NC: 2026:KHC:27310
WP No. 14696 of 2026

HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 8TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

WRIT PETITION NO. 14696 OF 2026 (GM-ST/RN)

BETWEEN:

FGM PRIVATE LIMITED
(FORMERLY KNOWN AS
SS AND COMP PRIVATE LIMITED)
E-11, TEMP. CONN.
GROUND FLOOR, BLOCK B-1
MOHAN CO-OPERATIVE
INDUSTRIAL ESTATE
MATHURA ROAD,
NEW DELHI-110 044

REPRESENTED BY ITS
AUTHORIZED SIGNATORY,
MR. SATISH RAJAPUR
COMPANY INCORPORATED
UNDER THE COMPANIES ACT, 2013.

... PETITIONER

(BY SRI. ADITYA NARAYAN., ADVOCATE)

AND:

1. STATE OF KARNATAKA
DEPARTMENT OF COMMERCE AND INDUSTRIES
VIKAS SOUDHA
BENGALURU - 560 001
REPRESENTED BY ITS SECRETARY

2. KARNATAKA STATE MINERALS CORPORATION LIMITED
(KSMCL)
TTMC 'A' BLOCK, 5TH FLOOR
BMTC BUILDING, K.H. ROAD
SHANTINAGAR, BENGALURU - 560 001
REPRESENTED BY ITS
MANAGING DIRECTOR

3. SHREE SRINIVASA MINERALS
207, Y UMAMAHESHWARA RAO STATION ROAD
HOSPET, BALLARI
KARNATAKA - 583 201
PARTNERSHIP FIRM
REPRESENTED BY ITS
MANAGING PARTNER
COMPANY INCORPORATED UNDER
THE COMPANIES ACT, 2013

4. CENTRE FOR E-GOVERNANCE
MS BUILDING
DR. B. R. AMBEDKHAR VEEDHI
BENGALURU - 560 001
REPRESENTED BY ITS
CHIEF EXECUTIVE OFFICER

…RESPONDENTS

(BY SRI. DHYAN CHINNAPPA, SENIOR ADVOCATE FOR
SRI MAHESH R. UPPIN, ADVOCATE FOR R2
SRI DHIRAJ A.K., ADVOCATE FOR R3;
SRI MOHAMMED JAFFAR SHAH, AGA FOR R1 AND R4)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO (I) DECLARING THAT THE PER UNIT PRICE OF THE PETITIONER'S BID BE TREATED AS INR 476 FOR 1,99,980 UNITS (DRILLING WORKS) AND INR 199.5 FOR 4,09,500 UNITS (REHANDLING OF DUMP D1) RESPECTIVELY AND ETC.

THIS WRIT PETITION COMING ON FOR ORDERS THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

ORAL ORDER

1. The Petitioner is before this Court seeking for the following reliefs:

> *(i) Declaring that the per unit price of the Petitioner's bid be treated as INR 476 for 1,99,980 units (drilling works) and INR 199.5 for 4,09,500 units (rehandling of Dump D1) respectively.*

(ii) Directing Respondent No.2 to award the Contract to the Petitioner on the basis of / by treating the Petitioner's offer price as INR 476 for Work 1, i.e., driliing, excavating iron ore / waste, crushing and screening from mine benches/faces for a quantity of 1,99,980 metric tons and INR 199.5 for Work 2, i.e., rehandling of Dump D-1, Excavation of ROM, Processing (Crushing and Screening), weighing finished product and hauling to stockyards (maintaining of haul road and water sprinkling) for a quantity of 4,09,500 metric tones;

(iii) Grant costs of this Petition; and

(iv) Pass any other writ, order or direction as deemed necessary by this Hon'ble Court, in the interests of justice and equity.

2. Respondent No. 2 issued a Notice Inviting Tender (NIT) calling for bids from eligible and interested contractors for the execution of works in the Thimmappanagundi Iron Ore Mine (TIOM). The tender contemplated two distinct components of work, namely: (i) drilling operations; and (ii) re-handling of ore dumps. The procurement process was structured as a two-cover tender system, requiring submission and evaluation of technical bids in the first instance, followed by the opening and evaluation of financial bids of only those bidders who were found technically qualified. Pursuant thereto, the Petitioner submitted its bid on 04.04.2026 within the stipulated time and in accordance with the terms and conditions of the tender notification.

