



[SC] Tender - Letter of Intent - Is merely an expression of intention to enter into a contract - It does not create any right in favour of the party to whom it is issued.
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2024 PLRonline 0003

SUPREME COURT OF INDIA

Present : Justice Bela M. Trivedi and Justice Pankaj Mithal

LEVEL 9 BIZ PVT. LTD.

Versus

HIMACHAL PRADESH HOUSING AND URBAN DEVELOPMENT AUTHORITY & Another

Civil Appeal No. 4626 of 2024

(i)[tender](#) - Letter of Intent - Is merely an expression of intention to enter into a [contract](#) - It does not create any right in favour of the party to whom it is issued - There is no binding legal relationship between the party issuing the LOI and the party to whom such LOI is issued - A detailed [agreement](#)/contract is required to be drawn up between the parties after the LOI is received by the other party more particularly in case of contract of such a mega scale. [Para 10]

(ii)Tender - Issuance of letter of intent in favour of the successful bidder by the tenderee - Challenge by unsuccessful bidder - The initial tender process was cancelled by the tenderee and withdrawal of the letter of intent was communicated to the successful bidder on account of pending litigations in the High Court - A fresh NIT was issued by tenderee which was challenged - Statement of the tenderee that it had no objection to go ahead with the initial tendering process and the statement of the initial successful bidder that it was ready to execute the project on the same terms and conditions as initially agreed, though the said tender was already withdrawn by the tenderee in view of the irregularities and illegalities committed by it - High Court disposed of the [writ](#) petition by merely accepting the same - No right whatsoever created in favour of the erstwhile successful bidder, and the respondent no. 1 HIMUDA-tenderee cancelled the tender and issued fresh NIT, as such the respondent no. 1 could not have agreed to allow the respondent no. 2, who was found to be not technically qualified, to go ahead with the execution of the project in question and that too without giving the other two parties any opportunity to negotiate - Respondent no. 1 in collusion with the respondent no. 2, took the High Court for a ride and misused the process of law for covering up the irregularities and illegalities committed in the tender process by the officers of the respondent no. 1 - Respondent no.1, though 'State' within the meaning of Art. 12, acted malafide and in collusion with the respondent no.2, and took the High Court for a ride, - Cost of Rs. 5,00,000/- imposed on the respondent no. 1 - Constitution of India, Art. 12. [Paras 11-14]

Tags: [letter of intent](#), [Tender](#)