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

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Date of Decision : 24.03.2026

+ W.P.(C) 2895/2026 CM APPL. 14033-14034/2026

CONSORTIUM OF M/S NAMAN ELECTRONICS M/S LIKHMA
RAM BHAMBHU AND M/S SHIV KUMARPetitioner
Through: Mr. Harsh Gattani, Advocate

versus

GOVERNMENT OF NCT OF DELHIRespondent
Through: Mr. Sameer Vashisht, Standing Counsel
(Civil) GNCTD with Ms. Harshita
Nathrani, Advocate

CORAM:

HON'BLE MR. JUSTICE V. KAMESWAR RAO

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

MANMEET PRITAM SINGH ARORA, J. (ORAL)

1. The present petition has been filed under Article 226 of the Constitution of India with the following prayers:

a) Issue a writ of certiorari or any other appropriate writ, order, or direction quashing the order dated 04.02.2026 issued by the Respondent qua Tender ID 2025_TD_268009_1 and Tender Reference No. F No. 7 (147)/TPT/JJ/ 075789001 for 'Up-gradation, Operation & Maintenance of Inspection & Certification Centre through outsourced manpower of Vehicle Inspection & Certification (I&C) Centre at Jhuljhuli, Delhi';

b) Issue a writ of certiorari or any other appropriate writ, order, or direction quashing the order dated 18.02.2026 and Show Cause Notice dated 18.11.2025 issued by the Respondent qua Tender ID 2025_TD_268009_1 and Tender Reference No. F No. 7 (147)/TPT/JJ/ 075789001 for 'Upgradation, Operation & Maintenance of Inspection &



Certification Centre through outsourced manpower of Vehicle Inspection & Certification (I&C) Centre at Jhuljhuli, Delhi’;

c) Issue a writ of mandamus or any other appropriate writ, order, or direction directing the Respondent to execute the agreement qua Tender ID 2025_TD_268009_1 and Tender Reference No. F No. 7 (147)/TPT/JJ/ 075789001 for ‘Up-gradation, Operation & Maintenance of Inspection & Certification Centre through outsourced manpower of Vehicle Inspection & Certification (I&C) Centre at Jhuljhuli, Delhi’;

d) Pass any other orders or directions, as this Hon’ble Court may deem fit and proper under the facts and circumstances of the case, in favour of the Petitioner.

2. The relevant facts for adjudicating the present petition are:

2.1. The Respondent, through the Commissioner, Transport Department, issued a Tender for ‘Up-gradation, operation and maintenance of the Inspection and Certification Centre at Jhuljhuli, Delhi’ [‘subject tender’] for a period of three [3] years, extendable by two [2] years with mutual consent. A pre-bid meeting was held on 13.01.2025, followed by corrigendum dated 31.01.2025, 07.02.2025 and 19.02.2025 incorporating amendments and extending timelines. The bid submission commenced on 20.01.2025 and concluded on 20.02.2025.

2.2. The Petitioner Consortium was declared the successful L1 bidder on 27.03.2025. A Letter of Acceptance [‘LoA’] was issued in favour of the Petitioner on 26.08.2025 and it was directed to commence mobilization. Pursuant thereto, the Petitioner furnished a Bank Guarantee of Rs. 3,57,000/- on 30.08.2025 and initiated mobilization on 11.09.2025, including deployment of manpower and operational arrangements for running the inspection center.

2.3. On 18.11.2025, a Show Cause Notice [‘SCN’] was served upon the Petitioner alleging concealment of facts pertaining to a FIR dated 13.05.2025



registered on the complaint RTO, Mehsana Gujarat, against M/s Naman Electronics (Petitioner's consortium member), to which the Petitioner submitted a detailed reply on 20.11.2025.

2.4. Aggrieved by the impugned SCN, the Petitioner approached this Court by filing W.P. (C) 1050/2026, wherein vide order dated 23.01.2026 the Respondent was directed to decide the SCN within three [3] weeks and any adverse order was to remain stayed for four [4] days.

2.5. The Petitioner was issued notices for personal hearing, where the Petitioner duly appeared on 16.02.2026 and placed its defense. Thereafter, an order dated 18.02.2026 was passed holding that Petitioner had submitted the bid in violation of Clause 3 of the tender document as the proceedings initiated by RTO, Mehsana, Gujarat were not disclosed in the bid documents. It is stated that this order, was communicated to the Petitioner only on 24.02.2026.

It is stated that by this order dated 18.02.2026, the Petitioner came to know that the tender had already been cancelled on 04.02.2026.

