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

+ W.P.(C) 15505/2025, CM APPLs. 63453/2025, 63454/2025
LARAON ENGINEERS AND CONSULTANTS PVT LTD

.....Petitioner

Through: Mr. Jeetender Gupta, Mr. Ashish Mishra, Mr. Abhay Kumar Sanan, Mr. Kushagra Gupta, Advs.

versus

UNION OF INDIA AND ANOTHERRespondents

Through: Mr. Rohit Jolly, Mr. Ankit Kanwar, Ms. Subhashmi Kumari, Mr. Prateek Singh, Advs. for R1.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

% **09.10.2025**

1. The present petition has been filed by the petitioner being aggrieved by the Suspension Order dated 29.08.2025 issued by respondent no.1/ Government E- Market Place GEM), in relation to the submission of bid against GeM Tender No.GEM/2025/B/6216807 dated 09.05.2025. The petitioner further assails the order dated 25.09.2025, whereby the appeal filed by the petitioner against the aforesaid suspension order was dismissed.
2. By virtue of the impugned order dated 29.08.2025, respondent no.1 has suspended the petitioner's GeM account for a period of 60 days. It is the petitioner's case that the said action was taken without adherence to the principles of natural justice, inasmuch as there was no consideration of the petitioner's explanation nor any opportunity of hearing was afforded to the petitioner prior to the issuance of the impugned order/s. It is further submitted that the appeal filed by the petitioner was dismissed by the



Appellate Authority without due consideration of the explanation and version put forth by the petitioner.

3. It is submitted that a bonafide error/mistake was committed by the petitioner during the submission of the bid, inasmuch as the petitioner inadvertently quoted the “unit price” instead of the “total price”. It is submitted that the petitioner ought not to be saddled with penalty / punishment on account of a bonafide mistake.

4. The relevant provisions of the GeM policy under which the suspension has been effected reads as under;-

“ If you withdraw, modify, impair or derogate from the bid in any respect within the period of its validity, and if the value of the bid is more than Rs. 10 lakh, then you are liable to be debarred for a period of 2 months”.

5. It is emphasized by the petitioner that the present case is not a case of “withdrawal, modification, impairment or derogation” from the bid, rather a case of bona fide mistake. It is submitted that petitioner has an established track record and this is the first instance wherein such an error has occurred. It is further submitted that the suspension has severely impacted the petitioner’s business operations, inasmuch as the petitioner is precluded from participating in any other tender.

6. It is emphasized that the explanation submitted by the petitioner in its appeal was not considered by the Appellate Authority while passing the order dated 25.09.2025.

7. Learned counsel for the respondents, who appears on advance notice, submits that the reason/s which impelled the Appellate Authority to arrive at its decision have been set out in an internal note. Concededly, a copy thereof has not been furnished to the petitioner.

8. Considering that the order passed by the Appellate Authority is



unreasoned in material respects, and considering that the appellate authority has decided the matter without affording any effective opportunity of hearing to the petitioner, the impugned order passed by the Appellate Authority is set aside. The matter is remanded to the Appellate Authority to consider the matter afresh. Let a reasoned order be passed by the Appellate Authority expeditiously, in the light of the explanation given by the petitioner and after affording an opportunity of hearing to the petitioner.

9. In the meantime, till the conclusion of the aforesaid exercise, the suspension order qua the petitioner shall be kept in abeyance. The Appellate Authority shall bear in mind that the petitioner, as per the respondent's own showing, is a first time offender and has already undergone suspension for a period of 40 days. The Appellate Authority shall consider whether the suspension of the petitioner can be confined to the period for which the petitioner has already undergone suspension.

10. The petition is disposed of in the above terms.

11. Needless to say, the decision that may be taken by the Appellate Authority pursuant to the aforesaid exercise, shall be subject to rights and remedies of the petitioner.

SACHIN DATTA, J

OCTOBER 9, 2025/uk