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

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Judgment Reserved on: 01.04.2026

Judgment delivered on: 15.04.2026

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W.P.(C) 12042/2025 & CM APPL. 49146/2025

M/S ANANTAA-MRKR-ARINFRA (JV) PVT. LTD.Petitioner

Versus

OIL AND NATURAL GAS CORPORATION LIMITED (ONGC) &
ANR.Respondents**Advocates who appeared in this case**

For the Petitioner : Mr. Rakesh Tiku Sr. Advocate with Mr. Biju P. Raman, Mr. Badri Venkata Reddi, Mr. Sudhanshu Chaudhary, Ms. Usha Nandini V, Mr. John Thomas, Ms Nandana Harikrishnan and Mr. Monu Singh, Advocates

For the Respondent : Mr. Chetan Sharma, ASG with Mr. R.V. Prabhat, Mr. Daksh Pandit, Mr. Shubham Sharma, Mr. Amit Gupta, Mr. Yash Wardhan Sharma, Mr. Naman, Advocates for R-1
Mr. Chetan Lokur, Advocate for R-3

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



MANMEET PRITAM SINGH ARORA, J.

1. The Petitioner has filed the present writ petition being aggrieved by the decision of the Respondent No. 1/ONGC dated 29.07.2025 [‘impugned decision’] to disqualify its bid in Tender No. ZV9SC25002, issued on 06.03.2025 for the Jetty Revamping Project. The impugned decision proceeds on the premise that the Petitioner failed to submit a valid GST certificate along with its bid thus non-compliance of Clause No. 10.5.1 of the Instructions to Bidders [‘ITB’] at Annexure-I of the Tender Document and Clause 4 (j) of the Bid Evaluation Criteria [‘BEC’].

Factual Matrix

2. Facts relevant to the adjudication of the present writ petition are as under: -

2.1 The Petitioner is a joint venture company engaged in infrastructure development. Pursuant to the tender issued on 06.03.2025, the Petitioner submitted its bid within the prescribed timelines along with all requisite documents. At the time of submission of the bid on 19.06.2025, the Petitioner’s GST registration was under process, and the Application Reference Number [‘ARN’] dated 03.06.2025 bearing number A360625004822D along with an undertaking dated 03.06.2025 was provided by the Petitioner pursuant to the GST requirements at Clause No. 10.5.1 of ITB and Clause 4(j) of BEC of the bid. Subsequently, the Petitioner obtained a permanent GST Registration Certificate issued on 23.06.2025.



2.2 The Respondent, through emails dated 07.07.2025 and 12.07.2025, disqualified the Petitioner on the ground of non-submission of a valid GST certificate. The Petitioner availed the one-time representation mechanism and submitted a detailed representation dated 15.07.2025, enclosing the permanent GST certificate and an official clarification dated 14.07.2025, by the Assistant Commissioner (ST), Government of Telangana, affirming that the ARN is a valid document for tender participation.

2.3 It is stated that despite the Petitioner's compliance, the Respondent rejected the Petitioner's bid vide the impugned decision dated 29.07.2025, on the ground that a valid GST certificate was not submitted along with the bid. The Petitioner contends that this finding is ex facie erroneous and contrary to the record, as the ARN constitutes valid interim proof of GST registration under law, and the permanent GST certificate was issued well before the Respondent raised any query.

Submissions by the Petitioner

3. Mr. Rakesh Tikku, learned senior counsel for the Petitioner submits that the rejection is ex facie arbitrary, contrary to the record, violative of the tender conditions, and infringes Articles 14 and 19(1)(g) of the Constitution.

3.1 He asserts that Petitioner has complied with all the GST requirements; as it applied for GST registration on 03.06.2025 and obtained an ARN on the same day, which is a statutory acknowledgment of a valid application; and it also furnished an undertaking dated 03.06.2025 to provide the GSTIN and subsequently obtained the GST registration on 23.06.2025, prior to any evaluation or objection by the Respondent.



