Item No.- 3
19.11.2026
Court No. 25
Rohan

In the High Court at Calcutta
Constitutional Writ Jurisdiction
Appellate Side

WPA 32253 of 2026

Carbon Resources Private Limited & Anr.
Vs.
Steel Authority of India Limited & Ors.

Mr. Ankit Kanodia
Ms. Megha Agarwal
Mr. Shovan Ojha
Ms. Tulika Roy
Mr. Piyush Khaitan
... for the Petitioners

Mr. Kishore Datta, Sr. Adv.
Mr. Lakshmi Kanta Pal
Ms. Sumita Shaw
... for the Respondent No. 2 & 3

Mr. Deepan Kumar Sarkar
Mr. Zeeshanuz Zaman
Mr. Akshay Sharma
Ms. Shweta Sahu
Ms. Ananya Dewan
... for the Respondent No. 4

Ms. Mary Datta
... for the Union of India

1. The petitioner has filed the present writ application praying for a direction upon the respondents to treat the Bank Guarantee No. 190BG09262810001 dated 8th October, 2026 issued by YES Bank Limited read with letter of amendment dated 28th October, 2026 as valid Earnest Money Deposit (EMD) duly furnished by the petitioner No. 1 in respect of Schedules 1 to 5 of the Bid Document.

2. The Durgapur Steel Plant (DSP) has published a tender notice through Government e-Marketplace (GeM) portal

for supply of Petroleum Coke (V2) confirming to IS 8502(Q3) of total quantity of 21380000. The petitioner has participated in the said tender and has submitted the Bank Guarantee (BG) of Rs. 70,15,000/- in the name of M/S Steel Authority of India Limited, SAIL-DSP, Chandrapur Ferro Alloy Plant, Chanda-Mul-Road, Chandrapur – 442 401 (Maharastra) on 8th October, 2026. Subsequently, on 28th October, 2026, the petitioner came to know that in the BG submitted by the petitioner, the address of the Tendering Authority is mistakenly recorded as Chandrapur Ferro Alloy Plant instead of Durgapur Steel Plant and immediately, the petitioner has amended the address of the Tendering Authority and the same was informed to the Tendering Authority by a letter dated 28th October, 2026. The YES Bank, from where the petitioner purchased the BG has also informed the Steel Authority of India Ltd, SAIL DSP Durgapur that the address mentioned in the BG be read as M/s. Steel Authority of India Ltd, SAIL Durgapur Steel Plant (SAIL), Durgapur – 713203, West Bengal instead of Chandrapur Ferro Alloy Plant. On 12th November, 2026, the petitioner has received an information that the petitioner has been disqualified by the Technical Evaluation Committee on the ground that EMD uploaded by the petitioner by way of BG dated 8th October, 2026 of Rs. 70,15,000/- is in favour of SAIL-CFAP in GeM and original hard copy of the BG received

in Durgapur Steel Plant later on 28th October, 2026 in favour of the SAIL-DSP as the original BG dated 8th October, 2026 is not in favour of the SAIL-DSP and the amended BG which is after the ToD and also not uploaded on GeM on or before ToD, techno-commercial offer submitted by the party had not been considered for evaluation and their offer/bid has been rejected because of non-submission of the requisite EMD on or before ToD.

3. After receipt of the information of disqualification of the petitioner in the Technical Evaluation, the petitioner has made a representation to the Durgapur Steel Plant requesting for accepting of the EMD as inadvertently, the Bank has recorded the address in the BG as Chandrapur Ferro Alloy instead of Durgapur Steel Plant and subsequently, when the petitioner noticed the inadvertent error, immediately the Bank has corrected the same and the Bank has also requested the Authority that the address mentioned in the BG shall be treated as Durgapur Steel Plant instead of Chandrapur Ferro Alloy.

4. The petitioner submitted that the Authority has not considered the request of the petitioner and in the meantime, the reserved auction document has been published on 16th November, 2026 wherein, the reserved auction as started from 17th November, 2026

and the end date and time is 19th November, 2026 at 03:00 P.M., i.e., today.

5. Learned counsel for the petitioner submits that the Authority may be directed to accept the EMD submitted by the petitioner by way of BG with the amended address of the Tendering Authority and to allow the petitioner to participate in the Reverse Auction process today at 03:00 P.M.

