial order as mentioned in the check list. ”* (emphasis supplied)

21. As per the affidavit dated 27.05.2026, submitted before this Court on behalf of PSPCL, in the pre-bid meeting held on 27.02.2025, one of the prospective bidders namely M/s Energy Electricals made a suggestion that in case a bidder uploaded, along with its e-bid, test report pertaining to the standard IEC 61000-4-30 complying only with the standards fixed in the year 2015 and not the latest standards laid down in the year 2021, such bid should not be rejected on this ground and based on such suggestion, on 07.04.2025, Corrigendum-IV, amending Clause 28.0 was issued by PSPCL. In this regard relevant portion of PSPCL’s affidavit dated 27.05.2026 and the relevant extract of Corrigendum-IV issued by the PSPCL on 07.04.2025, is reproduced below:-

Relevant portion of PSPCL’s affidavit dated 27.05.2026:-

“9. That the chronology of the tender process is as under:

<i>Date</i>	<i>Event</i>
20.02.2025	<i>Tender Enquiry No. MQP-246/2024-25/PO(M) issued / bids invited through NIT for procurement of 1,000 Class A Power Quality Meters</i>
27.02.2025	<i><u>Pre-Bid meeting: All prospective bidders raised queries. One suggestion made by the bidder (M/s Energy Electricals) was to accept 2015 NMi IEC 61000-4-30 Class A type-test report instead of the latest amendment. It was based on this that the Amendment to Clause 28 was made and the possibility of Undertaking was introduced for all bidders.”</u></i>

Extract of relevant portion of Corrigendum-IV dated 07.04.2025



"Sr. No.	Clause No.	Existing Clause	Amended Clause
4.	Clause: 28.0 TYPE TESTS	xxx xxxx xxxxx	xxxx xxxx xxx <u>NOTE: The bidder is required to submit type test report along with the bid, In case the type-test report submitted by the bidder is found to be conducted as per IEC 61000-4-30 Ed.3 (Class A Power Quality Meter), albeit with certain short falls, then the PSPCL's competent authority may accept an undertaking from the bidder that, in case an order is placed upon the bidder/ the bidder is empanelled, the bidder shall get these type test(s) conducted at no extra cost to PSPCL and submit the requisite type-test reports before start of supply as per original CDP/before issue of empanelment letter by PSPCL. In case of empanelled vendor, if the sample fails during the type tests, the firm will not be considered for empanelment."</u>

(emphasis supplied)

22. From the above extracted portions of the NIT it is abundantly clear that the offered electrical meters were mandatorily required to comply with the technical standards prescribed in the NIT and that such compliance was to be as per Indian/ IEC standards (as per latest amendments). Under clause 3.0 of the NIT as many as 13 such standards were prescribed. There was a specific reference in the said clause that the offered meters must conform to all the applicable standards amended upto the original date of issue of the Tender Enquiry. The general technical requirements which the offered electrical meters were further required to meet were stipulated under Clause 5.0 of the NIT which were 8 in number. Other technical requirements, were stipulated under Clauses 6.0 and 29.0 of the NIT. As per Clause 28.0 the bidder was required to furnish, alongwith its e-bid, type test reports with



regard to meeting all the technical standards prescribed under Clause 3.0 of the NIT. Other type test reports to the effect that the offered meter was of high quality with reinforced polycarbonic or equivalent high grade engineering plastic material were also required to be uploaded alongwith the bid. Clause 28.0 further unequivocally stipulated that in case the bidder failed to upload, alongwith its e-bid, the test reports as above, its offer was liable to be rejected at the very threshold.

23. The check list of documents mandatorily required to be uploaded by the bidder alongwith the e-bid also clearly reflected the same intention as above.

24. From the above, we unhesitantly arrive at the conclusion that as per the terms of the NIT uploading of type test reports, alongwith the bidder's e-bid, was mandatory and of considerable importance particularly when the equipment in question was a highly sophisticated electrical equipment. Such a condition is also found to be reasonable as it mandates the seller of a sophisticated electrical equipment to convince the buyer through furnishing of test reports from recognized agencies to the effect that the offered equipment is worthy of consideration at the hands of the buyer. The mandatory nature behind uploading of test reports, alongwith the bidder's e-bid is further clear from Clause 28.0 of the NIT which stipulated that in case the bidder's e-bid was not accompanied by the required test reports, the offer was liable to be outrightly rejected.

