**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-21822-2026 (O&M)

HAWA SINGH KHOBRA

....Petitioner

VERSUS

UNION OF INDIA AND OTHERS

....Respondents

**CWP-24721-2026 (O&M)
RESERVED ON:10.08.2026
PRONOUNCED ON:17.08.2026**

SUBHASH

... Petitioner

VERSUS

UNION OF INDIA AND OTHERS

....Respondents

**CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL
HON'BLE MR. JUSTICE DEEPINDER SINGH NALWA**

Present: Ms. Prerna Malhotra, Advocate (legal-aid-counsel)
for petitioner in both cases.

Mr. Sushant Kareer, Advocate
for respondent No.1 (in CWP-21822-2026).

Mr. Anshul Pareek, Advocate for
Mr. Saurav Verma, Advocate
for respondent No.3 in both cases.

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SUVIR SEHGAL, J.

1. This singular order shall dispose of both the above-noted writ petitions, as they involve common questions of fact and law. For the sake of convenience, factual matrix is being noticed from

CWP No.21822-2026, titled 'Hawa Singh Khobra Vs. Union of India and others'.

2. Petitioner has invoked Articles 226 and 227 of the Constitution of India for issuance of a writ of certiorari quashing communications dated 29.10.2025 and 23.12.2025 (Annexures P-5 and P-13 respectively) issued by respondent No.2-Bharat Petroleum Corporation Limited (BPCL), whereby the letter of intent (LOI) issued to the petitioner has been cancelled. Petitioner also seeks a direction to the respondents to extend the Stand-Up India Scheme (SUIS) for the tender or to convert the tender reservation of 15% for Scheduled Castes under any other scheme.

3. Facts, in brief, are as follows:-

BPCL invited e-tender for transportation of bulk LPG by road for a period of five years. Tender process commenced on 01.03.2025 and the technical bids were scheduled to be opened on 16.04.2025. Petitioner participated in the tender process under the Scheduled Caste category by proposing trucks under the SUIS. Under the tender conditions, an SC/ST bidder proposing trucks under SUIS was required to furnish confirmation from a scheduled commercial bank regarding extension of loan under the scheme. The credit guarantee scheme under the SUIS closed with effect from 31.03.2025. BPCL issued LOI dated 9.10.2025 (Annexure P-3) in favour of the petitioner. LOI contemplated a contract for 5 years and required the petitioner, *inter alia,* to furnish the stipulated security deposit through an irrevocable bank guarantee as also to comply other prescribed formalities. Petitioner failed to fulfil the conditions of the LOI within the prescribed period and by the impugned communication, Annexure P-5, BPCL cancelled the LOI. The petitioner thereafter sent letters to BPCL and by a subsequent communication dated 23.12.2025 (Annexure P-13), BPCL called upon the petitioner to submit a formal confirmation letter from the bank stating that the credit guarantee scheme under SUIS was still valid. Petitioner communicated with the bank and vide letter dated 26.12.2025, Punjab National Bank confirmed that the credit guarantee scheme under SUIS had been withdrawn by the Government of India.

4. Counsel for the petitioner submits that after issuance of the LOI, the petitioner had furnished a bank guarantee of Rs.3 lakhs in October 2025, which is lying with the BPCL. She asserts that LOI creates binding rights between the parties and consequent upon issuance thereof, the respondents are bound to enter into a contract with the petitioner. It is also an assertion that respondent No.3-PNB could not deny the credit guarantee facility to the petitioner, as the facility was available when the tender process was initiated. The prayer made by the petitioner has, however, been opposed by the counsel for the respondents.

5. We have heard counsel for the parties and considered their submissions besides examining the documents referred to by them.

6. The question as to whether an LOI creates enforceable rights has recently been considered by the Supreme Court in ***State of Himachal Pradesh and another Vs. M/s OASYS Cybernatics Pvt. Ltd, (2026) 3 SCC 348***. After analysis, it has been held that LOI is no more than a provisional communication signifying the intent of the tenderer to enter into a formal

agreement upon fulfilment of certain technical and procedural conditions. The acceptance of tender and consequential formation of a binding contract are contingent upon satisfaction of these prerequisites. The reliance upon LOI as a source of vested contractual right is wholly misplaced. LOI does not give rise to any binding or enforceable rights in favour of its holder. Supreme Court observed that when contractual rights are absent, the State's administrative discretion in rescinding or cancelling an LOI is not unfettered unless it can be established that it is arbitrary, unreasonable or actuated by mala fides. Petitioner has neither alleged any arbitrariness or unreasonableness nor levelled any allegation of mala fide against the respondents.

7. Applying the aforesaid principles to the facts at hand, this Court holds that LOI dated 09.10.2025 (Annexure P-3) cannot be construed as vesting an unconditional right in the petitioner to a contract. Pleadings show that a formal agreement has not been entered into between the parties and compliance with the conditions prescribed in LOI is yet to be completed. Consequently, issuance of LOI does not denude BPCL of its authority to examine whether the petitioner had fulfilled the stipulated conditions. This Court cannot direct the conversion of a conditional LOI into a concluded contract.

8. It deserves to be noticed that petitioner's bid under the SC/ST category was dependent upon the availability of financing backed by the credit guarantee scheme under SUIS. The scheme stood closed on 31.03.2025 and fresh guarantee coverage ceased to be available for loans

sanctioned after 01.04.2025. Petitioner's banker has confirmed that the credit guarantee scheme has been withdrawn. The petitioner's request to convert the reservation for SC/ST to another financing scheme, cancel or recall the tender, or otherwise accommodate him under another scheme, cannot be accepted. BPCL had informed the petitioner that such an alteration was not possible since the tender had already been implemented in accordance with the prescribed evaluation criteria.

9. Tender conditions cannot ordinarily be rewritten by a writ Court to accommodate an individual bidder. A direction to BPCL to substitute another financial scheme for SUIS would materially alter the basis upon which bids were invited and evaluated. It would potentially affect the rights and competitive position of other bidders who participated on the notified terms. The extraordinary power under Article 226 of the Constitution does not confer jurisdiction upon this Court to recast a public tender after completion of the bidding process merely to preserve the commercial expectation of one of the participants.

10. For the aforegoing reasons, this Court does not find any ground to interfere with the impugned communications (Annexures P-5 and P-13 respectively). Prayer for directing the respondents to extend or restore the SUIS, or to substitute it with another financing scheme, etc., also cannot be accepted.

11. Consequently, both writ petitions are dismissed, though with no order as to costs.

12. Liberty is, however, granted to the petitioner to move an appropriate application/representation to BPCL for release of bank guarantee furnished by him.

13. Pending application(s), if any, shall also stand(s) disposed of accordingly.

(SUVIR SEHGAL)
JUDGE

(DEEPINDER SINGH NALWA)
JUDGE

17.08.2026
Rimpal

Whether speaking/reasoned	:	Yes
Whether reportable	:	Yes