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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Date of Decision : 20.03.2026*

\+ W.P.(C) 3652/2026 CM APPL. 17808-17809/2026

SANGEETA CHADHA AND ORS .....Petitioners

Through: Mr. Rakesh Kumar Khanna, Sr. Advocate with Mr. Ritesh Kumar Chowdhary, Mr. Rahul Kumar, Mr. Piyush M. Dwivedi and Ms. Arushi, Advocates

versus

THE COMMISSIONER OF POLICE DELHI AND ORS .....Respondents

Through: Mr. Rohan Jaitley CGSC, Mr. Akshay Sharma (GP), Mr. Dev Pratap Shahi Adv, Mr. Varun Pratap Singh Adv, Mr. Yogya Bhatia Adv, ASI Devender Singh Traffic Police, ASI Vijender Singh Provisional And Logistics Delhi Police Ins. Anand Swarup Provisional And Logistics Delhi Police, SI Manoj Kumar Provisional And Logistics Delhi Police
Insp Abhinendra Singh

CORAM:
HON'BLE MR. JUSTICE V. KAMESWAR RAO
HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

MANMEET PRITAM SINGH ARORA, J. *(ORAL)*

1. The present writ petition has been filed by the Petitioners challenging two (2) impugned tenders floated on the Government e-Marketplace (GeM) portal, being Bid Nos. GEM/2025/B/6017183 and GEM/2025/B/6017369 in March, 2025. These tenders contemplate the procurement of 92 recovery vehicles (49 of 5-ton capacity, and 43 of 3-ton capacity) at an aggregate estimated cost of approximately Rs. 29.54 crores. The tender process is complete and Letter of Award ['LoA'] has been granted on 16.01.2026 to Respondent No. 5.

2. The Petitioners have not participated in the impugned tenders, however, under an existing arrangement with Respondents, the Petitioners operate 75 specialized cranes on contractual basis, providing fully serviced cranes, including drivers, helpers, fuel, and maintenance, at a contractual rate of Rs. 2,999 per crane per day. The Petitioners by way of this writ petition pray that the impugned tenders be annulled and Respondents be directed to continue with the model of availing contractual services from the Petitioners.

3. It is stated that historically, the Delhi Traffic Police has relied on an outsourcing model for crane services, under which private operators, like the Petitioners, invested in equipment and provide comprehensive operational support. It is stated that the Petitioners have been part of this system for over two decades and, relying on its continuity, made substantial investments lastly in 2018-2019 by procuring and customizing cranes specifically for Delhi Traffic Police requirements. It is stated that these cranes remain operational, compliant with statutory norms, and currently have an estimated residual life of about eight (8) years. It is stated that the outsourcing model

has been governed by strict contractual conditions relating to safety, staffing, environmental compliance, and technological integration such as GPS and onboard cameras.

4. As per the Petitioner, its claim for legitimate expectation that Respondents will continue to avail contractual services from contractors (like the Petitioners) has its genesis in earlier tender processes initiated in 2017. The first tender (No. 332/2017) was cancelled without opening bids, and a second tender (No. 420/2017) introduced restrictive and allegedly arbitrary conditions that effectively limited competition. This led the Petitioners to file W.P.(C) 7919/2018 before this Court. During the pendency of that petition, the Respondents withdrew the tender pursuant to recommendations of the Ministry of Home Affairs ['MHA'], leading to disposal of the petition as infructuous. This sequence of events, according to the Petitioners, created a legitimate expectation that future procurement of services would remain fair, competitive, and aligned with the established outsourcing model.

5. It is stated that the impugned tenders mark a significant policy shift from outsourcing *to* outright capital procurement of recovery vehicles by the State. It is stated that this transition entails not only a substantial upfront cost to be borne by the State but also recurring operational expenses such as fuel, manpower, maintenance, and eventual disposal, all to be borne by the public exchequer. The Petitioners contend that, they have reliably learnt that, no comparative cost-benefit analysis or feasibility study has been undertaken by Respondents to justify this policy shift, despite the availability of a functioning and cost-effective outsourcing system.

6. In these facts, aggrieved by the imminent threat to their investments, business operations, and the livelihoods of their employees due to non-renewal of their contracts, the Petitioners have approached this Court under Article 226 of the Constitution for seeking annulment of the impugned tenders.

7. The Petitioners challenge the impugned tenders as arbitrary, irrational, and violative of Articles 14, 19(1)(g), and 21 of the Constitution, as well as contrary to the doctrines of legitimate expectation and promissory estoppel, alleging that the Respondents are attempting to circumvent earlier judicial scrutiny through a colourable exercise of power.