3. The contention of Sri.Aditya Narayan., learned counsel for the Petitioner is that;

3.1. Learned counsel submits that at the time of submission of the bid, the e-procurement portal required the bidder to select the applicable rate of Goods and Services Tax (GST). It is pursuant to such a requirement that the Petitioner selected the GST rate at 18% while submitting its bid. Consequently, the unit rate reflected on the portal at Rs.561.68/- represented the aggregate of the basic bid amount together with GST. In contrast, the bid submitted by respondent No.3 at Rs.468/- was exclusive of GST.

3.2. It is therefore contended that, for the purpose of evaluation of the financial bids, the GST component ought to have been added to the bid amount quoted by respondent No.3 so as to enable a like-to-like comparison between the competing bids.

3.3. Alternatively, learned counsel submits that if the respondents were of the view that GST ought not to be taken into consideration for the purpose of evaluation, then the GST component included in the Petitioner's quoted rate ought to have been excluded and the comparative evaluation undertaken on that basis. According to him, the bids ought to have been evaluated either on a GST-inclusive basis or on a GST-exclusive basis uniformly in respect of all bidders.

3.4. On the basis of the above submissions, learned counsel contends that the financial evaluation undertaken by the respondents suffers from arbitrariness inasmuch as the Petitioner's bid has been considered inclusive of GST, whereas the bid of respondent No.3 has been considered exclusive of GST. Such unequal treatment, according to him, has resulted in a distorted comparison of the bids and has vitiated the decision-making process. He therefore submits that the consequential award of Contract and issuance of work order in favour of respondent No.3 are liable to be set aside, and a direction is required to be issued for a fresh evaluation of the bids on a uniform GST-inclusive or GST-exclusive basis, as the case may be. On such basis, he submits that the reliefs sought for in the present petition deserve to be granted.

4. Sri.Dhyan Chinnappa., learned Senior Counsel appearing for respondent No.2 would submit that;

4.1. Learned Senior Counsel submits that the terms and conditions governing the tender process are explicit and unambiguous. Referring in particular to Clause 14 of the tender document, he contends that the price bid was required to be quoted exclusive of Goods and Services Tax (GST), since the liability for payment of GST was that of the employer. In view thereof, according to him, the Petitioner was not justified in including the GST component in the quoted rate merely because the e-procurement portal provided an option for selection of the applicable GST rate.

4.2. He further submits that where the tender conditions expressly stipulated that the quoted rate was to be exclusive of GST, any doubt or ambiguity perceived by the Petitioner ought to have been clarified by raising a query with the tendering authority prior to submission of the bid. No such query having been raised, the Petitioner cannot now seek to rely upon its own unilateral understanding of the tender conditions. According to him, the interpretation placed by the Petitioner upon the bidding process, without seeking clarification from the competent authority, cannot bind the respondents nor can it form the basis for questioning the tender evaluation.

4.3. Learned Senior Counsel also submits that respondent No.3 correctly understood and complied with the tender conditions by submitting its financial bid exclusive of GST. The bid submitted by respondent No.3 was therefore in conformity with the requirements of the tender document. The alleged misunderstanding on the part of the Petitioner, even if assumed to be bona fide, cannot invalidate the tender process nor furnish a ground for setting aside the work order issued in favour of respondent No.3.

4.4. On the aforesaid grounds, learned Senior Counsel submits that the challenge mounted by the Petitioner is devoid of merit and that the writ petition is liable to be dismissed.

5. Learned counsel for respondent No.3 adopts the submission of Sri.Dhyan Chinnappa., learned Senior

counsel and further submits that the petition has to be dismissed.

