



2026 INSC 1125

NON-REPORTABLE

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO(S).13749 OF 2026
(Arising out of SLP (C) No. 11388 of 2026)**

**M/S DHANLAXMI MERCHANDISE
PVT. LTD. ... APPELLANT(S)**

VERSUS

**STATE OF MADHYA PRADESH
& ORS. ...RESPONDENT(S)**

WITH

**CIVIL APPEAL NO(S).13750 OF 2026
(Arising out of SLP (C) No. 11160 of 2026)**

SAHAKAR GLOBAL LTD. ... APPELLANT(S)

VERSUS

**STATE OF MADHYA PRADESH
& ORS. ...RESPONDENT(S)**

J U D G M E N T

ARAVIND KUMAR, J.

1. Leave granted.

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NEHA GUPTA
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Reason: [S]

**SLP (C) No.11388 of 2026 with
SLP (C) No.11160 of 2026**

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2. These appeals arise from a common judgment dated 18.03.2026 passed by the High Court of Madhya Pradesh at Jabalpur in Writ Petition No.48901 of 2025 and Writ Petition No.1880 of 2026. The former writ petition was instituted by Sahakar Global Limited (hereinafter referred to as “Sahakar” for brevity) and concerns the sand mining group of District Shahdol, while the latter was instituted by M/s Dhanlaxmi Merchandise Private Limited (hereinafter referred to as “Dhanlaxmi” for brevity) and concerns the sand mining group of District Katni. In both proceedings, challenge was laid to the cancellation of an e-tender-cum-auction conducted by the Madhya Pradesh State Mining Corporation Limited pursuant to Notice No. Sand/Tender/2025-26/406 dated 18.09.2025. The cancellation in respect of the two groups flowed from a common decision taken by the Board of Directors of the Corporation on 19.11.2025 and was communicated to the concerned bidders on 05.12.2025. Since the two writ petitions arose out of the same decision and raised substantially common questions, they were heard and disposed of together by the High Court. These appeals have accordingly been heard together, though certain facts peculiar to the two appellants require separate consideration.

- 3.** The circumstances in which the controversy arose may be stated at the outset. Both appellants had, under an earlier round of tendering, operated the very sand groups for which they subsequently bid. Both surrendered those contracts under the surrender provision then in force. The Corporation thereafter brought Shahdol and Katni again to auction, accepted the appellants as technically qualified participants and conducted the competitive bidding to its conclusion. Sahakar emerged as the highest bidder for Shahdol and Dhanlaxmi for Katni. The amounts quoted by them in the fresh auction were, however, substantially lower than the amounts which they had themselves quoted in the earlier round. It was this circumstance, read with the fact of surrender, which led the Board to reconsider whether the tender process ought to be carried further.
- 4.** The factual position of the two appellants is not altogether identical. Sahakar's earlier Shahdol contract had already become the subject matter of proceedings concerning availability of mines with the requisite statutory permissions before the surrender was tendered. The Katni contract of Dhanlaxmi does not carry the same history. It would, therefore, be appropriate first to notice the statutory arrangement and

thereafter the factual course of the two contracts separately before they converge in the common tender of September 2025.

STATUTORY AND CONTRACTUAL SETTING

- 5.** The Madhya Pradesh Sand (Mining, Transportation, Storage and Trading) Rules, 2019 govern the extraction, transportation, storage and trading of sand in the State. The Rules were materially amended on 26.05.2023. Under the arrangement introduced by that amendment, the quarry leases came to be allotted to the Madhya Pradesh State Mining Corporation Limited, which was to carry out mining operations through Mine Developer-cum-Operators (hereinafter referred to as “MDO” for brevity) selected in accordance with the prescribed procedure. The Corporation thus remained the holder of the quarry leases, while the MDO selected for a particular group undertook the mining and sale operations subject to the statutory permissions governing the individual mines.
- 6.** The regulatory arrangement contemplated that the mining plan, environmental clearance and the requisite water and air consents would govern actual extraction. A mine could form part of a notified group although all permissions might not have

become operative at the same point of time. Inclusion of a mine in the tendered group and the entitlement actually to extract mineral therefrom were, therefore, matters which had to be understood with reference to the permissions then in force.

- 7.** Rule 7 prescribed the manner in which the initial base or upset price was to be worked out, while Rule 8 provided for selection through e-tender-cum-e-auction. Rule 9 contemplated a contract for three years. The bid amounts which figure prominently in these proceedings were annual bid amounts and not the aggregate consideration for the full three-year tenure. The fresh tender which later came to be issued was not merely for the unexpired residue of the earlier surrendered agreements; it contemplated a fresh contractual tenure under the Rules.
- 8.** Rule 16, in the form in which it stood during 2025, permitted an MDO to surrender a sand group by giving three months' advance notice to the Corporation, subject to payment of the dues payable to the Corporation and the State Government and approval of the State Government. The application, once submitted, was irrevocable and possession was thereafter to be handed over in accordance with the agreement. Upon receipt of the surrender application, the Corporation was required to initiate proceedings for re-tendering the group. An application

within the last six months of the contractual period was not to be considered.

- 9.** The Rule as it then stood did not prescribe a general disqualification preventing the surrendering MDO from participating when the same group was re-tendered. Nor did it stipulate that such an MDO, if otherwise eligible, could participate only upon offering an amount equal to or greater than its earlier bid. This position was subsequently altered by amendment dated 30.01.2026, to which we shall advert at the appropriate stage.
- 10.** The tender conditions themselves also reserved substantial powers in favour of the Corporation. Clause 6.5.5 dealt with determination of the H1 participant, while Clauses 6.6.3 and 26 reserved to the competent authority the power to reject the highest bid and to cancel the tender process. Emergence as H1 did not, therefore, amount to an unconditional acceptance or a concluded contract. At the same time, those clauses formed part of a tender issued by a State instrumentality and their operation remained subject to the law governing exercise of public power.

SHAHDOL AND SAHAKAR GLOBAL LIMITED

- 11.** The Shahdol group comprised 34 mines with an annual tendered quantity of 17,60,000 cubic metres. The reserve price under the earlier tender was ₹44 crore. Sahakar Global Limited emerged successful in that process with an annual bid of ₹68,84,25,999, corresponding to approximately ₹391.151 per cubic metre. An agreement was executed between Sahakar and the Corporation on 12.01.2024 for a three-year period ending on 11.01.2027.
- 12.** Difficulties thereafter arose in the operation of that agreement. The Corporation's own pleadings disclose that environmental clearances had been obtained for 23 mines corresponding to approximately 14,86,630 cubic metres, as against the 34 mines and annual tendered quantity of 17,60,000 cubic metres forming part of the notified group. Sahakar's stand was that it had bid for the whole notified group upon the expectation that the mines comprising it would be made available with the requisite statutory permissions. The Corporation maintained, on the other hand, that the tender conditions sufficiently disclosed the permission position and that Sahakar had

undertaken the commercial venture after acquainting itself with the mines and the applicable conditions.