8. Mr. Rakesh Kumar Khanna, learned senior counsel for the Petitioners submits that the procurement to be undertaken by the Respondents under this tendering process is against public interest. He states that the capital expenditure of Rs. 29.54 crores undertaken through this process of impugned tenders is wasteful. He submits that the cost of maintaining these cranes, along with hiring manpower, is going to be much higher than the cost which the Respondents are incurring under the contractual arrangements with the Petitioners herein.

8.1 He states that the Petitioners had purchased cranes, which are custom-made to suit the specific requirements of the Respondents. He states that cranes have been purchased by availing bank loans and EMIs which are being paid even today. He states that, therefore, the Petitioners have legitimate expectation that the Respondents would continue with their policy of hiring cranes on a contractual basis from the Petitioners. He relies upon the judgment of **Sivanandan C T & Ors. v. High Court of Kerala &**

Ors.[1].

8.2 He further submits that the Petitioners had sought information under the RTI[2] on 23.01.2023, to which a response was furnished only on 04.08.2025. He submits that a perusal of the said reply reveals the absence of any cogent policy framework justifying the impugned decision to procure vehicles. He states that the sole document relied upon by the Respondents is an Office Memorandum ['OM'] dated 11.03.2020, which neither discloses any detailed financial evaluation nor any comparative cost-benefit analysis warranting a shift from the existing outsourcing model to outright procurement. He further submits that the said OM pertains to the financial years 2020-21 and 2021-22 and, being temporally disconnected, cannot form a valid or relevant basis for the procurement process initiated in the financial year 2025-26. He further submits that despite repeated representations and engagements between August 2025 and January 2026, the Petitioners were not apprised of the Respondents' final decision, which ultimately culminated in the issuance of the LoA dated 16.01.2026 in favour of Respondent No. 5.

9. In response, Mr. Rohan Jaitley, learned counsel for the Respondents states that this petition, at the behest of the Petitioners is not maintainable as none of these Petitioners have participated in the impugned tenders processes which were published in March, 2025. He relies upon the judgment of **National Highways Authority of India v. Gwalior-Jhansi Expressway Limited[3].**

9.1 He submits that the tender process has been completed and the tender

[1] (2024) 3 SCC 799, at paragraph nos. 45, 46, 57.1 and 57.2.
[2] Right to Information Act, 2005
[3] (2018) 8 SCC 243, at paragraph no. 20.

has been awarded to Respondent No. 5 on 16.01.2026. He submits that the procurement process has commenced and the cranes will be supplied by June 2026, with a possible first phase of supply in April 2026.

9.2 He submits that the Petitioners cannot have any legitimate expectation that the Respondent would continue to avail their services for the entire lifespan of the cranes. He states that the initial contract was for two years, extendable by one year, which has expired. He states that thereafter, the contract has extended on a month-to-month basis.

10. We have heard the learned counsel for the parties and perused the record.

11. The Petitioners have filed this petition challenging the impugned tenders on the premise that Petitioners have a legitimate expectation that the Respondents will continue with their policy of hiring of cranes on a contractual basis. In addition, the challenge is based on the assertion that the decision to incur capital expenditure of Rs 29.54 crores for purchase of cranes is not in the public interest.

12. We may note at the outset that the challenge to the impugned tenders are not based on the principle that the tendering process adopted was arbitrary, non-transparent or irrational, but, the Petitioners are challenging the policy decision of the Respondents to acquire 49 cranes of 5 tons and 43 cranes of 3 tons on the premise that Petitioners have a legitimate expectation that Respondents would continue to avail their cranes on a contractual basis.

13. The Supreme Court in **Ram Pravesh Singh v. State of Bihar**[4], has explained the concept of legitimate expectation as under: -

[4] (2006) 8 SCC 381

> "15. What is legitimate expectation? Obviously, it is not a legal right. It is an expectation of a benefit, relief or remedy, that may ordinarily flow from a promise or established practice. **The term "established practice" refers to a regular, consistent, predictable and certain conduct, process or activity of the decision-making authority**. The expectation should be legitimate, that is, reasonable, logical and valid. **Any expectation which is based on sporadic or casual or random acts, or which is unreasonable, illogical or invalid cannot be a legitimate expectation**."
>
> [Emphasis Supplied]

14. The Supreme Court in **Sethi Auto Service Station v. DDA**[5], clarified that legitimate expectation will not be applicable where the decision of the public authority is based on a public policy, or is in the public interest, unless the action amounts to an abuse of power. The Supreme Court has consistently held that a legitimate expectation must always yield to the larger public interest.