6. Learned counsel for the petitioner has relied upon the judgment of the Patna High Court in the case of ***Aarpee Infra Projects (P) Ltd. Vs. The State of Bihar & Ors.*** passed in ***Civil Writ Jurisdiction Case No. 2991 of 2019*** dated ***29th March, 2019*** and submits that the Patna High Court had directed the Authority to accept the Bank Guarantee, though there was some technical error in page 2 of the Bank Guarantee. By relying upon the said judgment, the petitioner submitted that in the present case also, though the address is of Steel Authority of India, DSP but the complete address is mentioned as Chandrapur Ferro Alloy Plant but subsequently, when the petitioner came to know, the same was informed to the Bank and the Bank has accepted that it was the due inadvertence on behalf of the Bank and the Bank has corrected the same and as such, the judgment is squarely applicable in the present case.

7. Learned counsel for the petitioner has further relied upon the judgment of the Hon'ble Supreme Court in the case of ***Poddar Steel Corporation Vs. Ganesh Engineering Works and Others*** reported in ***(1991) 3 SCC 273*** and submits that in the said case also, the Hon'ble Supreme Court has allowed the certified cheque of the Union Bank of India drawn on its own branch must be treated as sufficient for the purpose of achieving the object of the condition of the Tender Committee.

8. Per contra, Mr. Kishore Datta, learned Senior Advocate appearing for the Steel Authority of India, Durgapur Branch, submits that in the tender document, the address of the beneficiary has been specifically mentioned as AGM, Durgapur Steel Plant (SAIL), Durgapur-713203, West Bengal (Durgapur Steel Plant, Sail) but the petitioner has uploaded the Bank Guarantee of Rs. 70,15,000/- in the name of M/S Steel Authority of India Ltd, SAIL-DSP, Chandrapur Ferro Alloy Plant, Chanda-Mul-Road, Chandrapur – 442 401 (Maharastra), which is not the beneficiary of the said Bank Guarantee. He further draws the attention of this Court to the Clause 4a of the terms and conditions of the bid document and submits that in the bid document, it is categorically mentioned that if EMD or Exemption documents etc. submitted by vendor are not found in order, the offer shall not be considered. By referring to the said clause, Mr. Datta submits that the

petitioner, though has submitted the Bank Guarantee, but not with the proper address of the beneficiary and accordingly, the Authority has not considered the said Bank Guarantee of the petitioner and has rightly rejected the same.

9. Mr. Datta further submits that the petitioner has obtained the Bank Guarantee on 8th October, 2026 and uploaded on 15th October, 2026 but technical bid was opened on 23rd October, 2026 and Technical Evaluation was completed on 10th November, 2026. In between 23rd October, 2026 till 10th November, 2026, the petitioner did not come before this Court for rectification or amendment of the address of the beneficiary in the Bank Guarantee. The petitioner has filed the present writ application at the fag end knowing that today, i.e., 19th November, 2026 at 03:00 P.M. is the last date and time of Reverse Auction. He further submits that only within an hour or two, the petitioner cannot be allowed to participate in the Reverse Auction.

10. Mr. Datta has relied upon the judgment of the Hon'ble Supreme Court in the case of ***Vidarbha Irrigation Development Corporation Vs. M/S Anoj Kumar Garwala*** passed in ***Civil Appeal No. 1049 of 2019 (Arising out of SLP (C) No. 26811 of 2018)*** dated ***23rd January, 2019*** and by referring to the said judgment, Mr. Datta submits that the Hon'ble Supreme

Court categorically held that the bid is one which conforms to all terms, conditions and specifications without any material deviation. A material deviation is one which limits, in any substantial way, or is inconsistent with the bidding documents or the employer's rights or bidder's obligations under the Contract. He submits that in the present case, the petitioner had the knowledge about who is the beneficiary of the Bank Guarantee but the Bank Guarantee has been submitted in favour of some other Authority who is not the beneficiary.