13. This disagreement was not raised for the first time after the later tender came to be cancelled. Sahakar had already approached the High Court by instituting Writ Petition No.15714 of 2025. By an interim order dated 09.05.2025, the High Court directed, pending further consideration, that Sahakar should continue to make payment having regard to the quantity actually extracted from the available quantity for which environmental clearance had been received. The interim arrangement did not finally determine that the Corporation was in breach, nor did it adjudicate Sahakar's ultimate financial liability under the agreement. It nevertheless forms an important part of the chronology because the controversy concerning permissions was already alive before the surrender which followed.

14. On 11.07.2025, Sahakar submitted a notice of surrender. The communication referred to the difficulty arising from non-availability of statutory permissions for the entire tendered quantity and to the financial consequences which, according to the appellant, had resulted therefrom. The surrender was sought under the provision then governing the relationship.

The Corporation's own surrender chart records 10.10.2025 as the effective date of surrender. We are not concerned in these proceedings with the final settlement of accounts under that earlier agreement.

KATNI AND DHANLAXMI MERCHANDISE PRIVATE LIMITED

- 15.** The Katni group comprised 49 mines with an annual tendered quantity of 20,00,000 cubic metres. The reserve price under the earlier process was ₹50 crore. Dhanlaxmi Merchandise Private Limited emerged successful at an annual bid of ₹64,77,66,000, corresponding to approximately ₹323.883 per cubic metre. The agreement between Dhanlaxmi and the Corporation was executed on 01.11.2023 for a period of three years.
- 16.** Dhanlaxmi submitted its notice of surrender on 01.08.2025. The communication invoked the provision permitting surrender on three months' notice and stated that there were no outstanding dues. The Corporation's chart records 31.10.2025 as the effective date of surrender. Unlike Shahdol, no corresponding dispute concerning absence of environmental clearance for the Katni mines had arisen. The Corporation has

specifically maintained that the requisite permissions for Katni were available.

- 17.** In its later pleadings, Dhanlaxmi attributed the surrender to the commercial working of the contract, including demand, transportation and operational costs and the actual quantities which could be sold. Its rejoinder referred to sales of 8,60,970 cubic metres during the first contractual year and 16,81,512 cubic metres during the second, against the annual tendered quantity of 20,00,000 cubic metres. Those figures form part of the appellant's pleaded explanation and are not findings resulting from an audit of the earlier contract. It is also significant that the surrender notice itself did not set out that commercial explanation in the detail subsequently found in the rejoinder.
- 18.** At this stage, therefore, the factual courses of Shahdol and Katni remained distinct. What brought them together was the decision of the Corporation to place both groups again in the market.

DECISION TO RE-TENDER

- 19.** Before the fresh NIT was issued, the question of strengthening the surrender provisions had already engaged the attention of the authorities. Proposals were under consideration for restricting participation by surrendering MDOs, recovering loss arising upon re-tendering and introducing stricter consequences in cases of surrender.
- 20.** The matter was considered at the 281st meeting of the Board held on 18.09.2025. The Board was conscious of the proposed changes and of the fact that certain groups, including Shahdol and Katni, had been surrendered. It nevertheless resolved that, in order to ensure continuity in the supply of sand, selection of MDOs for Katni, Shahdol, Jabalpur, Guna, Barwani, Rajgarh and Mandsaur could be undertaken under the Rules then prevailing. This contemporaneous decision is reflected in the Board material forming part of the record.
- 21.** On the same date, the Corporation issued Notice No. Sand/Tender/2025-26/406. The detailed tender material followed on 19.09.2025 and the schedule was thereafter modified by a corrigendum dated 24.09.2025. Shahdol continued to be notified with 34 mines, an annual quantity of

17,60,000 cubic metres and a reserve price of ₹44 crore. Katni was notified with 49 mines, an annual quantity of 20,00,000 cubic metres and a reserve price of ₹50 crore.

- 22.** Both appellants participated in the process. Their technical bids were scrutinised and accepted. The material later placed before the Board records seven technically qualified participants for Shahdol and five for Katni. The tender was therefore not proceeding with a solitary eligible bidder in either district.

AUCTION DATED 10.10.2025

- 23.** The financial auctions were held on 10.10.2025. For Shahdol, Sahakar submitted the highest initial price offer of ₹46,80,00,000. The electronic auction commenced at 11.00 a.m. Other participants thereafter entered higher bids and the bidding continued until Sahakar submitted its final offer of ₹48,20,40,000 at 12.34 p.m. The amount remained the highest offer at closure. On the annual quantity of 17,60,000 cubic metres, the resulting rate was approximately ₹273.886 per cubic metre. The annual offer exceeded the reserve price of ₹44 crore by ₹4,20,40,000.

- 24.** In Katni, the highest initial offer was ₹52,37,11,111. The auction commenced at 10.00 a.m. Sahakar, which was itself a participant in the Katni process, submitted a higher bid at 10.48 a.m. Successive bids followed and the process culminated in Dhanlaxmi's offer of ₹54,07,41,111 at 11.36 a.m. This remained H1 at closure. The amount corresponded to approximately ₹270.371 per cubic metre and exceeded the reserve price of ₹50 crore by ₹4,07,41,111.
- 25.** Sahakar thus emerged H1 for Shahdol and Dhanlaxmi H1 for Katni. No Letter of Intent or final allotment was issued immediately thereafter.

LEGAL OPINION AND BOARD CONSIDERATION

- 26.** The Corporation thereafter sought legal advice by a communication dated 31.10.2025. The opinion dated 11.11.2025, as reproduced in the Board agenda, records that the successful bidders had neither been debarred nor blacklisted; that the Corporation had stated that they complied with the requirements of the current tender; and that no document warranting an adverse inference against them had accompanied the reference. The advice was that the Corporation could proceed, subject to satisfaction of the

remaining tender and statutory requirements. The opinion did not bind the Board and did not amount to acceptance of either bid. Its relevance lies in the factual position obtaining when the matter thereafter came up for decision.

27. At its meeting held on 19.11.2025, the Board considered the results of the fresh auction together with the corresponding figures under the earlier contracts. In Shahdol, the earlier annual bid of ₹68,84,25,999 was compared with the fresh H1 bid of ₹48,20,40,000. The difference was ₹20,63,85,999, or approximately 29.98 per cent. In Katni, the earlier annual bid of ₹64,77,66,000 was compared with ₹54,07,41,111, yielding a difference of ₹10,70,24,889, or approximately 16.52 per cent. These were substantial differences.