3. Mr. Gattani, learned counsel for the Petitioner states that petitioner was declared as L1 bidder on 27.03.2025 and the LoA was issued in favour of the Petitioner on 26.08.2025, whereas the FIR against the M/s Naman Electronics was registered on 13.05.2025, therefore, FIR is a post-bid development and falls completely outside the scope of the disclosure mandate under Clause 3 of the Tender document as there was no pending complaint, FIR or investigation against any member of the Petitioner Consortium or its member.

3.1. He contends that the impugned actions are arbitrary and in complete disregard of the directions passed by this Court vide order 23.01.2026, as the tender was cancelled on 04.02.2026 even prior to adjudication of the SCN and



without affording meaningful consideration to the Petitioner's reply.

3.2. He has placed reliance on **Siemens Ltd v State of Maharashtra**¹ to contend that although ordinarily a writ petition against a show cause notice is not maintainable, an exception arises where the notice is issued with a pre-determined mind. It is submitted that where the authority has already arrived at a concluded opinion and the issuance of the show cause notice is a mere formality, the writ court would be justified in exercising its jurisdiction, as any subsequent hearing would be an empty ritual. He submits that the present case squarely falls within this exception, inasmuch as the Respondent has demonstrated premeditation and has effectively prejudged the issue even prior to considering the Petitioner's reply.

4. In these circumstances, the Petitioner has approached this Court challenging the illegal cancellation of the tender and consequential actions of the Respondent.

5. Mr. Vashisht, learned counsel for the respondent has relied upon the contents of the order dated 18.02.2026 and more specifically the report of the DTO Burari.

6. This Court has heard the learned counsel for the parties and perused the record.

7. The present petition lays challenge to the following two communications:

- i. The communication dated 04.02.2026 whereby the respondent has cancelled the tender and the subsequent LoA issued in favour of the petitioner.

¹ (2006) 12 SCC 33 at paragraph no. 9



- ii. The order dated 18.02.2026 whereby the respondent has adjudicated the petitioner's reply dated 20.11.2025 issued in response to SCN dated 18.11.2025 and held that the petitioner consortium failed to make disclosure of the proceedings initiated by RTO Mehsana as required under Clause 3 of the tender document.
8. The respondent in its decision dated 18.02.2026 has set out in detail the report received by it from DTO (Burari) who visited RTO Mehsana to find out about the circumstances in which the contract for operating Automated Testing Stations ('ATS') allotted to M/s Naman Electronics was cancelled on 16.11.2024 and the facts leading to filing of the FIR against the M/s Naman Electronics on 13.05.2025. The relevant portion of the order dated 18.02.2026 reads as under: -

ORDER

“5. And whereas, a Letter of Award ('LoA') was issued to M/s Naman Electronics on dated 26.08.2025.

6. And whereas, meanwhile, a tender process, a complaint received dated 29.09.2025 from M/s Rahaat The Safe Community Foundation against M/s Naman Electronics. The complainant stating in their complaint that M/s Naman Electronics has been involved in large-scale fraudulent issuance of fake fitness certificates in the State of Gujarat and FIR No. 11206043250315 dated 13.05.2025 was registered in P.S. Mehsana, Gujarat Further, attention was invited regarding violation of Clause 7.7 and Clause 3 of Tender. Further, complainant requested to cancel the tender in the larger interest of Road Safety.

7. And whereas, in view of the seriousness of the aforesaid complaint, a Show Cause Notice was issued to M/s Naman Electronics on 18.11.2025 regarding concealment of facts/information. In response, he initially submitted vide reply dated 20.11.2025 that “There has been no concealment, suppression, or misrepresentation of any fact by our firm at any stage of the tender process. All declarations and representation furnished in our bid were accurate, honest, and strictly in conformity with the tender's T&Cs as applicable on the date of bid submission



(20.02.2025). It is pertinent to note that the FIR in question was registered only on 13.05.2025, i.e., after bid submission, after technical evaluation, and even after we were declared L-1 on 27.03.2025”.

8. And, whereas, subsequently, a mail was also sent dated 18.11.2025 to RTO Mehsana, Gujarat for status of FIR No.11206043250315 registered against M /s Naman Electronics by the Commissioner, Transport, Gujarat. Whereas, no reply was received from RTO, Mehsana (Gujarat). After that, subsequently a, follow-up mail was sent to Deputy Director, Transport of Gujarat for the aforesaid matter. In response, no reply was received in this matter.