3.2 He further submits that ARN is statutorily recognized as valid proof of GST application and is sufficient for participation in tender processes, as clarified by the Assistant Commissioner (ST) vide letter dated 14.07.2025. He submits that the distinction between ARN and GST certificate is merely procedural, and once GSTIN was granted, any perceived deficiency stood cured. It is argued that a hyper-technical approach defeating substantive compliance is impermissible in law¹.

3.3 He contends that the Respondent has mischaracterised the tender conditions by treating submission of a GST certificate as a rigid, mandatory pre-bid requirement, however, a holistic reading of the tender document shows that GST compliance could be established either through a certificate or an undertaking and even permitted deferred submission. He submits that the Petitioner satisfied both modes by submitting ARN, an undertaking, and later the GSTIN, and therefore, the condition is at best directory and curable, and not a ground for outright rejection.

3.4 He submits that the Respondent had the power to seek clarifications, it failed to exercise such power fairly despite the Petitioner furnishing all requisite information.

3.5 He further argues that the rejection led to elimination of competition, resulting in a single-bid situation and award of the contract at a significantly higher price, causing prejudice to the public exchequer. He invokes the doctrine of substantial compliance, submitting that any minor deficiency stood cured well before evaluation and could not justify disqualification.

¹ Reliance is placed on '**Poddar Steel Corporation v. Ganesh Engineering Works**', (1991) 3 SCC 273, at paragraph nos. 6 and 7.



3.6 He submits that the rejection is arbitrary, disproportionate, and legally unsustainable, seeking setting aside of the impugned decision with a direction to treat its bid as responsive and consider it in the tender process.

Submissions by the Respondent No. 1

4. Mr. Chetan Sharma, learned counsel for Respondent No. 1 submits that the requirement of submitting a valid GST Registration Certificate along with the bid is a mandatory and essential condition of the tender; reliance is placed on Clause No. 10.5.1 of the ITB and Clause 4(j) of the BEC, which unequivocally stipulate that failure to furnish such a certificate renders the bid liable to rejection. He submits that it is an admitted position that the Petitioner did not submit a GST Registration Certificate by the bid closing date and instead relied on an ARN, which, according to the Respondent, is merely an acknowledgment of application and not equivalent to a registration certificate, therefore, the Petitioner's bid was rightly rejected for non-compliance with an essential eligibility condition.

4.1 He further contends that the distinction between ARN and a GST Registration Certificate is substantive and rooted in the statutory framework of the CGST Rules, 2017 ['CGST Rules']. He submits that as per Rule 8(5) of the CGST Rules, ARN only evidences a pending application, and a GST certificate is issued upon due verification and approval by the authorities under Rule 9 of the CGST Rules. Judicial precedents² have also recognized that an ARN cannot substitute a valid GST registration certificate. He asserts that it duly communicated the reasons for rejection to the Petitioner,

² 'MDC Pharmaceuticals Pvt. Ltd. vs Employee Insurance Corporation', 2025: DHC:797-DB, at paragraph nos. 12, 13, 16, 17; 'ASR Hospitals vs State of Andhra Pradesh', (2021) SCC Online AP 2969, at paragraph nos. 23-26.



considered its representation, and even sought an expert opinion from the Corporate Finance Department [dated 21.07.2025, filed as Annexure R1 with the written submissions], which confirmed that ARN is not a valid substitute. He submits that therefore, the decision was reasoned, informed, and not arbitrary.

4.2 He submits that on the interpretation of tender clauses, the Respondent argues that Clause 4(j) of BEC, requiring submission of a GST certificate, is a pre-qualification and non-negotiable condition, whereas Clause 4(k) of BEC, which permits undertakings, operates only at the post-award stage in relation to invoicing and compliance for input tax credit. He submits that these clauses function in distinct fields and cannot be conflated; in the absence of GST registration, the bidder is legally incapable of issuing valid tax invoices, rendering any undertaking ineffective. He submits that the Petitioner's attempt to rely on the undertaking clause to cure a fundamental eligibility defect is therefore misconceived and contrary to the scheme of the tender.

4.3 He also submits that permitting bidders without a valid GST registration certificate to participate would create uncertainty and risk, particularly in a high-value tender involving substantial public funds; since GST registration is subject to approval, there is no guarantee that an application would be accepted or processed in time, which could jeopardize contract execution. He submits that the tender conditions, therefore, justifiably require strict compliance at the bid stage to safeguard public interest.