11. Mr. Datta further relied upon the judgment of the Hon'ble Supreme Court in the case of ***Monarch Infrastructure (P) Ltd. Vs. Commissioner, Ulhasnagar Municipal Corporation and Others*** reported in ***(2000) 5 SCC 287*** and submits that in the said case, the Contractor has submitted the Xerox certified copy of the demand draft/pay order but the Municipal Corporation has not accepted the same and the tender was rejected. Accordingly, the Hon'ble Supreme Court has held that the Municipal Corporation has justified in rejecting the tender offer made by the Contractor by not fulfilling the terms and conditions of the Tender Notice.

12. Mr. Datta further relied upon the judgment of the Hon'ble Supreme Court passed in the case of ***Central Coalfields Limited and Another Vs. SLL-SML (Joint***

Venture Consortium) and Others reported in ***(2016) 8 SCC 622*** and submits that in the said case, the format of the Bank Guarantee in which the Contractor had to submit the Bank Guarantee was not submitted and if the Contractor had not submitted the Bank Guarantee in the prescribed format, the same could not be accepted. Mr. Datta further submitted that the petitioner has not submitted the Bank Guarantee in the name of the beneficiary and as such, it cannot be treated that the Bank Guarantee which the petitioner has submitted is for the present Tender process.

13. Heard the learned counsel for the respective parties. Perused the materials on record and the judgments relied by the parties.

14. Admittedly, as per the Tender document, the beneficiary is the AGM, Durgapur Steel Plant (SAIL), Durgapur-713203, West Bengal (Durgapur Steel Plant, Sail) but the petitioner has submitted the Bank Guarantee in the name of M/S Steel Authority of India Limited, SAIL-DSP, Chandrapur Ferro Alloy Plant, Chanda-Mul-Road, Chandrapur – 442 401 (Maharastra). The address mentioned in the Bank Guarantee is not that of the beneficiary mentioned in the Tender document. Clause 4a of the Tender document reads as follows:

> *"…If EMD or Exemption documents etc. submitted by vendor are not found in order, the offer shall not be considered."*

15. The petitioner has submitted the Bank Guarantee through the GeM portal on 15th October, 2026 and on 23rd October, 2026, the Technical Bid was opened. On the date of opening of the Technical Bid, the Bank Guarantee submitted by the petitioner reveals the address M/S Steel Authority of India Limited, SAIL-DSP, Chandrapur Ferro Alloy Plant, Chanda-Mul-Road, Chandrapur – 442 401 (Maharastra) and not the beneficiary mentioned in the Tender document. On 28th October, 2026, the petitioner has submitted the amended BG by correcting the name of the beneficiary. Simultaneously, the Bank has also issued a letter to the M/S Steel Authority of India Ltd., SAIL DSP Durgapur – 713203, West Bengal stating that the beneficiary of the Bank Guarantee was the SAIL DSP and there is a clerical error in the beneficiary address and that does not affect SAIL DSP unconditional legal right to invoke the claim in the Bank Guarantee. The Bank has written the said letter to the SAIL Authority on 13th November, 2026. By that time, the Technical Evaluation was completed on 10th November, 2026. In the meantime, on 12th November, 2026, the Authorities have informed the petitioner that the Technical Evaluation Committee has disqualified the petitioner on the ground that the Bank Guarantee submitted by the petitioner was not in the name of the beneficiary as appearing in the Tender document. The Tender document specified the name of the beneficiary of the

Bank Guarantee. Clause 4a also provided that if EMD or Exemption documents etc. submitted by vendor are not found in order, the offer shall not be considered. In the case of ***Vidarbha Irrigation Development Corporation*** (supra), the Hon'ble Supreme Court held that:

> *"10. We may now come to Clause 2.35 which makes it clear that a substantially responsive bid is one which conforms to all terms, conditions and specifications without any material deviation. Inter alia, a material deviation is one which limits, in any substantial way, or is inconsistent with the bidding documents or the employer's rights or bidder's obligations under the Contract. It cannot be gainsaid that a bank guarantee, which is for a period of six months and not for a period of 40 months, would not only be directly inconsistent with the bidding documents but would also be contrary to the employers' right to a bank guarantee for a longer period. This being the case, since a material deviation from the terms and conditions of the tender document was made by Respondent No. 2, when it furnished a bank guarantee for only six months initially, it would be clear that such bid would have to be considered as not substantially responsive and ought to have been rejected by the employer. Clause 2.35.2 also makes it clear that such a bid would have to be rejected outrightly and may not be subsequently made responsive by correction."*

16. In the case of ***Vidarbha Irrigation Development Corporation*** (supra), the Hon'ble Supreme Court has also considered the case of ***Poddar Steel Corporation*** (supra) relied by the petitioner.