9. And whereas, thereafter, it has been directed to DTO (Burari), to visit RTO Mehsana dated 06.01.2026 for detailed fact-finding in the matter of M/s Naman Electronics and the status of FIR. The said official carried out a field visit in the Office of the Commissioner of Transport, Gujarat State, Gandhi Nagar-Gujarat dated 07.01.2026, and he submitted the following facts which are reproduced as under: -

- ▶ "M/s Naman Electronics was authorized Automated Testing Station vide registration certificate No. ATS 286.
- ▶ During surprise inspection, discrepancies at the ATS operated by M/s Naman Electronics where they had issued fitness Certificate to Vehicles without their physical appearance at ATS center.
- ▶ Subsequently vide order no. **116/2024** dated **21.02.2024**, The ATS center operated by **M/s Naman Electronic was suspended for 6 Months** and they were further directed to **deposit the test fee of Rs. 2,58,800/- collected by them for the test of the vehicles which were not physically tested by them** in the treasury of the Government
- ▶ On **15.10.2024** M/s Naman Electronics in their letter addressed to ACS, Gandhi Nagar Gujarat, surrendered the License issued by State Government to them for operating ATS.
- ▶ On **16.11.2024** vide letter no. COT/0269/11/2024, the license of M/s Naman Electronics for their ATS center at Mehsana location was cancelled/surrendered.
- ▶ Further, **FIR no. 11206043250315** dated 13.05.2025 was registered at P.S Mehsana.
- ▶ The license to operate at Mehsana has been awarded to Sh. Bhikhbhai Khodabhai Patel ATS-405 with the trade name Mehsana Fitness Center on 21.02.2025 and as per Affidavit submitted by them on 19.12.2024 they declared that”



"We are now, no any kind of Relationship (Via directly or indirectly) with Naman Electronics ATS no. 286 to run new ATS on name of Bhikhabhai Khodabhai Patel."

10. And whereas, as per the Clause 3 of Tender Document ("Instruction to Bidders") wherein bidder must ensure that they meet all the requirement prescribed in "Annexure-III Bidder's Company Requirements".

The relevant part of Clause 3 of Tender Document is reproduced as below: -

"Bidder will submit an Undertaking that Bidder or any Member of the consortium has not been under investigation or charge-sheeted by any agency of the Central/State Government or its any agency or convicted by a Court of Law or blacklisted with respect to any Similar Project i.e. Vehicle Inspection and Certification Centre."

11. And whereas, M/s Naman Electronics had submitted bid document along with declaration dated on 06.02.2025 wherein he failed to Intimate the Transport Department, GNCTD at the time of bid submission, that he had been under serious Investigation by Transport Department of Gujarat for issuing of fake fitness and Forging and fabricating documents, Manipulating vehicle photographs, Updating government records without physical inspection, Tampering with government records and misappropriation of fees and 316 vehicles were falsely shown as physically present at the ATS by uploading morphed photographs. Additionally, he had concealed the facts that ATS center operated by M/s Naman Electronic in Gujarat was suspended for 6 Months. And, M/s Naman Electronics in their letter addressed to Transport Department of Gujarat, surrendered the License issued by Transport Department, of Gujarat for operating ATS. In addition, vide Letter No. COT/0269/11/2024, the license of M/s Naman Electronics for their ATS center at Mehsana location was cancelled/ Surrendered. Further, FIR No. 11206043250315 dated 13.05.2025 was registered in P.S. Mehsana, Gujarat. Moreover, the FIR was filed post-bid submission, yet they did not provide full details regarding these ongoing issues.

12. And whereas, in view of above and infringement of Clause-3 of tender documents by M/s Naman Electronics the aforesaid tender for Up-gradation, Operation & Maintenance of Inspection & Certification (I&C) lanes to ATS at VIU, Jhuljhuli, New Delhi vide Tender ID:



2025_TD_268009_1 2025_1 was cancelled on 04.02.2026 with due approval of the Competent Authority.

13. And whereas, therefore, the representation/reply dated 20.11.2025 is hereby disposed of as being devoid of merit.

9. After perusing the report dated 06.01.2026 submitted by DTO Burari, the respondent has concluded that the petitioner had failed to make a disclosure of the investigation which led to cancellation of its contract on 16.11.2024 by the RTO Mehsana. Respondent has opined that the Petitioner was obliged to make a disclosure of the investigation and the cancellation of the Mehsana ATS, while submitting the undertaking as per Clause 3 in the subject tender process. The report dated 06.01.2026 also confirms that an FIR dated 13.05.2025 has been registered regarding the said investigation at PS Mehsana.