4.4 Addressing the Petitioner's reliance on other clauses, he clarifies that Clause 10.5.2 of the ITB provides only a limited relaxation in cases where additional GST registration is required for the executing office in a different State, but it does not dispense with the mandatory requirement of possessing and submitting at least one valid GST registration certificate at the time of bidding. He submits that in the present case, the Petitioner admittedly had no GST registration at all on the bid submission date, making it ineligible. He states that the interpretation of the tender clauses advanced by the Petitioner is erroneous and contrary to the plain language of the tender.

4.5 He further argues that the tendering authority, being the author of the tender, is best placed to interpret its terms, and such interpretation should not be interfered with unless found to be arbitrary or perverse³; in the present case, the interpretation is consistent with the express terms and serves the objective of ensuring compliance and certainty. He also contends that the Petitioner has attempted to raise new arguments, particularly regarding the undertaking clause 10.5.2 of ITB and 4(k) of BEC, which were neither pleaded nor raised in earlier representations and therefore ought not to be considered.

4.6 He submits that external documents, such as the clarification issued by the GST authority, cannot override or influence the interpretation of tender conditions; in any event, even such documents do not equate ARN with a GST certificate.

Submissions by Respondent No. 3

³ Reliance is placed on 'Afccon Infrastructure Ltd. vs Nagpur Metro Rail Corporation Ltd. & Anr.' 2016 (16) SCC 818.



5. Mr. Chetan Lokur, learned counsel for the Respondent No. 3 submits that Notification of Award [‘NOA’] was issued in favour of Respondent No. 1 vide notification dated 21.11.2025.

5.1 He submits that pursuant to NOA, Respondent No. 3 has furnished a Performance Bond/Insurance Security Bond of the value of Rs. 19.76 crore to Respondent No. 1 and for the issuance of this bond, an amount of Rs. 1.68 crore was paid by Respondent No. 3. He submits that additionally, Respondent No. 3 has progressed substantial amount of on-site and off-site operational works and as such significantly taken steps towards execution of the tender project.

5.2 He submits that Clause 10.5.1 of ITB makes it mandatory for every bidder to have a valid GST registration certificate; Clause 4(j) clearly stipulated that any offer made without a valid GST registration certificate is liable to be automatically rejected, without exception; Clause 6.8.1 of the Manual for Procurement of Goods requires every bidder to be registered under GST legislation and to furnish the GST registration certificate in their offer unless they are specifically exempted. He submits that the interpretation of the Petitioner of Clause 10.5.2 of ITB is misplaced as the first paragraph itself applies only to situations where the Contract Executing Office is different from bidding office of the bidder, and it is only in such cases that the bidder may submit the GST details of the Contract Executing Office pursuant to being declared as the successful bidder.

5.3 He submits that the Petitioner had delayed, without explanation, to file its application for GST Registration. He submits that the Tender Document was released on 06.03.2025 whereas the application for GST



Registration was filed by the Petitioner as late as on 03.06.2025, i.e., nearly three months after the tender document was published and no reasons have been provided by the Petitioner for its delay in filing its delay in filing its application for registration.

Findings and Analysis

6. This Court has heard the learned counsel for the parties and has perused the relevant tender clauses and the annexures filed on record.
7. The tender clauses which are relevant for determining the dispute are as under: -

ITB Clauses- :

“The bidder will have to bear all Income Tax liability both corporate and personal tax

10.5 GST Liability on Supply of Services:

10.5.1 In accordance with the notification no.10/2017 Integrated Tax (rate) dated 28.06.2017 (as may be amended) issued under GST legislations, the liability to pay 100% GST is on ONGC. Hence, the Bidder shall not include GST in their quoted prices for the Services falling in the above notification.

The Bidder should quote the applicable GST, clearly indicating the rate and the amount of GST included in the bid and the description of the respective service (as per GST rules) under which the GST is payable.

In the contracts involving multiple services or involving supply of certain goods or materials (which should be consumable in nature forming part of taxable service) along with the services, the Bidder should give separate break-up for cost of goods and cost of various services, and quote GST as applicable for the taxable services and/or goods).