28. In relation to Shahdol, the Board material also adverted to the earlier dispute concerning statutory permissions and to the Corporation's stand that the operative permission position had not changed in the manner suggested by Sahakar. The tender obligations concerning inspection of the mines and the bidder's knowledge of the relevant circumstances were also referred to. It would, therefore, not be correct to say that the permission controversy was wholly absent from the material placed before the Board.

29. Upon consideration of the material, the Board formed the view that the highest rates obtained in the fresh auction for Shahdol and Katni were not competitive and resolved to reject the offers and cancel the e-tender-cum-auction process for those two groups. It did not declare either appellant ineligible or blacklist them. Nor did it determine the liabilities, if any, under their earlier surrendered agreements. The operative decision was confined to rejection of the present bids and cancellation of the fresh process.

30. The decision was communicated on 05.12.2025. The cancellation communications themselves were brief and referred to the power contained in the tender conditions. The detailed basis upon which the Board had acted emerged from the contemporaneous agenda and minutes subsequently placed before the High Court.

PROCEEDINGS BEFORE THE HIGH COURT AND AMENDMENT OF THE RULES

31. Sahakar questioned the cancellation by filing Writ Petition No.48901 of 2025 in relation to Shahdol. Dhanlaxmi instituted Writ Petition No.1880 of 2026 concerning Katni. Since both challenges arose from the same Board decision, the

Corporation placed substantially common material before the High Court, while also dealing with the factual features particular to each district.

- 32.** During pendency of those proceedings, the Sand Rules were amended on 30.01.2026. The substituted Rule 16 introduced a materially different surrender regime. Amongst other things, it provided that the MDO, and its proprietor, director or partner, which had surrendered a group would not be eligible to participate in the e-tender-cum-auction of the same group for the prescribed three-year period. Provision was also made for adjustment of loss arising upon re-tendering against the security of the former MDO and for recovery of any balance. The upset-price methodology applicable to surrendered groups was also altered.
- 33.** Following the amendment, the Corporation issued another NIT on 10.02.2026. The reserve price was fixed at ₹52.80 crore for Shahdol and ₹60 crore for Katni. That subsequent process assumed relevance later when the question of interim protection and eventual relief came before this Court.

JUDGMENT OF THE HIGH COURT

- 34.** The two writ petitions were heard together and disposed of by the common judgment dated 18.03.2026. The High Court noticed that both Appellants had themselves obtained the respective district groups at higher rates in the earlier round, had thereafter surrendered those groups and had once again emerged H1 in the fresh process at lower rates. It accepted the Corporation's position that the difference was substantial and that the decision to cancel the process was one taken in protection of public revenue.
- 35.** The High Court also relied upon Clauses 6.6.3 and 26 and upon the settled principle that the highest bidder does not acquire an indefeasible right to have the contract concluded in its favour. It noticed the earlier litigation concerning Sahakar and the environmental-clearance position, but did not regard the same as sufficient to displace the commercial decision of the Board.
- 36.** Reliance placed by the Appellant's upon *Golden Food Products India v. State of Uttar Pradesh and Others*¹ was distinguished. The High Court understood the decision as

¹ 2026 SCC OnLine SC 24

recognising that the highest bid may be rejected for a valid reason and held that the substantial difference between the amounts quoted by the same MDOs in the two rounds, with the attendant implications for public revenue, furnished such a reason. Both writ petitions were accordingly dismissed.

PROCEEDINGS BEFORE THIS COURT

37. Sahakar thereafter preferred SLP(C) No.11160 of 2026, while Dhanlaxmi preferred SLP(C) No.11388 of 2026. On 25.03.2026, this Court issued notice and directed that the fresh auction process, insofar as Shahdol and Katni were concerned, should not be finalised without leave of the Court. The matters came to be heard on several dates thereafter. Since the two petitions arose out of the common judgment and the same Board decision, SLP(C) No.11388 of 2026 was directed to be listed along with SLP(C) No.11160 of 2026.

38. During pendency of the proceedings, applications for intervention and impleadment were filed by participants in the subsequent Shahdol process. Material was placed on record showing higher initial price offers in that later round. The subsequent e-auction had, however, not culminated in a final allotment on account of the interim order of this Court. Those

developments bear primarily upon the relief to be granted and will be considered at the appropriate stage.

- 39.** With this factual background, we may notice the submissions advanced on behalf of the parties.

SUBMISSIONS AND CONTENTIONS OF PARTIES

ON BEHALF OF SAHAKAR GLOBAL LIMITED

- 40.** Mr. Mukul Rohatgi, learned Senior Counsel appearing for Sahakar Global Limited, submitted that the cancellation proceeded upon an erroneous assumption that the earlier annual bid of ₹68,84,25,999 represented the continuing value of the Shahdol mining opportunity and could, without anything further, be used as the benchmark for judging the competitiveness of the September 2025 auction. Learned Senior Counsel submitted that the two contractual situations could not be treated as economically identical merely because both concerned the Shahdol group.

- 41.** He drew our attention to the position relating to statutory permissions under the earlier agreement. The tendered group comprised 34 mines and 17,60,000 cubic metres, whereas the Corporation's own pleadings recorded environmental

clearances for 23 mines corresponding to approximately 14,86,630 cubic metres. It was submitted that Sahakar had bid for the notified opportunity, whereas in practice the entire tendered group had not become available for lawful mining.

42. Learned Senior Counsel further submitted that this was not a grievance raised after the surrender. Sahakar had approached the High Court in Writ Petition No.15714 of 2025 and had obtained the interim order dated 09.05.2025 relating payment to actual extraction from the available quantity for which environmental clearance had been received. The surrender dated 11.07.2025 followed thereafter. According to him, the earlier bid could not therefore be treated as an unquestioned indication of the commercial value subsequently available under the fresh tender.

43. It was next submitted that Sahakar had exercised a right which the law then expressly recognised. Rule 16 permitted surrender and required re-tendering. There was no provision at the relevant time disqualifying the surrendering MDO from participating again. Sahakar had not been blacklisted or debarred, and the Corporation itself found it technically eligible under the fresh NIT.