10. For the same reasons, the respondent vide letter dated 04.02.2026 has cancelled the tender and consequently cancelled the LoA dated 26.08.2025 issued in favour of the petitioner. The order dated 04.02.2026 reads as under: -

“Sub: CANCELLATION OF TENDER

I am directed to convey the decision of Competent Authority for cancellation of tender Reference No. F.No.7(147)/TPT/JJ/2024/075789001/ bearing Tender ID: 2025_TD_268009_1 for Operation & Maintenance & Up-gradation of Inspection & Certification (I&C) lanes to ATS at VIU, Jhuljhuli, New Delhi. And, subsequently, Letter of Award (LoA) issued to M/s Naman Electronics on 26.08.2025 may be treated as cancelled. Considering the facts that M/s Naman Electronics has concealed the facts regarding proceeding against them in Gujarat on the following grounds:

1. The ATS center operated by M/s Naman Electronics was suspended for Six Months on 21.02.2024 by O/o the Commissioner of Transport, Gujarat and they surrendered their license to operate ATS on 15.10.2024 and, subsequently AR No.11206043250315 dated 13.05.2025 was lodged in PS Mehsana against them on the



complaint of Transport Department, Gujarat.

2. M/s Naman Electronics has infringed the clause of tender document wherein submitted undertaking on 06.02.2025 that "We or any Member of Consortium has not been under investigation or charge-sheeted by any agency of the Central/ State Government or its any agency or convicted by a Court of Law or black listed w.r.t. any similar project i.e. Vehicle Inspection and Certification Centre.

3. Considering of above all facts, it is violation of tender document Term and Conditions.

This Issue with prior approval of the Competent Authority.”

11. A perusal of the contents of the Respondent’s order dated 18.02.2026 and 04.02.2026 shows the Respondent has taken into consideration the fact that Petitioner’s consortium member M/s Naman Electronics has been found guilty of malpractices by RTO Mehsana in a similar project i.e., vehicle inspection and certification center, which led to the cancellation of the contract and licence by the State Government on 16.11.2024 and a further registration of FIR dated 13.05.2025.

12. The Petitioner contends that since the FIR was registered on 13.05.2025 whereas the bid documents were submitted on 20.02.2025, the Petitioner could not have made these disclosures in its bid document. The Petitioner also contends that the fact that the ATS licence have been cancelled by the State Government at Gujarat on 16.11.2024 was not a material fact to be disclosed within the meaning of Clause 3 of the tender document.

13. We are unable to agree with the pleas of the Petitioner. Clause 3 of the Tender document is reproduced under:

“3. INSTRUCTIONS TO BIDDERS

.....

Bidder will submit an Undertaking that Bidder or any Member of the Consortium has not been under investigation or charge-sheeted by any



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agency of the Central / State Government or its any agency or convicted by a Court of Law or blacklisted with respect to any Similar Project i.e. Vehicle Inspection and Certification Centre.”

14. We take note that there is no challenge by the Petitioner to the findings of fact reported by DTO Burari in its report dated 06.01.2026 with respect to cancellation of license by RTO Mehsana, as relied upon in the impugned orders. In our considered opinion, the stand of the respondent that investigation as regards the malpractices noted at ATS centre operated by M/s Naman Electronics at Mehsana Gujarat, which led to the cancellation of the license on 16.11.2024 is a material fact, and the respondent was entitled to know these facts before evaluating the bid and accepting the bid, is correct and appropriate.

15. The works for which the subject tender was allotted by the Respondent is for the same scope of work, for which M/s Naman Electronics was found to be indulging in malpractices by RTO Mehsana. It therefore qualifies as a similar project and the Petitioner ought to have made this disclosure while filing the undertaking under clause 3. The non-disclosure vitiates the award of the LoA as the respondent did not have notice of this material fact while qualifying the petitioner and awarding the Lo.

16. The petitioner has contended that since the LoA stands issued on 26.08.2025, the same could not have been cancelled. However, the FIR was registered on 13.05.2025 i.e., prior to the issuance of the LoA. The filing of the FIR is connected with the cancellation of the license on 16.11.2024. Had the factum of registration of the FIR and the cancellation of license on 16.11.2024 been brought to the notice of the respondent before issuance of LoA, it is



evident that no LoA would have been issued in August 2025. The Petitioner therefore cannot take benefit of non-disclosure of the cancellation of its license on 16.11.2024.

17. The reliance placed by the Petitioner on **Siemens Ltd. v. State of Maharashtra & Ors.** (supra) is misconceived and inapposite to the facts of the present case, inasmuch as the record clearly establishes non-disclosure of material facts by the Petitioner in violation of Clause 3 of the tender conditions.

18. In these facts we find that there is no arbitrariness in the impugned orders dated 04.02.2026 and 18.02.2026. The decision of the respondent is a legitimate exercise to preserve the sanctity of procurement process.

19. In view of the aforesaid, we find no merit in this petition; the petition is dismissed. Pending application(s), if any, are disposed of. No costs.

MANMEET PRITAM SINGH ARORA, J

V. KAMESWAR RAO, J

MARCH 24, 2026/mt/AJ