In case the GST is not quoted explicitly in the offer by the Bidder, the offer will be considered as inclusive of all liabilities of GET and ONGC will not entertain any future claim in respect of GST against such offers.



In case, the quoted information related to various taxes and duties subsequently proves wrong, incorrect or misleading:-

- a) Payment towards GST shall be restricted to the GST amount as charged on the 'Tax-Invoice' or the quoted GST rate, whichever is lower unless the same is due to applicability of change in law clause. ONGC shall have no liability to reimburse the difference in the duty/tax, if the finally assessed amount is on the higher side.
 - b) ONGC will have the right to recover the difference in case the rate of duty/tax finally assessed is on the lower side.
- (i) (Applicable for Indigenous tenders):

The Service Provider should have a valid GST registration certificate under GST legislation and a copy of such registration certificate should be submitted along with the offer.

Service to be provided from outside the taxable territory of India:

As per GST rules, for Services received by ONGC in Taxable Territory of India from a Service Provider from outside the taxable territory of India, who is not required to be Registered under GST Law, the liability to pay GST lies with ONGC. Therefore, such Bidder shall not include GST in the quoted prices, but shall submit a declaration to the effect that they are not required to take GST Registration in the State of Supply as per GST Provisions. However, at the time of evaluation, GST as applicable shall be loaded on the portion of services which attract GST.

In case the Bidder does not give break-up of the quoted prices, indicating the components of taxable services and/or goods separately, the GST will be loaded on entire quoted/Contract value for evaluation considering higher rates, if any, as per the provisions of the statute.

10.5.2 In case Contract executing office(s) based on the tender scope of work are different from bidding office of bidder, the bidder shall also provide details of Contract executing office(s) based on the tender scope of work in their bid duly indicating/providing their respective ONGC Vendor Code (if already available).



In case ONGC vendor code is not available for such contract executing location of bidder, GSTIN and Bank account details etc. shall also be submitted by bidders in their bid for creation of vendor code for such office.

If bidder indicates that details like GSTIV and Bank account details etc. of the office identified by bidder in their bid for executing work, would be provided only after they emerge as successful bidder, they shall provide the same at least 15 days before submission of first invoice, Such bidder shall provide an undertaking to this effect.

.....”

[Emphasis Supplied]

BEC Clauses- :

“4.0 Offers of following kinds will be **rejected**:

.....

(j) Offers **not** accompanied with a copy of valid registration certificate under GST Legislation of India.

(k) Offers not accompanied with an undertaking to provide all the necessary compliances/Invoice/documents required under GST legislation for enabling ONGC to avail Input tax (GST) credit.”

[Emphasis Supplied]

8. The issue which has arisen for consideration in this petition is whether an ARN issued under Rule 8(5) of CGST Rules can be considered as a temporary GST registration OR equivalent to regular GST registration certificate, till regular GST certificate is issued to the bidder.

9. At the outset, we observe that Clause 10.5.1 of the ITB unequivocally stipulates that the bidder “should have a valid GST registration certificate....and a copy of such registration certificate should be submitted along with the offer”. The language employed is clear, mandatory, and has no ambiguity. This requirement is further reinforced by Clause 4(j) of BEC, which expressly provides that offers not accompanied by a valid GST registration certificate are liable to be rejected. The conjoint reading of these



provisions leaves no manner of doubt that possession and submission of a valid GST registration certificate at the bid stage is stipulated as an essential pre-condition to eligibility.

10. Respondent No. 1 has contended that Clause 8.3 of ITB at Annexure-II of the Tender Document unequivocally mandates the contractor to bear all tax liabilities, including GST, and to furnish all requisite compliances, invoices, and documents to enable the Respondent to avail input tax credit ['ITC']. It is contended that under Section 22 of the CGST Act, 2017 ['Act of 2017'], every supplier is liable to obtain GST registration, and in terms of Section 31 of the Act of 2017, only a registered person is legally competent to issue a valid tax invoice and since the successful bidder is a supplier under the contract, it is mandatory for bidder to have GST registration in accordance with Section 25 of the Act of 2017, which is granted under Rule 9 of the CGST Rules upon approval of the application filed under Rule 8(4), failing which the Petitioner cannot issue tax invoices necessary for availing ITC.