25. At this stage, reference to Corrigendum-IV dated 07.04.2025 is necessary. As forthcoming from PSPCL's affidavit dated 27.05.2026, Corrigendum-IV was based on a suggestion made by one of the prospective



bidders in the pre bid meeting held on 27.02.2025 that in case a bidder had submitted, alongwith its e-bid, a type test report pertaining to the standard IEC 61000-4-30 Edition 2015 then such bid should not be rejected only because such type test report was not in conformity with the latest standards laid down in the year 2021.

A plain reading of Note 4 to Corrigendum-IV also leads us to the irresistible conclusion that as per the Corrigendum if the test report uploaded by the bidder alongwith its e-bid, pertaining to the standard IEC 61000-4-30, was with regard to the standards fixed in the year 2015 and not as per the latest amendments made in the year 2021, then, in terms of Clause 28.0 of the NIT, such bid would not be rejected subject to the condition that in case such bidder is later declared to be successful it has to provide the test reports of the 2021 Edition before the supply of the equipment in question. Even if Corrigendum-IV is to be made applicable to the prescribed technical standards other than IEC 61000-4-30 then on the same analogy, as above, test reports pertaining to such standards already uploaded by the bidder alongwith its e-bid which are not conforming with the latest amendments of the prescribed standards and/or with minor errors could be permitted to be made good before the supply of the equipment in question in case such bidder was ultimately declared to be successful. The Corrigendum nowhere permitted PSPCL to place the order of the equipment in question without filing of the required test reports or to accept the type test reports with regard to the prescribed technical standards for the first time after the last date fixed for uploading of the e-bid and certainly not to accept such type test reports for the first time after placing of the order of the offered equipment upon the supplier.



26. Thus, Corrigendum-IV cannot be stretched to include those cases wherein no test report(s) at all have been submitted as that would permit placing of a purchase order on an ineligible bidder. It would also be a wholesale departure from the mandatory provisions of the NIT especially keeping in view their importance, as discussed above.

27. The dates of furnishing of type test reports by respondent No.3 vis-a-vis the last date to submit e-bids i.e. 17.04.2025 and the date of placing of the purchase order on it on 18.03.2026 are given below in a tabulated form:-

1.	IEC-60068-2-27 (Shock test report)	Not furnished
2.	IEC-60068-2-6 (Vibration test report)	Not furnished
3.	IEC-60068-2-30 (damp heat cyclic test report)	Not furnished
4.	Over and under deviation type test report	Not furnished
5.	IEC 61000-4-2	Furnished for the first time on 08.05.2026 i.e. after over one year from the last date fixed for submission of e-bids and much after placing of the purchase order on respondent No.3
6.	IEC 61000-4-3	Furnished for the first time on 08.05.2026 i.e. after over one year from the last date fixed for submission of e-bids and much after placing of the purchase order on respondent No.3
7.	IEC 61000-4-4	Furnished for the first time on 08.05.2026 i.e. after over one year from the last date fixed for submission of e-bids and much after placing of the purchase order on respondent No.3
8.	IEC 61000-4-5	Furnished for the first time on 08.05.2026 i.e. after over one year from the last date fixed for submission of e-bids and much after placing of the purchase order on respondent No.3
9.	IEC 61000-4-6	Furnished for the first time on 08.05.2026 i.e. after over one year from the last date fixed for submission of e-bids and much after placing of the purchase order on respondent No.3



10.	IEC 61000-4-12	Furnished for the first time on 08.05.2026 i.e. after over one year from the last date fixed for submission of e-bids for uploading of the test reports alongwith e-bids and much after placing of the purchase order on respondent No.3
11.	Construction/material type tests - housing (Reinforced Polycarbonate/ Engineering Plastic from Govt. lab; IS 14697 if metallic) and environmental tests IEC 60068-2 series	Furnished for the first time on 08.05.2026
12.	IEC 60529	Furnished for the first time on 08.05.2026
13.	IEC 60695-2-1	Furnished for the first time on 08.05.2026
14.	ISO 75	Furnished for the first time on 08.05.2026
15.	IEC 61000-4-7	Edition 2015 test reports were submitted along with the bid. Edition 2021 type test reports were submitted on 29.04.2026.
16.	IEC 61000-4-15	Edition 2015 test reports were submitted along with the bid. Edition 2021 type test reports were submitted on 29.04.2026.
17.	IEEE 519/1159/1159.3	Edition 2015 test reports were submitted along with the bid. Edition 2021 type test reports were submitted on 29.04.2026.
18.	IS 17036:2018	Edition 2015 test reports were submitted along with the bid. Edition 2021 type test reports were submitted on 29.04.2026.
19.	IEC 61000-4-30 Class A (master PQ standard), verified per IEC 62586-2	Test report Edition 2015 was submitted on along with the bid and test report with regard to the latest amendment i.e. Edition 2021 was submitted on 29.04.2026.
20.	ISO 9001:2015 ISO 27001 ISO 14001 Tender	Submitted along with the bid