6. Heard Sri.Aditya Narayan., learned counsel for the Petitioner, Sri.Shyan Chinnappa., learned Senior counsel appearing for respondent No.2 and Sri.Dhiraj A.K., learned counsel appearing for respondent No.3 and Sri.Mohammed Jaffar Shah., learned AGA for respondents No.1 and 4. Perused papers.

7. Clause 11 which relates to tender price, is reproduced hereunder for easy of reference;

> ***11. Tender prices***
>
> ***11.1*** *The Contract shall be for the whole works as described in Sub-Clause 1.1, based on the financial bid submitted by the Tenderer.*
>
> ***11.2*** *The price shall be quoted for per Metric Ton (unit rate) mentioned in schedule-B in Indian Rupees hereto the sum of all the individual items rates quoted, the lowest will be considered. The Tenderer shall fill in rates and prices and line item total (both in figures and words) for the item of the Work described in the financial bid along with total tender price (both in figures and words).*
>
> ***11.3*** *Not Applicable.*
>
> ***11.4*** *All duties, taxes, insurance and other levies payable by the contractor under the Contract, or for any other cause excluding GST, shall be included in the rates, prices and total Tender Price submitted by the Tenderer.*

> ***11.5** The rates and prices quoted by the Tenderer shall be fixed for the duration of the Contract and shall not be subject to adjustment on any account.*

8. A reading of Clause 11.4 leaves little scope for ambiguity. The said clause categorically stipulates that all duties, taxes, insurance and other levies payable by the contractor under the contract, or for any other cause, are required to be included in the rates, prices and total tender price submitted by the tenderer, with the sole exception of Goods and Services Tax (GST).

9. The deliberate exclusion of GST from the ambit of costs to be incorporated into the quoted rates clearly indicates the intention of the tender issuing authority that the financial bids were required to be submitted on a GST-exclusive basis. Thus, while every other statutory or contractual levy was required to be factored into the quoted price, GST stood segregated and was not intended to form part of the tender price either for submission of bids or for their subsequent evaluation.

10. A conjoint reading of Clauses 11.2, 11.4 and 11.5 of the tender document leaves no manner of doubt as regards the methodology prescribed for submission and evaluation of financial bids. The exclusion of GST

is neither incidental nor accidental. The tender issuing authority has consciously carved out GST from all other components of cost which were required to be factored into the bid price. The language employed in Clause 11.4 is plain, explicit and admits of only one interpretation, namely, that the bid price submitted by a tenderer was required to be exclusive of GST.

11. The significance of such a stipulation cannot be understated. The object of requiring bids to be submitted exclusive of GST is to ensure uniformity, transparency and comparability amongst competing bids. By directing that GST be excluded from the quoted rates, the tender issuing authority ensured that all bidders competed on an equal footing and that the financial evaluation would be undertaken on a common and uniform basis. Such a stipulation eliminates distortions that may otherwise arise if some bidders were to include GST in their quoted rates while others were to exclude the same. In matters relating to public procurement, certainty and strict adherence to tender conditions assume paramount importance. The terms of a tender constitute the rules governing the competition and bind all participants equally.

12. The principal contention urged on behalf of the Petitioner is that the e-procurement portal provided an option requiring the bidder to indicate the applicable rate of GST and that, acting on such option, the Petitioner selected GST at 18% and submitted its bid. According to the Petitioner, the unit rate reflected on the portal represented the basic quoted rate together with GST and, therefore, either the GST component ought to be deducted from the Petitioner's bid or added to the bid submitted by respondent No.3 while undertaking the comparative evaluation.

13. This submission, however, cannot be accepted. The tender conditions constitute the governing framework of the procurement process. The rights and obligations of the parties are determined by the terms of the tender and not by assumptions which may be drawn from the design or functionality of an electronic portal. Even if the portal provided a facility for indicating the applicable GST rate, such facility could not override, amend or dilute an express stipulation contained in the tender document. The tender conditions continued to govern the bidding process and all participating bidders were required to act in conformity therewith.

