

M/s Shanti Construction Pvt. Ltd. v. The State of Odisha & Ors.

Civil Appeal No. 13484 of 2025 / Civil Appeal No. 13485 of 2025

2025 INSC 1295; [2025] 11 S.C.R. 475 | 2025-11-07

How the tender requirement for a previous-financial-year income-tax return should operate where bids were due before the company's filing deadline for the most recently completed financial year.

139(1)

Two-judge bench | Sanjay Kumar, J. | Alok Aradhe, J.

Assessment years: 2022-23

01 FACTS OF THE CASE

A July 2022 tender invited bids for a five-year Mahanadi sand-quarry lease. Shanti Construction quoted Rs 2,127.27 per cubic metre; the eventual successful bidder quoted Rs 1,250. The highest bid was rejected as non-responsive because it supplied the FY 2020-21 income-tax return rather than FY 2021-22. The auction notice was issued on 11 July and bids were due on 18 July 2022. The company argued that its FY 2021-22 return was not yet due under section 139(1). The successful bidder deposited Rs 1,26,75,000. The High Court upheld rejection of Shanti's bid but required the successful bidder to match its higher price. Both bidders appealed from that result; execution of the lease had been affected by interim orders.

Source: [reported rendition / paragraphs 2-8 / PDF pages 4, 5, 6, 7, 8 / judgment](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court treated this as judicial review of a tender interpretation affecting competition and public revenue. Restraint in contract matters did not prevent intervention where the authority demonstrably misconstrued its condition and excluded the highest bidder on an unsupported ground. The public-resource setting required a fair and competitive process, not a mechanical interpretation defeating the tender's object (paragraphs 9-13).

For this company and the statutory period concerned, the Court applied a section 139(1) filing deadline of 31 October 2022 for FY 2021-22, corresponding to AY 2022-23. That deadline had not expired when bids were due on 18 July. Reading Rule 27(4)(iv) with the Income-tax Act, the Court accepted FY 2020-21 as the relevant previous-financial-year return in these circumstances. The Tender Committee's contrary view and the High Court's approval of it could not stand (paragraphs 14-15). The holding does not prohibit early filing, grant a tax-filing extension or establish that every tender always accepts a return two financial years back.

By the hearing, three years and three months of the five-year period had elapsed. The Court considered a new competitive process appropriate and protected the earlier successful bidder through restitution of its deposit with interest. It did not award the lease directly to Shanti or grant the other bidder a fresh five-year lease merely on willingness to match the old high bid (paragraph 16).

Source: [reported rendition / paragraphs 9-16 / PDF pages 8, 9, 10, 11, 12 / judgment](#); [official signed judgment / paragraphs 13-17 / PDF pages 12, 13, 14, 15, 16 / judgment](#)

03 JUDICIAL DECISION

The High Court judgment dated 1 March 2023 was set aside. The Tehsildar was directed to issue a fresh auction notice under the Odisha rules, allowing both former bidders and all other concerned persons to bid, and to award the contract under those rules. The State was directed to refund the earlier successful bidder's deposit within 30 days, with 6% annual interest from deposit until payment. Both appeals were disposed of. The judgment contains no separate costs direction or finding that the refund or new auction subsequently occurred.

Source: [reported rendition / paragraphs 16\(i\)-\(v\); 17 / PDF pages 12 / judgment](#); [official signed judgment / paragraphs 16\(i\)-\(v\); 17 / PDF pages 15, 16 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Shanti on the erroneous return-year disqualification; prior successful bidder protected by refund and interest; lease to be decided by fresh competition

High Court judgment set aside; fresh auction ordered; deposit refund with 6% interest within 30days; both appeals disposed of

Tender interpretation and relief decided; no income-tax assessment or penalty adjudicated

The section 139(1) date is applied to the particular historical company return and July 2022 tender. It is not a universal current filing deadline or an unconditional entitlement to the lease.

Source: [reported rendition / paragraphs 14-17 / PDF pages 10, 11, 12 / judgment](#); [official signed judgment / paragraphs 14-17 / PDF pages 12, 13, 14, 15, 16 / judgment](#)

05 AKHB REVIEW POINT

When a tender asks for the previous year's income-tax return, align the tender date and wording with the statutory filing period for the bidder concerned. Preserve the filed return, bidder category, due-date evidence and the authority's reasons. Distinguish a deadline not yet expired from a failure to file when due. This judgment resolves the tender interpretation on its facts; it does not change Income-tax Act return deadlines or decide all documentary or income-threshold objections. The final remedy is fresh competition plus restitution, so success on interpretation should not be described as a direct contract award.

Source: [reported rendition / paragraphs 14-17 / PDF pages 10, 11, 12 / judgment](#); [official signed judgment / paragraphs 14-17 / PDF pages 12, 13, 14, 15, 16 / judgment](#)

OTHER PROVISIONS CONSIDERED

Odisha Minor Mineral Concession Rules, 2016: Rule 27(4)(iv) and tender clause 5; Constitution of India: Articles 14 and 226

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Alok Aradhe, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(official signed judgment\)](#)

Identified source rendition: 16 PDF pages; SHA-256
06896c2583f8f8485b9b35be3b50adb834f84dc34366ffcee5157503c4ebf912. Original bytes preserved.

[Open cited source rendition](#)

Paragraph 3.6 prints High Court date 1 March 2022; paragraphs 2 and 16(i) and the reported preface identify 1 March 2023. The latter operative date is used.

Paragraph 3.4 describes 25 July acceptance while referring to terms communicated 27 July. The note does not silently reconcile that sequence.

Paragraph 13 calls the tender reference Section 24(4), while the quotation and repeated governing provision identify Rule 27(4)(iv). No distinct section 24 holding is invented.

The tender clause's alternatives and the rule's alternatives are described differently within the source; the note focuses on the income-tax-return ground actually decided, without prescribing a universal deposit/bank-guarantee option.

The successful bidder's objection about the return's income threshold is a submission. Paragraph 15 declines other contentions; no separate threshold finding is invented.

The 31 October 2022 date is the historical date applied in the judgment, not a verified deadline for every company, statutory exception or later year.

The 30-day refund direction is historical and no compliance or present auction status is certified.

The signed official original confirms 7 November 2025 and 2025 INSC 1295; its Civil Appeal numbers remain blank, so the reported assigned numbers and original SLP identifiers are distinguished.

AY 2022-23 appears only as the return year corresponding to FY 2021-22 in paragraph 14. This is a tender case, not an appeal deciding an income-tax assessment. FY 2020-21 is the earlier return accepted for the tender; no additional AY is inferred.

The reported rendition supplies Civil Appeals 13484-13485/2025. The official cover leaves the Civil Appeal fields blank and identifies SLP(C) 5829/2023 and SLP(C) 16140/2023; no missing original appeal number is invented.

STATUTORY SCOPE

Section 139(1) date as applied by the Court to FY 2021-22 / AY 2022-23 in a July 2022 tender

No current tax-return calendar, general tender rule or automatic Income-tax Act 2025 mapping is certified.

LATER TREATMENT

Source checked 2026-10-04. Subsequent appeals, review proceedings, stays, reversals and later judicial treatment have not been comprehensively checked. This note is not a citator status certificate.

IDENTIFIED SOURCE LINKS

[official signed judgment - PDF pages: 16](#)

SHA-256: 06896c2583f8f8485b9b35be3b50adb834f84dc34366ffcee5157503c4ebf912

[reported rendition - PDF pages: 12](#)

SHA-256: 0ef10c1e7bdf9256ac0d3f737478d530bc8d88459cd103830715865bdc6ea205

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AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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