28. From the above, it is clear that shock test report IEC-60068-2-27, vibration test report IEC-60068-2-6, damp heat cyclic test report IEC-610068-2-30 and "over and under deviation" type test report are still awaited from respondent No.3. So far as EMC Immunity standards test reports pertaining to the standard IEC 61000-4-2, IEC 61000-4-3, IEC 61000-4-4, IEC 61000-4-5, IEC 61000-4-6, IEC 61000-4-12 are concerned, they were for



the first time received by PSPCL from respondent No.3 on 08.05.2026. Thus, purchase order dated 18.03.2026 was placed on respondent No.3 by PSPCL in the absence of all the afore test reports which action on the part of PSPCL, on the face of it, is found to be most arbitrary because by doing so PSPCL placed an order for the supply of 1000 highly sophisticated electrical meters without knowledge of the fact as to whether such meters are compliant with the prescribed technical specifications. Such action of PSPCL turns mandatory conditions prescribed in the NIT on its head especially disregarding the mandate in the NIT that such test reports should have been uploaded by respondent No.3 alongwith its e-bid on or before 17.04.2025. In such circumstances, placing of an order could not only result in supplying of sub-standard material to an instrumentality of the State but also spiral into several legal complications. It is only reasonable that as per the NIT, before consideration of a bidder's bid the PSPCL should have first satisfied itself that the technical equipment in question complied with all the prescribed standards and not after placing the order wait for the supplier to furnish the required test reports that the equipment in question meets all the required technical standards. This a clear example where PSPCL has put the cart in front of horse. PSPCL has also completely deviated from the mandatory provisions of the NIT read with Corrigendum-IV which applied only in the case of making good the already filed test reports which only did not pertain to the latest amendments of the fixed standards and did not permit filing of fresh test reports for the first time after over a year from the last date to submit bids.

29. It is true that the decision making process of the employer or owner of the project in accepting or rejecting the bid of a tenderer is normally



not interfered with by Constitutional Courts and that such interference is permissible only if the decision making process is malafide or is intended to favour someone or is arbitrary or irrational. In other words, for interference by a Constitutional Court the decision making process or the decision itself should be perverse or patently arbitrary and not merely faulty or incorrect or erroneous. In this regard reference can safely be made to the following observations by the Supreme Court in ***Tata Cellular v. Union of India, (1994) 6 SCC 651:-***

“xxx

"94. The principles deducible from the above are:

- (1) The modern trend points to judicial restraint in administrative action.*
- (2) The court does not sit as a court of appeal but merely reviews the manner in which the decision was made.*
- (3) The court does not have the expertise to correct the administrative decision. If a review of the administrative decision is permitted it will be substituting its own decision, without the necessary expertise which itself may be fallible.*
- (4) The terms of the invitation to tender cannot be open to judicial scrutiny because the invitation to tender is in the realm of contract. Normally speaking, the decision to accept the tender or award the contract is reached by process of negotiations through several tiers. More often than not, such decisions are made qualitatively by experts.*
- (5) The Government must have freedom of contract. In other words, a fair play in the joints is a necessary concomitant for an administrative body functioning in an administrative sphere or quasi-administrative sphere. However, the decision must not only be tested by the application of Wednesbury principle of reasonableness (including its other facts pointed out above) but must be free from arbitrariness not affected by bias or actuated by mala fides.*



(6) *Quashing decisions may impose heavy administrative burden on the administration and lead to increased and unbudgeted expenditure.*

xxxx”

30. In *Afcons Infrastructure Ltd. Vs. Nagpur Metro Rail Corporation Ltd. & anr.* (2016) 16 SCC 818, the Supreme Court has observed as under:-

“11. Recently, in ***Central Coalfields Ltd. v. SLL-SML (Joint Venture Consortium)*** 2016(8) SCALE 99. it was held by this Court, relying on a host of decisions that the decision making process of the employer or owner of the project in accepting or rejecting the bid of a tenderer should not be interfered with. Interference is permissible only if the decision making process is mala fide or is intended to favour someone. Similarly, the decision should not be interfered with unless the decision is so arbitrary or irrational that the Court could say that the decision is one which no responsible authority acting reasonably and in accordance with law could have reached. In other words, the decision making process or the decision should be perverse and not merely faulty or incorrect or erroneous. No such extreme case was made out by GYT-TPL JV in the High Court or before us.