- 44.** Learned Senior Counsel laid particular emphasis on the Board decision dated 18.09.2025. He submitted that the Board was already conscious that amendments to the surrender regime were under consideration, yet consciously decided to proceed with selection under the Rules then prevailing. Having done so, the Corporation could not, after completion of the auction, treat the appellant as though a restriction subsequently introduced in January 2026 were already part of the September 2025 regime.
- 45.** He thereafter took us through the actual bidding record. Seven bidders had qualified for Shahdol. Sahakar's initial offer was ₹46.80 crore and the electronic auction thereafter witnessed successive bids before Sahakar emerged H1 at ₹48,20,40,000. The final figure exceeded the reserve price by ₹4,20,40,000. There was no allegation of collusion, cartelisation or manipulation of the auction. In such circumstances, it was submitted, the conclusion that the result was “non-competitive” merely because Sahakar had earlier quoted more could not be sustained.
- 46.** Learned Senior Counsel also referred to the legal opinion dated 11.11.2025, which recorded that the successful bidders were neither debarred nor blacklisted and that no adverse material

had been furnished to the law officer. He fairly accepted that the opinion did not bind the Board, but submitted that it demonstrated the factual position immediately preceding the impugned decision.

47. The subsequent amendment dated 30.01.2026 was also relied upon. Learned Senior Counsel submitted that the rule-making authority then expressly introduced the very restriction which had not existed earlier, namely ineligibility of the surrendering MDO and its connected persons for the same group for the prescribed period, coupled with a mechanism for recovery of loss. The amendment being prospective, it could not furnish a disqualification for an auction already conducted under the earlier regime.

48. Reliance was placed upon *Food Corporation of India v. M/s. Kamdhenu Cattle Feed Industries*², *Tata Cellular v. Union of India*³, *M.P. Power Management Company Limited, Jabalpur v. Sky Power Southeast Solar India Private Limited and Others*⁴, *Subodh Kumar Singh Rathour v. Chief*

² (1993) 1 SCC 71

³ (1994) 6 SCC 651

⁴ (2023) 2 SCC 703

Executive Officer and Others ⁵ and *Golden Food Products India v. State of Uttar Pradesh* (supra). Learned Senior Counsel clarified that the appellant was not asserting an absolute right merely because it was H1. The submission was that, once a public authority conducted a valid competitive process and received an above-reserve H1 offer, rejection of that result had to rest upon material rationally demonstrating why the offer was unacceptable. A bidder's own historical offer, without an assessment of comparability and current value, could not by itself supply that basis.

49. Lastly, learned Senior Counsel submitted that the subsequent Shahdol process could not retrospectively validate the earlier cancellation. The later process arose under an amended regime, at an enhanced reserve price and at a later point of time. In any event, no final competitive allotment had arisen from that process owing to the interim order of this court.

ON BEHALF OF DHANLAXMI MERCHANDISE PRIVATE LIMITED

50. Mr. Parameshwar, learned Senior Counsel appearing for Dhanlaxmi Merchandise Private Limited, adopted the

⁵ (2024) 15 SCC 461

submissions concerning the scope of judicial review, the old Rule 16 and the prospective amendment, but submitted that Katni stood on its own factual footing. He did not seek to place Dhanlaxmi upon the particular environmental-clearance dispute which existed in Shahdol.

- 51.** Learned Senior Counsel submitted that Dhanlaxmi had obtained Katni at the earlier annual bid of ₹64,77,66,000 and thereafter surrendered the group on 01.08.2025 under the provision then in force. No breach of eligibility attached to the surrender. The Corporation itself thereafter placed Katni for fresh auction and accepted Dhanlaxmi as technically qualified.
- 52.** Five bidders were qualified in Katni and the e-auction generated successive bids. Sahakar itself participated in the auction and entered a higher bid during the process. Dhanlaxmi ultimately emerged H1 at ₹54,07,41,111, exceeding the reserve price of ₹50 crore by ₹4,07,41,111. Learned Senior Counsel submitted that there was no factual basis upon which such a process could be described as devoid of competition.
- 53.** It was urged that the mere fact that Dhanlaxmi had previously offered ₹64.77 crore could not turn that amount into a permanent minimum price for Katni. An earlier bidder which

had misjudged the commercial potential of a contract remained liable for its earlier obligations until surrender took effect in accordance with law, but its earlier commercial judgment could not bind every future auction.

54. Learned Senior Counsel referred to the appellant's pleaded experience relating to demand, transportation costs, operational expenses and actual quantities sold under the earlier contract. He clarified, however, that the appellant's case did not depend upon establishing fault on the part of the Corporation. Rule 16 did not require an MDO to prove breach by the Corporation before exercising the surrender facility.

55. Attention was also drawn to the material concerning Mandla, Anuppur and Balaghat, where subsequent tender values were said to have been materially lower than the corresponding earlier amounts. It was not submitted that the economics of every district were identical. The material was relied upon to demonstrate that a lower price following surrender had not, under the earlier regime, invariably been treated as proof that the later auction was unacceptable.

56. According to learned Senior Counsel, the ₹10,70,24,889 difference between Dhanlaxmi's earlier and later bids was

merely the numerical difference between two tender rounds. Before it could be characterised as a loss to the State, there had to be some basis for treating the earlier annual return as one which remained reasonably realisable in October 2025. No contemporaneous valuation or market material of that nature was referred to in the Board resolution.

- 57.** It was therefore submitted that the High Court had approached the matter from an incorrect premise. The proposition that H1 had no vested right was not disputed. What required examination was whether the reason for rejecting the H1 result was a lawful and sufficient reason. Clauses 6.6.3 and 26 preserved the power of rejection but did not place the exercise of that power beyond Article 14.

ON BEHALF OF THE STATE AND THE CORPORATION

- 58.** Shri Tushar Mehta, learned Solicitor General and Shri Maninder Singh, learned Senior Counsel appearing on behalf of Respondents, supported the judgment of the High Court. They submitted that neither appellant had acquired any enforceable right merely by emerging as H1. No Letter of Intent had been issued and no agreement had been executed pursuant to the September 2025 process. The tender conditions

specifically reserved to the Corporation the power not to accept even the highest offer and to cancel the process.

59. Reliance was placed upon *State of Uttar Pradesh and Others v. Vijay Bahadur Singh and Others*⁶, *Haryana Urban Development Authority and Others v. Orchid Infrastructure Developers Private Limited*⁷ and the settled line of authority emphasising the commercial latitude available to the State. It was submitted that a court exercising judicial review could not substitute its own view of the appropriate price for that of the authority charged with administration of public mineral resources.

60. Learned counsel further submitted that the present case was not one of a speculative desire to obtain a higher price in the future. The Board was faced with a specific pattern: the same operators which had undertaken to pay substantially higher annual amounts had surrendered their contracts and had returned to the same district groups at materially reduced prices. The reduction was approximately 29.98 per cent in Shahdol and 16.52 per cent in Katni. The Corporation could

⁶ (1982) 2 SCC 365

⁷ (2017) 4 SCC 243

not reasonably be expected to ignore differences of this magnitude when public revenue was involved.