14. If the Petitioner genuinely entertained any doubt regarding the manner in which the financial bid was required to be submitted, particularly in view of the options available on the portal, it was incumbent upon the Petitioner to seek clarification from the tender issuing authority before submission of its bid. The purpose of a pre-bid meeting and the mechanism for seeking clarifications is precisely to resolve such uncertainties. Admittedly, no query was raised by the Petitioner, nor was any clarification sought from respondent No.2. The Petitioner proceeded on the basis of its own understanding of the tender conditions and submitted its bid accordingly. Having elected to do so, the Petitioner must necessarily bear the consequences arising therefrom.

15. The Petitioner has placed reliance upon certain internal WhatsApp communications exchanged amongst its representatives in an attempt to explain the circumstances under which the bid came to be submitted inclusive of GST. Those communications may demonstrate the internal deliberations of the Petitioner. However, such internal exchanges cannot alter the meaning and effect of the tender conditions. The subjective understanding of a bidder, however

bona fide, cannot override an otherwise clear contractual stipulation. What is relevant is the objective meaning of the tender conditions and not the internal interpretation placed upon them by a participant in the bidding process.

16. Significantly, respondent No.3 submitted its bid exclusive of GST, thereby complying with the express requirement contained in Clause 11.4. The conduct of respondent No.3 demonstrates that the tender condition was capable of being understood and acted upon in the manner intended by the tender issuing authority. This circumstance substantially weakens the contention of the Petitioner that the tender condition was ambiguous or incapable of proper comprehension.

17. Even assuming that the Petitioner acted under a bona fide misconception and included GST in its quoted rate, such an error cannot furnish a basis for judicial interference. A distinction must be maintained between ambiguity in a tender condition and a mistake committed by a bidder while complying with a clear tender condition. Where the tender condition itself is ambiguous, the Court may examine whether the interpretation adopted by the

tendering authority is arbitrary, irrational or unreasonable. However, where the tender condition is clear and the error lies in the bidder's understanding or application thereof, the consequences of such error must ordinarily fall upon the bidder concerned.

18. Acceptance of the Petitioner's contention would necessarily require this Court either to rewrite the financial bid submitted by the Petitioner by deducting the GST component therefrom or to retrospectively alter the methodology adopted by respondent No.2 for evaluation of bids. Such an exercise is clearly impermissible. The Court exercising jurisdiction under Article 226 of the Constitution does not sit as an appellate authority over commercial decisions taken in the course of a tender process. Nor is it the function of the Court to recalculate bids, restructure financial quotations or substitute its own assessment for that of the tendering authority. Judicial review in tender matters is confined to examining whether the decision-making process suffers from arbitrariness, mala fides, irrationality, procedural impropriety or violation of statutory or constitutional mandates.

19. In the present case, none of the aforesaid grounds are made out. The material on record indicates that respondent No.2 has evaluated the bids strictly in accordance with the terms of the tender document. The methodology adopted by respondent No.2 is fully consistent with Clause 11.4. No departure from the prescribed conditions has been demonstrated. There is neither any allegation nor any material establishing mala fides, favouritism, bias or manipulation in the tender process. The challenge is founded entirely on the Petitioner's assertion that its bid came to be submitted on an erroneous understanding of the tender conditions.

20. Such a ground, by itself, cannot invalidate a public procurement process. To hold otherwise would introduce uncertainty into every tender process and permit unsuccessful bidders to seek re-evaluation of bids on the basis of subjective misunderstandings discovered after the opening of financial bids. Public procurement cannot be administered on such a basis. Commercial certainty, transparency and equal treatment of bidders require strict adherence to the terms of the tender as published.

21. This Court is therefore of the considered opinion that respondent No.2 has acted strictly in accordance with the terms of the tender document while evaluating the bids and awarding the contract in favour of respondent No.3. The Petitioner has failed to establish any arbitrariness, illegality, irrationality or procedural impropriety warranting interference under Article 226 of the Constitution of India.

22. For all the aforesaid reasons, the writ petition is devoid of merit and is accordingly ***dismissed.***

SD/-
(SURAJ GOVINDARAJ)
JUDGE

SR
List No.: 2 Sl No.: 8