15. Further, the Supreme Court in **Sivanandan C T v. High Court of Kerala** (supra) held that: -

> "38. The doctrine of legitimate expectation does not impede or hinder the power of the public authorities to lay down a policy or withdraw it. The public authority has the discretion to exercise the full range of choices available within its executive power. **The public authority often has to take into consideration diverse factors, concerns, and interests before arriving at a particular policy decision. The courts are generally cautious in interfering with a bona fide decision of public authorities which denies a legitimate expectation provided such a decision is taken in the larger public interest.** Thus, public interest serves as a limitation on the application of the doctrine of legitimate expectation. Courts have to determine whether the public interest is compelling and sufficient to outweigh the legitimate expectation of the claimant. While performing a balancing exercise, courts have to often grapple with the issues of burden and standard of proof required to dislodge the claim of legitimate expectation."

[5] (2009) 1 SCC 180, at paragraph no. 33.

[Emphasis Supplied]

16. Tested on the aforesaid principles, the Petitioners' claim founded on the doctrine of legitimate expectation is misconceived and untenable in law. Legitimate expectation does not confer a vested or enforceable right but merely protects an expectation arising from a consistent and unequivocal representation or established practice.

The earlier contractual arrangement between the Petitioners and Respondent, was admittedly for a fixed tenure of two (2) years, extendable by one (1) year, which has since expired. The continuation of the said contractual arrangement thereafter on a month-to-month basis clearly negates any assurance of permanence or continuity of the outsourcing model. Such an arrangement, by its very nature, is for a fixed period of time and cannot give rise to any reasonable or enforceable expectation that the Respondents would indefinitely continue to avail the services of the Petitioners. In the absence of any promise, representation, or binding policy guaranteeing such continuation, the Petitioners' claim rests merely on a unilateral expectation, which does not meet the threshold of legitimacy in law. There is no material on record to satisfy the Court that the Petitioners were led to believe that Respondents would utilize the cranes for their entire lifespan, and thus this expectation is without any legal or factual basis.

17. Insofar as the contention of the Petitioners that the impugned procurement entails wasteful public expenditure and is contrary to public interest is concerned, this Court is of the considered view that no sufficient or cogent material has been placed on record to warrant such assumption to justify judicial interference. The said submission, in essence, invites this

Court to sit in appeal over the economic wisdom and policy choice of the Respondents in deciding to incur the expenditure in question to own and operate the cranes as opposed to hire the cranes.

18. It is a trite law that the policy decision taken by the State or its authorities is beyond the purview of judicial review unless the same is found to be arbitrary, unreasonable or in contravention of the statutory provisions. The Supreme Court in **Monarch Infrastructure (P) Ltd. v. Commissioner, Ulhasnagar Municipal Corporation**[6] held as under: -

> "11. Broadly stated, the Courts would not interfere with the matter of administrative action or changes made therein, unless the Government's action is arbitrary or discriminatory or the policy adopted has no nexus with the object it seeks to achieve or is mala fide."
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> [Emphasis Supplied]

19. The Supreme Court in **BALCO Employees Union (Regd.) v. Union of India**[7], held that matters relating to economic issues, have always an element of trial and error, so long as a trial and error are bona fide and with best intentions, such decisions cannot be questioned as arbitrary, capricious or illegal. The relevant part of the judgment reads as under: -

> **"47.** Process of disinvestment is a policy decision involving complex economic factors. The courts have consistently refrained from interfering with economic decisions as it has been recognised that economic expediencies lack adjudicative disposition and unless the economic decision, based on economic expediencies, is demonstrated to be so violative of constitutional or legal limits on power or so abhorrent to reason, that the courts would decline to interfere. In matters relating to economic issues, the Government has, while taking a decision, right to "trial and error" as long as both trial and error are bona fide and within limits of authority. There is no case made out by the petitioner that the decision to disinvest in BALCO is in any way capricious, arbitrary, illegal

[6] AIR 2000 SC 2272
[7] AIR 2002 SC 350

or uninformed. Even though the workers may have interest in the manner in which the Company is conducting its business, inasmuch as its policy decision may have an impact on the workers' rights, nevertheless it is an incidence of service for an employee to accept a decision of the employer which has been honestly taken and which is not contrary to law. Even a government servant, having the protection of not only Articles 14 and 16 of the Constitution but also of Article 311, has no absolute right to remain in service. For example, apart from cases of disciplinary action, the services of government servants can be terminated if posts are abolished. If such employee cannot make a grievance based on Part III of the Constitution or Article 311 then it cannot stand to reason that like the petitioners, non-government employees working in a company which by reason of judicial pronouncement may be regarded as a State for the purpose of Part III of the Constitution, can claim a superior or a better right than a government servant and impugn its change of status. In taking of a policy decision in economic matters at length, the principles of natural justice have no role to play. While it is expected of a responsible employer to take all aspects into consideration including welfare of the labour before taking any policy decision that, by itself, will not entitle the employees to demand a right of hearing or consultation prior to the taking of the decision.