- 61.** It was submitted that the earlier and later opportunities were not as dissimilar as the appellants suggested. The mine counts and annual tendered quantities remained unchanged. Shahdol continued to comprise 34 mines and 17,60,000 cubic metres; Katni continued to comprise 49 mines and 20,00,000 cubic metres. The Board was therefore entitled to regard the earlier bid for the same group as highly relevant material.
- 62.** Answering Sahakar in particular, learned counsel submitted that the appellant had entered the earlier agreement with full knowledge of the clearance position. The tender required bidders to inspect the mines and satisfy themselves regarding the prevailing circumstances. The Board agenda expressly referred to the clearance litigation and to the Corporation's stand concerning permissions. It was therefore incorrect to suggest that the comparison was made without noticing Sahakar's grievance.
- 63.** The interim order dated 09.05.2025 was, in any event, said to be only an interim arrangement and not a final declaration that the Corporation had breached the agreement or that Sahakar

was entitled to rewrite its earlier financial commitment. The appellant could not use an unresolved contractual dispute to deprive its earlier bid of all relevance.

- 64.** As regards Katni, learned counsel submitted that no comparable deficiency in statutory permissions existed. Dhanlaxmi had surrendered because its commercial expectations had not materialised. While it was entitled to invoke Rule 16, the Corporation was equally entitled to take that conduct into account when the same contractor sought reacquisition at a lower rate.
- 65.** The reserve price, according to the respondents, was only a threshold and not a promise of acceptance. A public authority was free to reject an offer above reserve if the competent authority considered that the public resource would otherwise be disposed of at an inadequate return.
- 66.** The respondents also disputed the relevance attributed to the other district transactions. Sand groups differed in local demand, transport conditions, permissions, timing, bidder participation and commercial potential. No principle of equality required every surrendered group to be treated identically.

- 67.** Turning to the amendment of 30.01.2026, learned counsel accepted that the new Rule was prospective but submitted that the amendment merely supplied a stricter regulatory response to a concern which already existed. The Board did not need the amended Rule as the source of its power to cancel. That power already existed under the tender, and the Board could legitimately act to prevent a recurring surrender-and-reacquisition pattern from depressing public revenue.
- 68.** *Golden Food Products* (supra) was sought to be distinguished on the ground that the authority there had compared materially different properties and had cancelled substantially in the hope of securing a higher future price. In the present case, the Board compared successive bids for the same notified groups by the same operators and on the same notified quantities. The revenue concern was therefore said to be concrete rather than speculative.
- 69.** Learned counsel accordingly submitted that the High Court was correct in refusing to interfere. The Board had before it the earlier bids, the surrender history, the fresh auction results, the Shahdol clearance dispute and the proposed regulatory changes. On that material it took a commercial decision within

the powers reserved by the tender. A different view of the same circumstances would not justify judicial substitution.

SUBSEQUENT BIDDERS

70. Learned counsel appearing for the applicants in the subsequent Shahdol process submitted that developments after the cancellation were also relevant to the form of relief. Following the amendment, Shahdol was again tendered with an enhanced reserve price and initial offers in the vicinity of ₹57 crore were received. The applicants relied upon the substantial securities deposited by them and submitted that the later process demonstrated the possibility of materially higher revenue.

71. It was urged that, even if some infirmity were found in the earlier decision, the Court ought not to restore the 2025 result in disregard of the subsequent competition. The proper course, according to the applicants, would be to allow the later process to reach its conclusion.

72. Learned Senior Counsel for the appellants answered that the subsequent participants entered the process during pendency of the present challenge and subject to the order dated 25.03.2026 restraining finalisation without leave of this Court. No

concluded allotment had arisen in their favour. Their participation, it was submitted, could not validate the earlier cancellation if that cancellation were otherwise found unsustainable.

73. We have considered the rival submissions.

QUESTIONS FOR CONSIDERATION

74. On the pleadings, the material placed before us and the submissions advanced at the Bar, the controversy may be confined to two questions. The **first** is whether the Madhya Pradesh State Mining Corporation Limited was justified in rejecting the highest bids received for the Shahdol and Katni groups and cancelling the e-tender-cum-auction dated 18.09.2025, principally because the appellants, after surrendering their earlier contracts for the same groups, had returned to the fresh auction at substantially lower rates? The **second**, which would arise if the cancellation is found unsustainable, is the consequential relief to which the appellants would be entitled, having regard also to the subsequent tender process initiated during the pendency of the proceedings?

ANALYSIS AND CONSIDERATION:

75. Before examining the decision of the Board dated 19.11.2025, it would be useful to notice the settled principles governing State action in the award of public contracts. The law in this field has never proceeded on the footing that every highest bidder acquires a right to the contract. Equally, it has never accepted that the State, merely because it is acting in a commercial field, is at liberty to exercise its discretion as a private individual might. A public authority is undoubtedly entitled to protect its commercial interests, to secure a fair return for public property and, where the circumstances so require, to reject even the highest offer. That power, however, remains public power and must be exercised consistently with Article 14 of the Constitution.

76. The principle may be traced to *Ramana Dayaram Shetty v. International Airport Authority of India and Others*⁸, where this Court held that the Government and its instrumentalities cannot distribute State largesse by standards which are arbitrary or departed from at will. *M/s. Star Enterprises and Others v. City and Industrial Development Corporation of*

⁸ (1979) 3 SCC 489

Maharashtra Ltd. and Others.⁹, carried the principle into the field of rejection of highest offers and recognised that, notwithstanding a contractual reservation permitting rejection, the action of a public authority must remain capable of being supported by reasons germane to the decision. In *Food Corporation of India v. Kamdhenu Cattle Feed Industries* (supra), it was again emphasised that the highest tenderer has no absolute right to acceptance, but that legitimate expectation arising from the manner in which a public authority conducts a tender is one facet of the requirement that State action be fair and non-arbitrary.

77. The corresponding restraint to be exercised by courts was explained in *Tata Cellular v. Union of India* (supra). Judicial review is concerned with the legality of the decision-making process and not with substitution of the Court's own commercial judgment for that of the competent authority. Government must be afforded freedom of contract and a reasonable degree of fair play in the joints. The same approach runs through *Jagdish Mandal v. State of Orissa and Others*¹⁰, *Michigan Rubber (India) Limited v. State of Karnataka and*

⁹ (1990) 3 SCC 280

¹⁰ (2007) 14 SCC 517

*Others*¹¹, *Silppi Constructions Contractors v. Union of India and Another*¹², and *N.G. Projects Limited v. Vinod Kumar Jain and Others*¹³. These decisions counsel restraint where the challenge is merely to the wisdom of a commercial choice. They do not exclude interference where the decision proceeds upon a consideration which does not reasonably sustain the conclusion reached.

