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Prasanna vs Director

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Court : Karnataka Orders

Decided On : Sep-01-2025

Judge : Chief Justice,C M Joshi

Appeal No. : WP/25247/2025

Appellant : Prasanna

Respondent : Director

Judgement :

-1-

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 1ST DAY OF SEPTEMBER, 2025 PRESENT THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE AND THE HON'BLE MR. JUSTICE C M JOSHI WRIT PETITION NO. 25247 OF 2025 (GM-MM_S) BETWEEN: PRASANNA, S/O RAJAIAH, AGED ABOUT 39 YEARS, R/OF ADIKEKERE, HOSURU VILLAGE, SINGAPURA POST, KASABA HOBLI, HOLENARASIPURA TALUK, HASSAN DISTRICT-573 201. PETITIONER (BY SRI K.N. PHANINDRA, SENIOR ADVOCATE FOR SRI AVINASH GOWDA G. S., ADVOCATE) AND: Digitally signed

by NANDINI R 1. DIRECTOR,Location: DEPAR

KARNATAKA BENGALURU-560 001.

2. DEPUTY COMMISSIONER AND CHAIRMAN DISTRICT SAND MONITORING COMMITTEE, BM ROAD, HASSAN DISTRICT-573 201.

3. SENIOR GEOLOGIST,

DEPARTMENT OF MINES AND GEOLOGY, GRAM PANCHAYATI ROAD, BEHIND RTO OFFICE, -2- SATYAMANGALA, HASSAN DISTRICT-573 201. RESPONDENTS (BY SMT. NILOUFER AKBAR, AGA) THIS WP IS FILED UNDER ARTICLE 226 OF THE

CONSTITUTION OF INDIA PRAYING TO i) QUASH, THE IMPUGNED ENDORSEMENT DATED 08/08/2025 BEARING NO.GA BU E/HE BHU HA TASHAKHE 2025-26/276 ISSUED BY THE RESPONDENT NO.3 PRODUCED AS ANNEXURE-A ii)DIRECT THE RESPONDENT NOS.2 AND 3 TO RECEIVE THE EMD RETURNED AND TO COMPLETE THE TENDER PROCESS AT THE EARLIEST ETC. THIS PETITION, COMING ON FOR ORDERS, THIS DAY,

ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE and

HON'BLE MR. JUSTICE C M JOSHI

ORAL ORDER

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The petitioner has filed the present petition impugning an

endorsement dated 08.08.2025, whereby the tender (e-tender bearing No.DMG/2025-26/SEO125) floated by respondent No.2 for allotment of sand blocks in IV, V and Higher Order Streams/Rivers in the District of Hassan was cancelled. -3-

2. The petitioner being interested in securing the said

allotments, participated in the tender process and had submitted his bid on 05.05.2025. The petitioner claims that he had paid the requisite application fees of 10,000/- and also deposited the EMD amounting to 32,93,543/- for all the four packages. It is stated that a large number of bidders had participated in the bidding process. On 30.05.2025, the Sand Monitoring Committee [SMC] found that there were 53 (fifty-three) bidders, whose bids were required to be rejected on the ground that they had not complied with the tender conditions inasmuch as they have furnished the financial bids along with the technical bids. Thus, it is clear that the bids of these 53 bidders were required to be rejected. However, instead of rejecting the said bids, the concerned committee [Sand Technical Bid Evaluation Committee] had sought for a direction regarding the bidders technical documents. On further consideration, the concerned authorities decided to cancel the tender.

3. Learned counsel appearing for the petitioner submits that the

decision to cancel the tender is arbitrary and unreasonable as there were large number of bidders who had submitted valid bids. He submits that there were 120 bidders and out of which bids of only -4- 53 bidders were held to be non-compliant. Therefore, the tender could not be cancelled on the ground of insufficient competition. He submits that the concerned authorities were required to complete the tender process and awarded the tender to the bidders whose compliant bids were found to be the lowest.

4. We are not persuaded to accept the aforesaid contention.

Admittedly, the concerned authority reserved the right to cancel the tender without assigning any reason. We are also unable to accept that the decision to cancel the tender could be faulted as being arbitrary. Admittedly, there were large number of bidders whose bids were not compliant as they had disclosed their financial bid as well. Thus, for technical reasons, a large number of bidders would necessarily have to be excluded if the tender process was to continue.

5. In the aforesaid circumstances, the concerned authorities have taken informed decision to cancel the tender. The fee and EMD paid has been returned to the bidders.

6. The scope of judicial review in tender matters is highly restricted. In Tata Cellular v. Union of India : (1994) 6 SCC 651 the Supreme Court had observed as under: -5-

77. The duty of the court is to confine itself to the question of legality. Its concern should be:

1. Whether a decision-making authority exceeded its powers?

2. Committed an error of law,

3. committed a breach of the rules of natural justice,

4. reached a decision which no reasonable tribunal would have reached or,

5. abused its powers.

> Therefore, it is not for the court to determine whether a particular policy or particular decision taken in the fulfilment of that policy is fair. It is only concerned with the manner in which those decisions have been taken. The extent of the duty to act fairly will vary from case to case. Shortly put, the grounds upon which an administrative action is subject to control by judicial review can be classified as under:

(i) Illegality : This means the decision-maker must understand correctly the law that regulates his decision- making power and must give effect to it.

(ii) Irrationality, namely, Wednesbury unreasonableness.

(iii) Procedural impropriety.

> The above are only the broad grounds but it does not rule out addition of further grounds in course of time. As a matter of fact, in R. v. Secretary of State for the Home Department, ex Brind [(1991) 1 AC 696] , Lord Diplock refers specifically to one development, namely, the possible recognition of the principle of proportionality. In all these cases the test to

be adopted is that the court should, consider whether something has gone wrong of a nature and degree which requires its intervention.

7. We are unable to accept that the impugned decision to

cancel the tender is amenable to a judicial review on the anvil of -6- the tests as explained in the aforementioned decision. The petition is accordingly dismissed. Sd/- (VIBHU BAKHRU) CHIEF JUSTICE Sd/- (C M JOSHI) JUDGE NR/- List No.: 1 Sl No.: 33

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