11. The Petitioner has fairly not disputed that having a GST registration as per Clause 10.5.1 is an essential condition of the tender. However, it has sought to contend that since the Petitioner held ARN as on 19.06.2025 (the bid submission date) and the GST number was allotted on 23.06.2025 (prior to evaluation of the bids) the Respondent No.1 ought to have taken into consideration the post facto grant of GST registration and not insisted on a strict compliance of Clause 10.5.1 of ITB. It has relied upon a letter issued by Assistant Commissioner, Agapura circle, Hyderabad to contend that the



ARN can be validly relied upon by a bidder in tender processes as a proof of GST registration.

12. The Petitioner's contention that submission of an ARN as on 19.06.2025, coupled with a subsequent grant of GST registration on 23.06.2025, amounts to substantial compliance and therefore its bid has been wrongly rejected by Respondent No.1, cannot be accepted by this Court. The distinction between an ARN and a GST Registration Certificate is not merely procedural but substantive in nature. An ARN is only an acknowledgment of a pending application under Rule 8(5) of the CGST Rules, whereas a GSTIN is granted only upon due verification and approval under Rules 9 and 10 of the CGST Rules. Therefore, an ARN cannot, in law, be equated with a valid registration certificate.

We note that Respondent No. 1 as well did not outrightly reject the bid of the Petitioner and sought an opinion from the Corporate Finance Department, Delhi to understand the legal effect of the grant of ARN vis-à-vis GST registration number, the said opinion dated 21.07.2025, though advisory, lends support to the Respondent's understanding of the statutory framework and reinforced the position that the Petitioner did not meet the eligibility requirement on the bid submission date. It is thereafter that Respondent No. 1 rejected the bid on 29.07.2025. The relevant part of the opinion of Corporate Finance Department, Delhi dated 21.07.2025 read as under: -

“In this context, it is clarified that, as per GST law, the ARN is merely an acknowledgment of receipt of the application for GST registration in terms of Rule-8(5) of CGST Rules, 2017 (FORM GST REG-02). It is a system-generated number issued at the time of submission of the application and is used mainly to track the status of the registration request. The GST



Registration Number (i.e. GSTIN), which is a 15-digit alphanumeric code, is allotted only after due verification of the application and supporting documents by the concerned GST authorities in terms of Rule-9 of CGST Rules, 2017. Post such approval/deemed approval, a certificate of registration is issued in FORM GST REG-06 in terms of Rule-10(1) of CGST Rules, 2017.

In view of the above, from GST Law perspective, the submission of an ARN cannot be considered equivalent to holding a valid GST Registration Certificate. However, while the tender conditions constitute contractual terms between the parties, considering the commercial aspects involved, the matter may be examined at unit level in the context of the specific tender conditions.....”

In our considered opinion the stand taken by Respondent No. 1 that ARN is neither a temporary GST registration nor equivalent to regular GST registration is in conformity with the CGST Rules. The issue framed at paragraph no. 08 is answered accordingly.

We find no legal basis for the opinion expressed by the Assistant Commissioner, Agapura circle, Hyderabad in his letter dated 14.07.2025. 13. The Division Bench of this Court, in similar facts, by its judgement in W.P. (C) 1072/2025 titled as ‘**MDC Pharmaceuticals Private Limited v. Employee State Insurance Corporation**’⁴, held that decision of tendering authority to not accept ARN as a substitute for GST was valid and held as under: -

“13. Apart from the aforesaid, though the Petitioner Company appears to have applied for a new GST registration certificate, purportedly acknowledged on 04.07.2024, by the Gujarat Commercial Tax Department, it was only issued a Temporary Reference Number and not a Temporary or a Provisional Registration Certificate in its name as the learned counsel for the Petitioner Company would have us believe. It is apparent that the Temporary Reference Number is only in the context of the application

⁴ 2025: DHC: 797 - DB



submitted for GST registration and not the registration certificate itself. In that view of the matter the reference to application for new registration for GST certificate is irrelevant. Thus, we find that, prima facie, on the aforesaid two grounds the Petitioner Company appears to have not fulfilled the essential condition under clause 8 of the e-Tender Enquires, as on the closing date of bid submission.