78. The High Court has relied upon *Haryana Urban Development Authority v. Orchid Infrastructure Developers Private Limited* (supra). There can be no quarrel with the proposition that an H1 bidder does not acquire a vested right merely by submitting the highest offer and that, until acceptance by the competent authority, no concluded contract may arise. What is equally instructive in *Orchid Infrastructure* (supra), however, is that the rejection there was supported by material concerning auction trends, comparable sites and prevailing prices. The decision therefore illustrates both sides of the principle: the absence of an enforceable right merely from H1 status and the

¹¹ (2012) 8 SCC 216

¹² (2020) 16 SCC 489

¹³ (2022) 6 SCC 127

necessity of relevant material when the public authority concludes that the highest bid is inadequate.

79. More recently, in *M.P. Power Management Company Ltd. v. Sky Power Southeast Solar India Pvt. Ltd.* (supra), this Court reiterated that the State does not cease to be subject to Article 14 merely because the controversy has entered the contractual field. In *Subodh Kumar Singh Rathour v. Chief Executive Officer* (supra), the Court also cautioned against treating the possibility of greater monetary return as exhaustive of public interest. Public revenue is undoubtedly an important consideration, but so too are fairness in State action, certainty in public dealings and the integrity of processes by which the State invites private parties to compete for public opportunities.

80. The decision having the closest bearing upon the present controversy is *Golden Food Products India v. State of Uttar Pradesh* (supra). There, an auction which had produced an offer above the reserve price was cancelled by reference to prices realised for other properties and upon an expectation that a greater amount might be secured. This Court held that an auction conducted in accordance with law carries a sanctity which cannot be disregarded merely because the authority

thereafter considers that a higher figure might have been desirable. The highest bid may certainly be rejected, but the reason for rejection must bear a rational relation or nexus to the subject matter and circumstances of the auction actually conducted.

81. These decisions, read together, yield a principle which is by now well settled. An H1 bidder has no indefeasible right to insist upon award. The tendering authority may reject the highest offer and may, in an appropriate case, cancel the process altogether. A reserve price is a threshold and not a promise of allotment. At the same time, the reservation of such power in the tender conditions does not place its exercise beyond judicial review. Where the decision is challenged, the Court is entitled to examine whether the consideration which moved the public authority was relevant; whether the material before it reasonably supported the conclusion; and, whether the power was exercised consistently with the constitutional requirement of non-arbitrariness.

82. The answer must begin with the legal regime under which the fresh process was undertaken. Rule 16, as it stood during 2025, expressly contemplated surrender by an MDO on three months' notice, subject to the requirements prescribed therein. Upon

receipt of the surrender application, the Corporation was required to initiate re-tendering. The Rule did not then provide that the surrendering MDO was disqualified from participating in the fresh tender for the same group. Nor did it prescribe that, if the former MDO did participate, its bid could not be lower than the amount quoted under the earlier agreement. The consequences attaching to surrender were therefore those which the law and the contract then provided and no further disability could be presumed merely because the earlier arrangement had ended in surrender.

- 83.** This assumes greater significance because the Corporation did not discover either the surrender or the identity of the appellants after completion of the auction. Proposals for strengthening the surrender regime were already under consideration before 18.09.2025. The Board was aware of that position when, at its 281st meeting held on that date, it nevertheless decided that selection of MDOs for Shahdol, Katni and the other identified groups should proceed under the Rules then prevailing so as to maintain continuity in the supply of sand. The fresh tender was issued in pursuance of that decision. Sahakar and Dhanlaxmi participated openly, their

technical eligibility was scrutinised and accepted and they were permitted to compete in the auction.

84. The auctions which followed generated actual competition. Seven bidders were technically qualified for Shahdol and five for Katni. Sahakar's initial offer of ₹46.80 crore in Shahdol was followed by successive bids until its final offer of ₹48,20,40,000 remained H1. In Katni, the bidding similarly progressed beyond the initial offers and Dhanlaxmi ultimately emerged H1 at ₹54,07,41,111. The Board did not record any finding of cartelisation, collusion, suppression of competition, manipulation of the electronic platform or defect in the prescribed procedure. Nor was either appellant found technically ineligible. The process which the Corporation had itself chosen for price discovery had therefore proceeded in accordance with its terms.

85. This did not oblige the Corporation to accept the result. It did, however, require some material to explain why the result of that competition was commercially unacceptable. An earlier bid may well be relevant to such an enquiry. It may indicate that the same asset had previously attracted a higher commitment and may warrant a closer examination of whether the later competition was satisfactory. But a previous bid is not,

by itself, a continuing adjudication of market value. It records what a bidder undertook to pay in an earlier contractual setting. The liabilities arising from that bargain remain enforceable according to its terms, but the amount once quoted does not thereby become an immutable minimum for every subsequent auction of the same district group.

86. The distinction becomes clearer when the nature of the fresh tender is kept in view. The September 2025 process did not merely transfer the unexpired residue of the earlier agreements. It contemplated a fresh contractual tenure under Rule 9. The earlier and later figures were therefore annual bids made in separate tender rounds. Before the difference between them could be characterised as the loss which acceptance of the fresh bids would occasion, there had to be some basis for concluding that the earlier return remained reasonably obtainable from the fresh opportunity or that the new auction had otherwise failed to produce an acceptable present value. The Board resolution does not disclose that intermediate assessment.

87. No contemporaneous valuation demonstrating that ₹48.20 crore for Shahdol or ₹54.07 crore for Katni was below the value reasonably obtainable in October 2025 is referred to. Nor is there reliance upon current comparable auctions showing

that either group should have yielded an amount approximating the earlier bid. The resolution compares the historical and current figures, notes the percentage reduction and proceeds to the conclusion that the fresh rates are non-competitive. The numerical difference is beyond dispute; what is absent is the material which would convert that difference into proof of the current inadequacy of the bids.

88. The Shahdol facts illustrate the difficulty with particular clarity. Sahakar's earlier agreement itself had become the subject of litigation concerning the extent of the mining opportunity available with the requisite statutory permissions. The tendered group comprised 34 mines and an annual quantity of 17,60,000 cubic metres, while the Corporation's pleadings recorded environmental clearances for 23 mines corresponding to approximately 14,86,630 cubic metres. Sahakar had approached the High Court in Writ Petition No.15714 of 2025 and, by the interim order dated 09.05.2025, its payment obligation had, for the time being, been related to actual extraction from the available quantity for which environmental clearance had been obtained. That dispute preceded the surrender dated 11.07.2025 and formed part of the history of the earlier agreement.