17. In the case of ***Monarch Infrastructure (P) Ltd.*** (supra), the Hon'ble Supreme Court held that:

> *"13. Now it is necessary to consider the case of Ramchand Mahadeo Rao. One of the conditions to make offer is regarding the earnest money deposit for a sum of Rs 1.70 crores in the form of a crossed demand draft/pay order or cash. Ramchand Mahadeo Rao got prepared a cheque for Rs 1.70 crores as required from the bank and submitted the tender just before the expiry of the time on 19-4-2000. He further alleges that in haste and confusion he misplaced the demand draft and was in a wrong impression that a mere photocopy of the draft duly notarised will be sufficient and, therefore, he submitted photocopy of the demand draft along with other relevant documents. The conditions of the "notice inviting tender" is that the same should be accompanied by a demand draft/pay order or cash and in no other form. It is (sic not) clear from the statement made by him as to in what manner he could gather an impression that a photocopy of the demand draft duly notarised would be sufficient nor could it be said (sic denied) that it is naive to accept a mere statement that the demand draft for a sum of Rs 1.70 crores obtained for the purpose of submitting the same along with the tender documents could be misplaced in the manner suggested in the application. Therefore, the Municipal Corporation is justified in rejecting the tender offer made by Ramchand Mahadeo Rao as not fulfilling the conditions of the Tender Notice."*

18. In the case of ***Central Coalfields Limited and Another*** (supra), the Hon'ble Supreme Court held that:

> *"51. Not only this, any decision taken by the employer in accepting or rejecting a particular bank guarantee in a format not prescribed by it could lead to (avoidable) litigation requiring the employer to justify the rejection or acceptance of each bank guarantee. This is hardly conducive to a smooth and hassle-free bidding process."*

19. In the case of ***Central Coalfields Limited and Another*** (supra), the Hon'ble Supreme Court has also

considered the case of ***Poddar Steel Corporation*** (supra) and recorded the finding that in the case of ***Poddar Steel Corporation*** (supra), the Hon'ble Court did not at all advert to the privilege of participation principle laid down in the case of ***Ramana Dayaram Shetty Vs. International Airport Authority of India*** reported in ***(1979) 3 SCC 489*** and in the case of ***G.J. Fernandez Vs. State of Karnataka*** reported in ***(1990) 2 SCC 488***.

20. In the case of ***Poddar Steel Corporation*** (supra), the Hon'ble Supreme Court did not consider whether as a result of deviation, others could also become eligible to participate in the bidding process. In the case of ***Vidarbha Irrigation Development Corporation*** (supra), the Tendering authority allowed the amendment of the Bank Guarantee and accepted the tender. Subsequently, the Hon'ble Supreme Court has held that the Authority has no right to amend the terms and conditions and has set aside the work order issued to the contractor.

21. Considering as above, this Court finds that in the present case, the beneficiary of the Bank Guarantee was AGM, Durgapur Steel Plant (SAIL), Durgapur-713203, West Bengal (Durgapur Steel Plant, Sail). But admittedly, the Bank Guarantee was in the name of M/S Steel Authority of India Limited, SAIL-DSP, Chandrapur Ferro Alloy Plant, Chanda-Mul-Road,

Chandrapur – 442 401 (Maharashtra). The beneficiary of the Bank Guarantee dated 8th October, 2026 submitted by the petitioner on 18th October, 2026 is different than the beneficiary mentioned in the Tender document. The terms and conditions of the Tender document also provides that if the if EMD or Exemption documents etc. submitted by vendor are not found in order, the offer shall not be considered.

22. Considering the above, this Court finds that there is no illegality by rejecting the Technical Bid of the petitioner as the petitioner has not submitted the EMD by way of BG in the proper name of the beneficiary.

23. Accordingly, **WPA 32253 of 2026** is **dismissed**.

24. As the petitioner has not prayed for relief against the GeM, as such, no order can be passed against the GeM.

25. Urgent Photostat certified copy of this order, if applied for, be given to the parties upon compliance with all requisite formalities.

(Krishna Rao, J.)