16. We have also perused the registration certificate dated 20.08.2024 issued in the name of the Petitioner Company which clearly indicates that the same is w.e.f. 20.08.2024 and thus establishing, prima facie, that as on the closing date of submission of the bids, the Petitioner Company did not have in its possession a valid GST registration certificate.

17. So far as the submission of the learned counsel for the Petitioner Company regarding violation of the principles of natural justice is concerned, since the Petitioner Company did not fulfil the essential eligibility condition as on the closing date of the bid submission held above, we do not find it apposite to traverse the said submission in the facts of the case.”

14. In the present case as well, it is an admitted position on record that the Petitioner did not possess a valid GST registration certificate as on the bid submission date i.e., 19.06.2025, and the GST registration certificate was granted to the Petitioner only subsequently on 23.06.2025. Thus, it is evident that the Petitioner failed to satisfy an essential eligibility condition as on the crucial date of submission of bids. The subsequent grant of registration cannot relate back to cure the initial ineligibility, nor can it be relied upon to validate a non-compliant bid. Consequently, the Petitioner’s reliance on post-bid compliance or alleged procedural relaxation is misplaced and does not merit acceptance.

15. There were four entities which submitted bids and there is no dispute that compliance of this condition of GST registration has been applied to



each of the said entities and no relaxation has been granted to any of the bidders.

We note that in its communication dated 17.07.2025, Respondent No. 1 has observed that it has similarly rejected bids of another bidder in another tender where the bidder did not have a GST registration. It is thus apparent that Respondent No. 1 has been consistently insisting on a strict compliance of this essential condition.

16. Respondent No. 1 has explained in detail that for performance of the contract the successful bidder would necessarily have to possess a GST certificate and this is expressed in the Tender Document. In this backdrop, the Petitioner's reliance on the ARN as a valid substitute for a GST registration certificate is misconceived, as an ARN merely evidences a pending application which is subject to scrutiny and may ultimately be accepted or rejected by the competent authority. It does not confer any legal status of registration for purposes of GST nor entitle the applicant to issue valid tax invoices under the Act. Therefore, in the context of the present tender, where compliance with GST provisions and the ability to facilitate ITC are integral part to the contractual work, this Court finds that the condition of possession of a valid GST registration certificate prior to submission of the bid is a mandatory and essential condition. The absence of such registration at the relevant time renders the Petitioner ineligible, and refusal of Respondent No. 1 to permit such deficiency to be cured by a subsequent grant of registration cannot be said to be unfair or arbitrary.



17. The Supreme Court in **Central Coalfields Ltd. and Anr. V. SLL-SML (Joint venture consortium) and Ors.**⁵ in similar facts, where the High Court had permitted a bidder to make good a deficiency in the furnishing of the EMD, set aside the said judgment and held that the decision of the tendering authority to not permit post bid submission compliance of essential conditions ought not to be interfered while entertaining the judicial review of tender process. The relevant paragraphs of the judgment read as under:

41. In appeal, this Court in *Poddar Steel [Poddar Steel Corpn. v. Ganesh Engg. Works, (1991) 3 SCC 273]* accepted the theory of essential and non-essential or ancillary or subsidiary terms of an NIT. It was held that the cheque of Union Bank of India issued by Poddar Steel (though a deviation from the terms of NIT) was sufficient for meeting the conditions of NIT, the condition being ancillary or subsidiary to the main object to be achieved by the condition and that the employer could waive the “technical literal compliance” of the earnest money clause of NIT “specially when it was in its interest not to reject the said bid which was the highest”. In other words, this Court concluded that an essential term of the tender document could not be deviated from but an ancillary or subsidiary or non-essential term could be deviated from, and that the deviation could be without any reference to potential bidders.

