

Reliance loses battle over airport modernisation

In a major setback to Reliance Airport Developers, the Supreme Court Tuesday upheld the award of contracts to consortia led by GMR Infrastructure Ltd and by GVK Industries Ltd for the modernisation of Delhi and [Mumbai](#) airports.

A bench consisting of Justice Arijit Pasayat and Justice S.S.Kapadia dismissed an appeal by Reliance against a Delhi High Court judgement rejecting its petition that had challenged the award of the contracts.

The bench, which examined the various issues involved in the case, held that the procedures adopted in lowering of standards as well as giving choice in the opening of the financial bids in the award of the contracts were transparent.

Reliance had contended that there was no fair or transparent procedure in the award of the contract to the two companies. It argued that the main issue to be considered by the court was whether it was permissible for the government to unilaterally alter the tender conditions after the completion of the evaluation process.

Rejecting the plea, the bench held that it was within the powers of a committee to decide what inputs it should take into consideration and also take note of the source of inputs.

There was no question of the committee exceeding its jurisdiction in awarding the contract in favour of the two companies.

The judges noted that if all the bidders did not make the standards specified in the contract, the government had two options, either to scrap and abandon the contract or to re-evaluate the standards. In awarding the contracts to the two companies it had only changed the parameters and even the decision to change the parameters were transparent and taken after a lot of deliberations.

Justice Kapadia in his separate but concurring judgement held that the award of marks by the committee was not in tune with the parameters laid down in the terms of contract. The committee while changing the parameters in favour of the two companies had exceeded its authority.

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