…….

93. Wisdom and advisability of economic policies are ordinarily not amenable to judicial review unless it can be demonstrated that the policy is contrary to any statutory provision or the Constitution. In other words, it is not for the courts to consider relative merits of different economic policies and consider whether a wiser or better one can be evolved. For testing the correctness of a policy, the appropriate forum is Parliament and not the courts. Here the policy was tested and the motion defeated in the Lok Sabha on 1-3-2001."

[Emphasis Supplied]

20. Further the Supreme Court in **Villianur Iyarkkai Padukappu Maiyam v. Union of India**[8], held as under: -

" 169. It is neither within the domain of the courts nor the scope of judicial review to embark upon an enquiry as to whether a particular public policy is wise or whether better public policy can be evolved. Nor are the courts inclined to strike down a policy at the behest of a petitioner merely

[8] (2009) 7 SCC 561

because it has been urged that a different policy would have been fairer or wiser or more scientific or more logical. **Wisdom and advisability of economic policy are ordinarily not amenable to judicial review. In matters relating to economic issues the Government has, while taking a decision, right to "trial and error" as long as both trial and error are bona fide and within the limits of the authority.** For testing the correctness of a policy, the appropriate forum is Parliament and not the courts.

170. Normally, **there is always a presumption that the governmental action is reasonable and in public interest and it is for the party challenging its validity to show that it is wanting in reasonableness or is not informed with public interest**. This burden is a heavy one and it has to be discharged to the satisfaction of the court by proper and adequate material. The court cannot lightly assume that the action taken by the Government is unreasonable or against public interest because there are large number of considerations, which necessarily weigh with the Government in taking an action."

[Emphasis Supplied]

21. The above judgments demonstrate that the economic and policy decisions of the State are entitled to a high degree of judicial deference. There is a presumption that the governmental action is reasonable and in public interest. In exercise of its jurisdiction under Article 226, Courts do not sit in appeal over such economic policy decisions, nor do they undertake a comparative analysis of competing policy choices. The prudence, wisdom and advisability of economic policies are not amenable to judicial review unless they are shown to be patently arbitrary, unconstitutional, or in violation of statutory provisions. In matters involving allocation of public resources and economic expediency, the State is entitled to a certain latitude of judicial interference only in exceptional circumstances, none of which are made out in the present case.

22. In the facts of this case, the decision of the Respondents to procure

recovery cranes on ownership basis must be viewed as a policy determination taken in public interest, involving considerations of operational efficiency, administrative control, standardisation, and long-term resource planning. Such decisions inherently involve evaluation of multiple factors, including financial implications and institutional requirements, which are best assessed by the executive authorities. Merely because the Petitioners assert that the existing outsourcing model is more economical does not render the impugned decision arbitrary or contrary to public interest. In the absence of any material demonstrating mala fides, unreasonableness, or lack of nexus with the object sought to be achieved, the policy decision undertaken by the Respondents cannot be faulted. The assertions made in the petition as regards the alleged economic imprudence of the procurement are insufficient to warrant a judicial review of the said decision by the Court, as there are sufficient check and balances in the State in the form of audit by the Comptroller Auditor General to verify the prudence of public expenditure involved in the impugned tenders, however, the assertions in the petition would not warrant interference by this Court.

23. Thus, the Petitioners have failed to establish any legitimate expectation warranting interference. The impugned decision of the Respondents to procure recovery cranes constitutes a policy choice in the realm of economic and administrative decision-making, taken in public interest, which manifestly does not suffer from arbitrariness, mala fides, or illegality.

24. This Court further notes that the impugned tenders were published in March 2025, and the LoA came to be issued in favour of Respondent No. 5

on 16.01.2026, with delivery of the vehicles scheduled in April 2026. It is thus evident that Respondent No. 5 has substantially progressed with the procurement process. The institution of the present writ petition at this belated stage casts serious doubt on the bona fides of the Petitioners. The cause of action, if any, arose in March 2025 upon publication of the impugned tenders; however, the Petitioners chose not to approach this Court at that stage and allowed the process to proceed unhindered. In the considered view of this Court, entertaining the present petition at this advanced stage would be contrary to public interest, as it would disrupt an ongoing contractual process, potentially expose Respondents to claims for damages at the instance of Respondent No. 5, and may also result in compelling the continuation of services of the Petitioners despite the concluded tender process.

25. In view of the foregoing discussion, the writ petition, being devoid of merit, is dismissed.

MANMEET PRITAM SINGH ARORA, J

V. KAMESWAR RAO, J

MARCH 20, 2026/hp/AM/mt