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WP-9258-2026

IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE

BEFORE

HON'BLE SHRI JUSTICE VIJAY KUMAR SHUKLA

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HON'BLE SHRI JUSTICE ALOK AWASTHI

ON THE 17th OF MARCH, 2026WRIT PETITION No. 9258 of 2026*M/S. STAR FOODS ASSOCIATES**Versus**THE UNION OF INDIA AND OTHERS*

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Appearance:

Shri Kanishka Gupta - Advocate for the petitioner.

Shri Shalabh Sharma - Advocate for the respondent.

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ORDER

Per. Justice Vijay Kumar Shukla

The present petition is filed under Article 226 of the Constitution of India challenging the initiation of fresh tender process for the kitchen and food supply services at ESIC Model Hospital, Indore.

2. Counsel for the petitioner submits that the petitioner is a proprietorship firm engaged in food supply and catering services and was awarded the contract for providing kitchen services at ESIC Model Hospital, Indore vide contract No.GEMC - 511687782725383 dated 3/7/2024. The petitioner commenced the work from 1/8/2024. He submits that as per the condition No.22 of the tender document, the contract was for a period of one year with a condition of one year extendable for further period of one year on the same terms and conditions. He argued that after the expiry of the period



of contract, the respondents extended the contract by different orders till 31/1/2026. He submits that even after the expiry of the extended period of the contract he continued to make supply. He further submits that even today, he is still supplying as per the contract. He argued that the respondents have issued fresh tender on 16/2/2026. Counsel for the petitioner vehemently argued that as per clause 22 of the contract tender document, the respondents ought to have extended the contract for period of one year. He argued that he was having a legitimate expectation of extension of one year as per the said clause.

3. Per contra, counsel for the respondent submitted that the said clause does not say that it is mandatory for the department to extend the period of contract for period for one year after the expiry of one year from the initial contract period. He further submits that in furtherance to the fresh tender process, the petitioner had also participated. However, his tender bid has not been accepted. Therefore, the petition is liable to be dismissed.

4. After hearing learned counsel for the parties, it is apposite to refer clause 22 of the Contract and the same reads as under:-

22. Contract period may further be extended by 1 year subject to observance of satisfactory performance by the competent authority and mutual consent of both the parties.

5. Upon perusal of the said clause, it is axiomatic that the contract period "may" further be extended by one year subject to observance of satisfactory performance by the competent authority and "mutual consent" of the parties. Thus, the said clause of the contract makes it clear that the extension of period of one year is not mandatory for the competent authority



and it is the discretion which has been conferred to the competent authority for extension of the contract period and further the same is subject to mutual consent of both the parties. The words "may" and "mutual consent" makes clear that the said clause is not making an obligation on the competent authority to extend the contract for period of one year mandatorily. The period of contract was extended time to time with the consent of the parties and the petitioner has been allowed even to work after expiry of the period of contract. Apart from that the petitioner had also participated in the fresh tender process without there being any protest. Once he had participated in the fresh tender process, he cannot seek extension of contract after being unsuccessful in the said process.

6. In view of the aforesaid, we do not find any merit in the petition.

7. Accordingly, the same is **dismissed**.

8. However, this order would not come in the way of the petitioner to raise any objection to the fresh tender process which are admissible in the law.

(VIJAY KUMAR SHUKLA)
JUDGE

(ALOK AWASTHI)
JUDGE

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