



COMPETITION ACT

Competition, Not Cartel: Allied Construction & Pooja Associates Survive Writ

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PUBLISHED 27 January 2026

Introduction

In a climate where every unsuccessful bidder is quick to cry “cartel”, the Gauhati High Court has reaffirmed the narrow corridor for judicial interference in public tender collusion. Delivered by Justice Sanjay Kumar Medhi on 14 January 2026, W.P.(C) No. 6333 of 2025 (M/s Versha Technotrade Pvt. Ltd. v. State of Assam & Ors.) is a textbook application of the Supreme Court’s consistent message: courts police the process, not the wisdom, of procurement decisions.

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Factual Matrix

The Public Works Department (Buildings), Assam invited bids on 29 July 2025 for an EPC-mode Circuit House at Udalguri. Clause 6(1) of the “Information & Guidelines for Bidders” made a joint site-inspection mandatory. M/s Versha Technotrade Pvt. Ltd., represented by its director Sri Aakash Surana, carried out the visit on 8 August 2025 and submitted its financial bid on 21 August 2025. On the last day of submission, respondents No. 3 and 4M/s Allied Construction and M/s Pooja Associates also deposited their bids. The technical envelopes opened on 28 August 2025 found all three to be responsive; in the financial ranking Allied emerged L-1, Pooja Associates L-2 and Versha Technotrade L-3. Stung by its relegation, Versha Technotrade rushed to the High Court under Article 226, contending that the L-1 and L-2 had formed an undisclosed cartel in violation of Article 2(2)(b) of the NIT and praying for quashing of the tender or, in the alternative, disqualification of the alleged cartelists and award of the work to itself at L-1 rates.

Rival Submissions

The petitioner’s counsel relied on a single photograph enclosed by both respondents showing their representatives together during the site visit on 14 August 2025. He argued that this commonality, coupled with the two firms frequently appearing together in other tenders, demonstrated a pattern of bid-rigging destructive of competitive neutrality. He reminded the Court that on 12 November 2025 an interim stay had been granted on the strength of a prima facie observation favouring a cartel.

Resisting the plea, the State’s standing counsel Shri B. Choudhury submitted that the photograph was neither called for nor considered by the Tender Committee; simultaneous presence at the site is nowhere prohibited. Senior counsel appearing for L-1 Allied Construction, stressed that separate Integrity Agreements had been executed and no material whatsoever indicated exchange of price information or bid suppression. Shri S. K. Poddar, for L-2 Pooja Associates, added that recurring competition between the same bidders is inherent in a limited market and cannot be equated with collusion. Both respondents invoked *Central Coalfields Ltd. v. SLL-SML (JV)* (2016) 8 SCC 622 for the proposition that the employer is the best judge of its tender conditions and judicial review is confined to decisions that are mala fide, irrational or arbitrary.

Judicial Analysis

Justice Medhi noted that the petitioner’s case underwent a volte-face: initially it was mis-projected that one individual represented both firms; after exchange of affidavits the plea shifted to “joint visit equals cartel”. The Court found no clause compelling bidders to inspect the site serially; the only mandate was certification of visit, duly complied with. More importantly, the Integrity Agreements were independently executed and the departmental affidavit categorically affirmed that no evidence of price coordination or restriction of competitiveness had surfaced. The petitioner’s reliance on past tenders where both respondents participated was construed as demonstrating competition, not collusion. In the absence of tangible material, the Court refused to draw an inferential conclusion of cartelisation, observing that to do so would wander “into the scope of imagination”. The interim stay, the Court recorded, had been procured on a factual premise since abandoned, reminding counsel of the Supreme Court’s

Final Disposition

The writ petition was dismissed and the interim order vacated, leaving the tender process free to proceed in favour of L-1, M/s Allied Construction. While refraining from imposing costs, the Court expressly reserved its right to levy compensatory costs in future cases where stays are obtained on misleading foundations.

Conclusion

Versha Technotrade reinforces the classic doctrine that courts guard the integrity of the decision making process, not the commercial wisdom of the award. By insisting on concrete, not conjectural, proof of anti-competitive conduct, the Gauhati High Court has shielded public procurement from speculative assaults while reaffirming that the burden to demonstrate cartel rests heavily on the accuser.

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