89. It is neither necessary nor appropriate in these appeals to pronounce upon whether the Corporation was in breach of that agreement or whether Sahakar's financial obligations under the earlier contract stood reduced. The Corporation has maintained that Sahakar was aware of the status of the clearances and the Board material itself noticed that contention. The relevance of the earlier litigation is narrower. It demonstrates that the annual bid of ₹68.84 crore arose in an operational setting which had already become the subject of a genuine dispute concerning the extent to which the tendered opportunity was available in practice. In those circumstances, the earlier figure could not, merely by reason of its existence, be treated as establishing the amount which the State could reasonably expect from a fresh Shahdol tender in October 2025.

90. The Katni case does not carry the same factual feature. The Corporation has specifically maintained that the requisite permissions were available and Dhanlaxmi's later explanation for surrender refers instead to commercial non-viability, demand, transportation costs and the actual experience of operating the contract. We do not propose to determine whether the earlier Katni venture was in fact commercially unviable or whether Dhanlaxmi had misjudged the economics

when it submitted its earlier bid. What is relevant is that Rule 16 did not make proof of default by the Corporation a condition for surrender. Once Katni was lawfully re-tendered and Dhanlaxmi was permitted to participate in an auction which generated competition, the earlier annual bid of ₹64.77 crore could not, without some further material, be regarded as the continuing measure of the value which the fresh process ought to have realised.

- 91.** The reserve prices form another part of the same factual setting. Shahdol was placed to auction at a reserve price of ₹44 crore and Katni at ₹50 crore. The eventual H1 bids exceeded those figures by ₹4,20,40,000 and ₹4,07,41,111 respectively. We agree with the respondents that a reserve price does not oblige the authority to accept every bid above it. There may be sound reasons for rejecting an above-reserve offer. What is significant here is that the Corporation consciously invited competition above those notified thresholds, allowed the bidding process to reach its conclusion and thereafter treated the appellants' own earlier offers, which did not form part of the conditions of the fresh auction, as the decisive measure against which the new bids were found wanting.

92. The subsequent amendment dated 30.01.2026 must also be understood in this chronology. The amended Rule 16 expressly introduced a restriction preventing the surrendering MDO and its proprietor, director or partner from participating in the same group for the prescribed three-year period. It also created a mechanism for adjustment and recovery of loss arising upon re-tendering, while the upset-price arrangement applicable to surrendered groups was altered. The policy behind the amendment is readily understandable and nothing in the present judgment questions either its wisdom or validity. Its importance for these appeals lies in the fact that the very disability thereafter expressly enacted did not form part of the regime under which the September 2025 tender was issued and conducted.

93. The respondents fairly accept that the amended Rule operates prospectively. It may therefore regulate tenders to which it lawfully applies, but it cannot retrospectively render the appellants ineligible for a process in which they were eligible when their bids were invited and evaluated. Nor can the subsequent mechanism for recovery of loss convert every difference between an earlier and later bid into a loss already established under the earlier regime. Any liability arising from

the surrendered contracts must be determined in accordance with the Rules, agreements and proceedings applicable to those contracts.

94. We are equally unable to accept that the invocation of public revenue concludes the matter. Sand is a public mineral resource and the Corporation is under an obligation to protect the financial interests of the State. A reliable valuation demonstrating material undervaluation, evidence of collusion or artificially depressed bidding, absence of effective competition, or a genuine supervening policy decision may furnish ample justification for rejection of even an above-reserve H1 offer. Public interest, however, must emerge from the material on which the decision is taken. In the present case, the Board established that the appellants' current bids were materially lower than their earlier bids. It did not establish that the current bids were materially lower than the value which the State could reasonably expect to obtain from the market in October 2025. Those are not the same conclusions.

95. The material relating to Mandla, Anuppur, Balaghat and other districts does not require detailed adjudication. Sand groups situated in different districts may vary considerably in quantity, permissions, demand, transport conditions and commercial

potential. We would therefore not rest the result upon an assumption that all district groups must be treated alike. The other district material has a more limited relevance: it demonstrates that surrender followed by a lower subsequent offer was a phenomenon with which the administration had already dealt under the earlier regime. The validity of the cancellation before us must nevertheless be tested upon the reasons pertaining to Shahdol and Katni themselves.

- 96.** The later process initiated after amendment of the Rules also cannot determine the legality of the decision taken on 19.11.2025. It is true that the subsequent Shahdol process attracted initial offers in the vicinity of ₹57 crore, materially higher than Sahakar's 2025 final bid. That circumstance supports the respondents' submission that a later process was capable of producing a higher figure. It arose, however, under an altered reserve price, an amended regulatory regime and at a later point of time; moreover, the competitive auction had not culminated in a final allotment. Equally, the absence of bids for Katni at the later enhanced reserve price does not by itself establish that the earlier cancellation was unlawful. Subsequent events may appropriately be taken into account while moulding relief, but legality of the impugned decision must primarily

depend upon the reasons and material which existed when it was made.

97. Viewed in this manner, the error in the approach of the High Court becomes apparent. The High Court was correct in holding that the appellants acquired no vested right merely because they had emerged H1 and that Clauses 6.6.3 and 26 reserved a wide discretion in favour of the Corporation. The question, however, did not end with the existence of that discretion. The Court was required to examine whether the reason for its exercise was sufficient in the circumstances of the fresh auction. By treating the difference between the earlier and later bids as the corresponding loss to the exchequer, the High Court proceeded upon the same assumption as the Board, namely that the earlier annual bids remained the appropriate measure of what ought to have been realised under the September 2025 process. The material placed before it did not establish that premise.

98. The reliance placed by the appellants upon *Golden Food Products* (supra) must be understood in that setting. The facts there were not identical and, unlike the present case, the comparison was between properties of materially different sizes. The principle, however, remains apposite. A numerical

comparator does not become sufficient merely because it exists; the comparison must bear a rational nexus with the subject and circumstances of the auction whose result is sought to be discarded. Here, the earlier offers were relevant and the reductions were substantial, but they were treated as determinative without the further assessment necessary to show why the fresh competitive outcome was unacceptable.

99. We are therefore satisfied that the decision of the Board dated 19.11.2025 cannot be sustained insofar as it rejects the Shahdol and Katni bids. The conclusion does not proceed on the footing that an H1 bidder possesses an absolute right to allotment or that a bid exceeding reserve must invariably be accepted. It follows from the particular course disclosed by the record: surrender was expressly contemplated by the law then in force; re-participation was not prohibited; the Board knowingly decided to re-tender under the existing regime notwithstanding the proposed amendments; several bidders actually competed; no infirmity in the competition was identified; and the eventual bids were rejected principally because they were lower than the appellants' own earlier bids, without the further material necessary to establish that the earlier amounts continued to

represent the revenue reasonably obtainable in the fresh auction.