42. Unfortunately, this Court in *Poddar Steel [Poddar Steel Corpn. v. Ganesh Engg. Works, (1991) 3 SCC 273]* did not at all advert to the privilege-of-participation principle laid down in *Ramana Dayaram Shetty [Ramana Dayaram Shetty v. International Airport Authority of India, (1979) 3 SCC 489]* and accepted in *G.J. Fernandez [G.J. Fernandez v. State of Karnataka, (1990) 2 SCC 488]*. In other words, this Court did not consider whether, as a result of the deviation, others could also have become eligible to participate in the bidding process. This principle was ignored in *Poddar Steel [Poddar Steel Corpn. v. Ganesh Engg. Works, (1991) 3 SCC 273]*.

⁵ AIR 2016 SC 3814



43. Continuing in the vein of accepting the inherent authority of an employer to deviate from the terms and conditions of an NIT, and reintroducing the privilege-of-participation principle and the level playing field concept, this Court laid emphasis on the decision-making process, particularly in respect of a commercial contract. One of the more significant cases on the subject is the three-Judge decision in *Tata Cellular v. Union of India* [*Tata Cellular v. Union of India*, (1994) 6 SCC 651] which gave importance to the lawfulness of a decision and not its soundness. If an administrative decision, such as a deviation in the terms of NIT is not arbitrary, irrational, unreasonable, mala fide or biased, the courts will not judicially review the decision taken. Similarly, the courts will not countenance interference with the decision at the behest of an unsuccessful bidder in respect of a technical or procedural violation. This was quite clearly stated by this Court (following *Tata Cellular* [*Tata Cellular v. Union of India*, (1994) 6 SCC 651]) in *Jagdish Mandal v. State of Orissa* [*Jagdish Mandal v. State of Orissa*, (2007) 14 SCC 517] in the following words: (SCC p. 531, para 22)

“22. Judicial review of administrative action is intended to prevent arbitrariness, irrationality, unreasonableness, bias and mala fides. Its purpose is to check whether choice or decision is made “lawfully” and not to check whether choice or decision is “sound”. When the power of judicial review is invoked in matters relating to tenders or award of contracts, certain special features should be borne in mind. A contract is a commercial transaction. Evaluating tenders and awarding contracts are essentially commercial functions. Principles of equity and natural justice stay at a distance. If the decision relating to award of contract is bona fide and is in public interest, courts will not, in exercise of power of judicial review, interfere even if a procedural aberration or error in assessment or prejudice to a tenderer, is made out. The power of judicial review will not be permitted to be invoked to protect private interest at the cost of public interest, or to decide contractual disputes. The tenderer or contractor with a grievance can always seek damages in a civil court. Attempts by unsuccessful tenderers with imaginary grievances, wounded pride and business rivalry, to make mountains out of molehills of some technical/procedural violation or some prejudice to self, and persuade courts to interfere by exercising power of judicial review, should be resisted. Such interferences, either interim or final, may hold up public works for years, or delay relief and succour to thousands and millions and may increase the project cost manifold.”

This Court then laid down the questions that ought to be asked in such a situation. It was said: (*Jagdish Mandal case* [*Jagdish Mandal v. State of Orissa*, (2007) 14 SCC 517], SCC p. 531, para 22)



“22. ... Therefore, a court before interfering in tender or contractual matters in exercise of power of judicial review, should pose to itself the following questions:

(i) Whether the process adopted or decision made by the authority is mala fide or intended to favour someone;

OR

Whether the process adopted or decision made is so arbitrary and irrational that the court can say: “the decision is such that no responsible authority acting reasonably and in accordance with relevant law could have reached”;

(ii) Whether public interest is affected.

If the answers are in the negative, there should be no interference under Article 226.”

44. On asking these questions in the present appeals, it is more than apparent that the decision taken by CCL to adhere to the terms and conditions of NIT and the GTC was certainly not irrational in any manner whatsoever or intended to favour anyone. The decision was lawful and not unsound.

18. We are of the considered opinion that in these facts, the decision of the Respondent No. 1 to not accept the Petitioner’s post facto registration of GST ensured transparency and fairness as other bidders, who similarly did not possess a GST certificate, may not have participated in the bidding process.