12. In ***Dwarkadas Marfatia and Sons v. Board of Trustees of the Port of Bombay*** (1989) 3 SCC 293. it was held that the constitutional Courts are concerned with the decision making process. ***Tata Cellular v. Union of India*** (1994) 6 SCC 651. went a step further and held that a decision if challenged (the decision having been arrived at through a valid process), the constitutional Courts can interfere if the decision is perverse. However, the constitutional Courts are expected to exercise restraint in interfering with the administrative decision and ought not to substitute its view for that of the administrative authority. This was confirmed in ***Jagdish Mandal v. State of Orissa*** (2007) 14 SCC 517. as mentioned in *Central Coalfields*.

13. In other words, a mere disagreement with the decision making process or the decision of the administrative authority is no reason for a constitutional Court to interfere. The threshold of mala fides, intention to favour someone or arbitrariness, irrationality or perversity must be met before the constitutional Court interferes with the decision making process or the decision.



14. We must reiterate the words of caution that this Court has stated right from the time when ***Ramana Dayaram Shetty v. International Airport Authority of India*** (1979) 3 SCC 489 was decided almost 40 years ago, namely, that the words used in the tender documents cannot be ignored or treated as redundant or superfluous – they must be given meaning and their necessary significance. In this context, the use of the word 'metro' in Clause 4.2 (a) of Section III of the bid documents and its connotation in ordinary parlance cannot be overlooked.

15. We may add that the owner or the employer of a project, having authored the tender documents, is the best person to understand and appreciate its requirements and interpret its documents. The constitutional Courts must defer to this understanding and appreciation of the tender documents, unless there is mala fide or perversity in the understanding or appreciation or in the application of the terms of the tender conditions. It is possible that the owner or employer of a project may give an interpretation to the tender documents that is not acceptable to the constitutional Courts but that by itself is not a reason for interfering with the interpretation given.”

31. To the same effect are the following observations of the Supreme Court in the case of *Silppi Constructions Contractors vs. Union of India* (2020) 16 SCC 489 :-

“19. This Court being the guardian of fundamental rights is duty bound to interfere when there is arbitrariness, irrationality, mala fides and bias. However, this Court in all the aforesaid decisions has cautioned time and again that courts should exercise a lot of restraint while exercising their powers of judicial review in contractual or commercial matters. This Court is normally loathe to interfere in contractual matters unless a clear-cut case of arbitrariness or mala fides or bias or irrationality is made out. One must remember that today many public sector undertakings compete with the private industry. The contracts entered into between private parties are not subject to scrutiny under writ jurisdiction. No doubt, the bodies which are State within the meaning of Article 12 of the Constitution are bound to act fairly and are amenable to the writ jurisdiction of superior courts but this



discretionary power must be exercised with a great deal of restraint and caution. The Courts must realise their limitations and the havoc which needless interference in commercial matters can cause. In contracts involving technical issues the courts should be even more reluctant because most of us in judges' robes do not have the necessary expertise to adjudicate upon technical issues beyond our domain. As laid down in the judgments cited above the courts should not use a magnifying glass while scanning the tenders and make every small mistake appear like a big blunder. In fact, the courts must give "fair play in the joints" to the government and public sector undertakings in matters of contract. Courts must also not interfere where such interference will cause unnecessary loss to the public exchequer.

20. The essence of the law laid down in the judgments referred to above is the exercise of restraint and caution; the need for overwhelming public interest to justify judicial intervention in matters of contract involving the state instrumentalities; the courts should give way to the opinion of the experts unless the decision is totally arbitrary or unreasonable; the court does not sit like a court of appeal over the appropriate authority; the court must realise that the authority floating the tender is the best judge of its requirements and, therefore, the court's interference should be minimal. The authority which floats the contract or tender, and has authored the tender documents is the best judge as to how the documents have to be interpreted. If two interpretations are possible then the interpretation of the author must be accepted. The courts will only interfere to prevent arbitrariness, irrationality, bias, mala fides or perversity. With this approach in mind we shall deal with the present case."