100. The first question is accordingly answered in favour of the appellants. The Board decision dated 19.11.2025 and the cancellation communicated on 05.12.2025, insofar as they concern the Shahdol and Katni groups, are liable to be set aside. The common judgment dated 18.03.2026 affirming that action cannot consequently be sustained.

RELIEF

101. We may now consider the appropriate consequential order. The respondents urged that, even if the cancellation were found unsustainable, the matter should be remitted to the Corporation for reconsideration. Ordinarily, where interference is occasioned because some relevant material has not been considered or because a fresh technical or commercial evaluation remains necessary, remand may be the proper course. The present case, however, does not stand at such an intermediate stage. The Corporation invited the bids, scrutinised technical eligibility, conducted the financial

auction, determined H1 in both groups and thereafter took a conscious decision to reject those results. The material and reasons which led to the rejection have been placed before the High Court and before us. No further evaluation of the completed auction remains to be undertaken on any ground which formed part of the impugned decision.

102. The reason upon which the Board acted has now been examined and found insufficient. A remand cannot be ordered merely to permit the authority to reconsider the very comparison which has failed judicial scrutiny. Nor, after the decision has been defended throughout upon identified grounds, would it be appropriate to leave the completed process open for the discovery of entirely new reasons for rejecting the same bids. Such a course would render the relief upon a successful challenge largely illusory.

103. The appellants, on their part, must stand by the bids on the basis of which they seek restoration. Sahakar cannot seek restoration of the 2025 process while withdrawing from its final annual offer of ₹48,20,40,000, nor can Dhanlaxmi seek the benefit of the judgment while resiling from its offer of ₹54,07,41,111. The passage of time during pendency of the litigation does not entitle either appellant to a reduction in its

bid or relaxation of an essential tender condition. The consequence of setting aside the cancellation is restoration of the process which was interrupted, not creation of a fresh commercial arrangement.

104. The absence of a Letter of Intent prior to cancellation does not lead to a contrary result. We have already accepted that H1 status by itself did not constitute a concluded contract. The relief now granted does not proceed upon specific performance of an agreement which had already come into existence. Once the unlawful rejection is set aside, the tender process stands restored to the stage immediately preceding that rejection. The remaining steps contemplated by the tender must thereafter be completed in accordance with its terms, subject to fulfilment by the appellants of the deposits, securities and other requirements which remained outstanding.

105. The subsequent auction does not make such restoration impracticable. On 25.03.2026, this Court expressly directed that the fresh auction process insofar as Shahdol and Katni were concerned should not be finalised without leave. The applicants in the later Shahdol process therefore participated subject to the subsisting challenge and the order of this Court. Their deposits and legitimate expectation of participation

deserve protection, but the later process had not culminated in a final allotment or a concluded contractual right. Their participation cannot render irreversible an antecedent cancellation which has now been found unsustainable.

106. The higher initial figures said to have been received in the later Shahdol process do not persuade us to preserve that process in preference to the 2025 auction. As already noticed, those figures arose in a different regulatory setting and after enhancement of the reserve price. To permit the later process to defeat the appellants' relief merely because it subsequently attracted a higher initial response would in substance allow a later event to validate retrospectively the cancellation under challenge. The legality of the earlier decision having been determined on the contemporaneous record, the relief must ordinarily follow that determination.

107. At the same time, restoration of the 2025 process cannot be understood as enlarging the appellants' rights beyond the tender itself. It does not extinguish any dues or liabilities which may independently survive under the earlier surrendered contracts, nor does it dispense with the mining plans, environmental clearances, consents or other statutory permissions necessary for lawful extraction. Questions relating to accounts,

permissible recoveries or liabilities under the former agreements remain open to be determined in accordance with law in the proceedings competent to decide them. The relief in these appeals is confined to the cancellation of the fresh tender process.

ORDER

108. In the result, the Appeals are allowed. The common judgment dated 18.03.2026 passed by the High Court of Madhya Pradesh at Jabalpur in Writ Petition No.48901 of 2025 and Writ Petition No.1880 of 2026 is set aside. The decision of the Board of Directors of the Madhya Pradesh State Mining Corporation Limited dated 19.11.2025 and the cancellation communicated on 05.12.2025 are quashed insofar as they reject the bids of the appellants and cancel the e-tender-cum-auction conducted pursuant to Notice No. Sand/Tender/2025-26/406 dated 18.09.2025 in respect of the Shahdol and Katni sand groups. No other part of the Board's decision is disturbed.

109. The tender process dated 18.09.2025 shall stand restored in respect of Shahdol and Katni. Within two weeks from today,

Sahakar Global Limited and Dhanlaxmi Merchandise Private Limited shall communicate to the Corporation their unconditional willingness to stand by their respective final bids dated 10.10.2025, namely ₹48,20,40,000 for Shahdol and ₹54,07,41,111 for Katni, and to comply with the remaining requirements of the tender.

110. Upon receipt of such communication, the Corporation shall, within a further period of two weeks, intimate the respective appellant of the deposits, bank guarantees, performance securities and other formalities remaining to be completed under the restored process. In the event any security furnished earlier has expired or been released during pendency of these proceedings, the concerned appellant shall furnish equivalent security in the form required by the tender within the period stipulated by the Corporation.

111. Upon due compliance, the Corporation shall complete the consequential approval and allotment process, including issuance of the requisite Letter of Intent or other consequential instrument and execution of the agreement, within six weeks thereafter. The bids shall not be rejected afresh on the ground that the appellants surrendered their earlier contracts, that their October 2025 offers were lower than their previous bids, or by

applying retrospectively to the completed 2025 auction the participation restriction introduced on 30.01.2026.

112. The subsequent tender process initiated under the notice dated 10.02.2026 shall not be carried further insofar as Shahdol and Katni are concerned. The deposits and bank guarantees furnished by participants in that process for these two groups shall be returned or released by the Corporation within four weeks, subject to any liability independently arising otherwise than from the controversy adjudicated herein. The later process, insofar as it concerns other groups, shall remain unaffected.

113. We clarify that nothing stated herein adjudicates the accounts, dues, permissible recoveries or other disputes arising out of the earlier contracts surrendered by Sahakar or Dhanlaxmi. Those matters shall be determined in accordance with the respective agreements, the Rules applicable thereto and any orders passed in proceedings concerning them. Nothing in this judgment shall also be understood as questioning the validity of the amendments notified on 30.01.2026 or restricting their operation in cases to which they lawfully apply.

114. The applications for intervention and impleadment filed by the subsequent bidders stand disposed of in the above terms. All other pending applications shall also stand disposed of. There shall be no order as to costs.

.....J.
[ARAVIND KUMAR]

.....J.
[VIPUL M. PANCHOLI]

**NEW DELHI;
OCTOBER 14th, 2026.**