19. This Court also finds no substance in the Petitioner’s reliance on Clause 10.5.2 of ITB or the undertaking furnished under Clause 4(k) of BEC. Clause 10.5.2 operates in a limited and specific context, namely where the ‘executing office’ differs from the ‘bidding office’ and permits deferred submission of GST registration for the ‘executing office’. It does not dilute or override the primary requirement under Clause 10.5.1 of possessing and submitting at least one valid GST registration certificate at the time of bidding, by a bidder. Similarly, Clause 4(k) pertains to post-award



compliances relating to invoicing and input tax credit and cannot be construed to defer compliance with an essential eligibility condition. The Petitioner's attempt to conflate these provisions is contrary to the plain language and scheme of the tender.

The undertaking dated 03.06.2025 filed by the Petitioner with the bid is unilateral and not contemplated as per Clause 10.5.1 or 10.5.2 of ITB. 20. In matters of tender conditions interpretation, particularly in the realm of public procurement, the tendering authority is the best judge of its requirements. It is a settled principle that the author of the tender document is best placed to understand and interpret its terms, and such interpretation ought not to be interfered with unless it is found to be arbitrary, perverse, or mala fide.

In the present case, the interpretation adopted by the Respondent No. 1 is not only plausible but is firmly rooted in the express terms of the tender and the governing statutory framework. No arbitrariness or irrationality can be attributed to the decision-making process.

21. The Court is also mindful of the limited scope of judicial review in tender matters. Interference is warranted only where the decision is vitiated by illegality, irrationality, or procedural impropriety. The impugned decision, having been taken in conformity with the tender conditions and after due consideration of the Petitioner's representation, does not suffer from any such infirmity. On the contrary, acceptance of the Petitioner's interpretation would amount to rewriting the tender conditions and diluting an essential eligibility criterion, which is impermissible in law.



22. The tender in question was published on 06.03.2025 and initially last date for submission of the bids was 30.04.2025. The said date was extended to 14.05.2025, further to 04.06.2025 and lastly to 19.06.2025.

The Petitioner is a joint venture entity and was incorporated on 29.05.2025 and it applied for GST on 03.06.2025. This circumstance led to the Petitioner being unable to secure a GST registration prior to submission of the bid as on 19.06.2025. Though, the constituents of joint venture entity were aware about the tender conditions since 06.03.2025.

However, these circumstances are therefore of its (petitioner's) own doing and Respondent No. 1's decision, to not condone the non-compliance of absence of GST registration number, does not require any interference. The Petitioner's commercial interest cannot override the timelines and requirements of tendering process of Respondent No. 1.

23. The Petitioner has contended that due to its disqualification Respondent No. 3 remained the sole eligible bidder. It is contended that it was therefore in the public interest that the Petitioner's financial bid is opened and the financial bids are re-evaluated, as it would lead to savings to the public exchequer.

As per letter dated 17.07.2025 sent by Respondent No. 1 to the Corporate Finance Department, Delhi, there were four bidders and two bids (including the bid of the Petitioner) was rejected for non-responsiveness. While Petitioner's bid has been rejected for absence of GST number, another bid⁶ was rejected for non-submission of EMD only. No relaxation can be granted in favour of the Petitioner alone for evaluation of financial

⁶ M/s Sandeep Builders Chandigarh



bids as similar relaxation would have to then be granted by Respondent No. 1 in favour of the bidder who was excluded for non-submission of EMD.

Also, no provision of law has been cited before us to show that Respondent No. 1 is precluded from accepting the bid of a sole eligible bidder. There is no material before us to conclude that the Respondent No. 1's decision to accept the financial bid of Respondent No. 3 is against the public interest and/or public exchequer. We therefore find no merit in this submission.

24. In view of the foregoing, this Court finds that the Respondent's interpretation of the tender conditions is correct and legally sustainable, while the Petitioner's interpretation is misconceived and contrary to the express terms of the tender. Consequently, no infirmity can be found in the impugned decision dated 29.07.2025, and this Court does not deem it appropriate to interfere with the same.

25. Accordingly, the writ petition is dismissed. Pending application, if any, disposed of.

26. No order as to costs.

**MANMEET PRITAM SINGH ARORA
(JUDGE)**

**V. KAMESWAR RAO
(JUDGE)**

APRIL 15, 2026/AM/hp