32. In this regard the following observations of the Supreme Court in the case of Banshidhar Construction Private Limited vs. Bharat Coking Coal Limited and others (2024) 10 Supreme Court Cases 273 can usefully be referred to:-

"22. When the Technical bid of the Appellant was rejected by the Respondents on



06.05.2024 on the ground that it did not comply with the Clause 10 of the NIT namely Part I/Cover I Other Important Documents (OID) Point No. 02 Appendix II (Power of attorney for signing of bid), there was no justification on the part of the Respondent authorities for accepting the Technical bid of the Respondent No.8, which clearly was not in compliance with the same mandatory Clause 10 of NIT. The Respondent BCCL has miserably failed to justify as to how the Technical bid of the Respondent no.8 was accepted when it had not submitted the requisite important documents related to the qualification criteria as mentioned in Clause 10 of the NIT.

23. A lame submission was made on behalf of the Respondent BCCL that the Tender Evaluation Committee could call for the shortfall of documents and could not allow replacement of the documents, and that the Respondent no.8 was asked to submit the shortfall documents only. We are neither impressed nor can accept the said submissions. Further, apart from the fact that the Technical bid of the Respondent no.8 deserved to be rejected at the threshold for non-compliance of Clause 10 of NIT, there was also no legal and justifiable reason for rejecting the Technical bid of the Appellant.

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27. Thus, the said action of the Respondent BCCL in rejecting the Technical bid of the Appellant on absolutely extraneous ground and accepting the Technical bid of the Respondent no.8 though submitted in utter noncompliance of the mandatory requirement of Clause 10 of the NIT, and subsequently calling upon the Respondent no.8 to furnish the shortfall of documents after the opening of technical bids of the Bidders, was totally arbitrary and illegal.

28. There cannot be any disagreement to the legal proposition propounded in catena of decisions of this Court relied upon by the learned counsels for the Respondents to the effect that the Court does not sit as a Court of Appeal in the matter of award of contracts and it merely reviews the manner in which the decision was made; and that the Government and its instrumentalities must have a freedom of entering into the contracts. However, it is equally well settled that the decision of the government/its instrumentalities must be free from arbitrariness and must not be affected by any bias or actuated by malafides.



29. Government bodies being public authorities are expected to uphold fairness, equality and public interest even while dealing with contractual matters. Right to equality under Article 14 abhors arbitrariness. Public authorities have to ensure that no bias, favouritism or arbitrariness are shown during the bidding process and that the entire bidding process is carried out in absolutely transparent manner.

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37. The submissions made by the learned Counsels for the Respondents that the project in question being Infrastructure project and also one of the Mega projects, this Court may not interfere more particularly in view of the fact that agreement has already been entered into between the Respondent BCCL and the Special Purpose Vehicle of the Respondent no.8, cannot be accepted, when we have found that the impugned decision of the Respondent BCCL was grossly arbitrary, illegal, discriminatory and violative of Article 14 of the Constitution of India. As held earlier, the Government bodies/instrumentalities are expected to act in absolutely fair, reasonable and transparent manner, particularly in the award of contracts for Mega projects. Any element of arbitrariness or discrimination may lead to hampering of the entire project which would not be in the public interest.

38. In that view of the matter, the impugned decision of the Respondent-BCCL dated 06.05.2024 rejecting the Technical bid of the Appellant and further declaring the Respondent no.8 as successful bidder is set aside. Any action/process undertaken or agreement entered into pursuant to the said decision also stand set aside. It shall be open for the Respondent - BCCL to initiate fresh tender process for the Project and to process the same in question in accordance with law.”

33. In the light of the above discussion on facts and applying the law laid down by the Supreme Court to the facts of the present case, we are of the considered opinion that award of the tender to respondent No.3 is based on a decision of PSPCL which is most arbitrary and completely irrational. Therefore, the impugned decision of the respondent PSPCL, declaring respondent No.3 as the successful bidder, is set aside. Any action/ process



undertaken or agreement entered into pursuant to the said decision also stands set aside. However, it shall be open for the respondent PSPCL to initiate fresh tender process for the project and to process the same in question, in accordance with law.

34. In the light of the above, we do not deem it necessary to opine on other issues raised on behalf of the petitioner.

35. The petition is allowed in the above terms.

(DEEPAK SIBAL)
JUDGE

07.07.2026
gk

(LAPITA BANERJI)
JUDGE

Whether speaking/reasoned	: Yes / No
Whether reportable	: Yes / No