

**The Director vs Prudent Management Solutions**

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**SooperKanoon Citation :** [sooperkanoon.com/1771349](https://sooperkanoon.com/1771349)

**Court :** Karnataka

**Decided On :** Mar-04-2025

**Judge :** N. V. Anjaria (Cj),M.I.Arun

**Appeal No. :** WA/1576/2024

**Appellant :** The Director

**Respondent :** Prudent Management Solutions

**Judgement :**

-1-

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 4TH DAY OF MARCH, 2025 PRESENT THE HON'BLE MR N. V. ANJARIA, CHIEF JUSTICE AND THE HON'BLE MR JUSTICE M.I.ARUN WRIT APPEAL NO. 1576 OF 2024 (GM-RES) C/W CCC NO. 943 OF 2024 (CIVIL) IN W.A. No. 1576/2024 BETWEEN:

1. THE DIRECTOR

MEDICAL EDUCATION NO.24, 1ST FLOOR PWD BUILDING ANANDARAO CIRCLE BENGLAURU - 560 009. Digitally signed by PRABHAKAR SWETHA 2. THE GOVERNMENT OF KARNATAKA KRISHNAN Location: High REPRESENTED BY ITS SECRETARY Court of MEDICAL EDUCATION

Karnataka M.S. BUILDING DR. AMBEDKAR ROAD BENGALURU-560001.  
APPELLANTS (BY SRI RUBEN JACOB, AAG A/W SRI K.S. HARISH, AGA ) -2-  
AND:

1. PRUDENT MANAGEMENT SOLUTIONS A PROPRIETORSHIP CONCERN G-95, OM HEERA PANNA PREMISES OSHIWARA LINK ROAD ANDHERI WEST, MUMBAI - 400 102 REPRESENTED BY ITS DIRECTOR MR. V. ANAND.

2. LAJ EXPORTS LIMITED

A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956 5-A MAIN, 2ND STAGE INDUSTRIAL SUBURB YESHWANTHPURA BENGALURU - 560 024 REPRESENTED BY ITS DIRECTOR MR. JYOTHI NAGNATHRAO SAMBATWAD. RESPONDENTS (BY SRI UDAYA HOLLA, SENIOR ADVOCATE FOR SRI VIVEK HOLLA, ADVOCATE FOR R-1 & R-2) THIS WRIT APPEAL IS FILED U/S 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE IMPUGNED

### **ORDER DATED 10.04.2024 PASSED BY THE LEARNED SINGLE**

JUDGE IN W.P. No.6875/2023 (GM-RES) & ETC. -3- IN CCC NO. 943/2024 (CIVIL) BETWEEN:

1. PRUDENT MANAGEMENT SOLUTIONS G-95, OM HEERA PANNA PREMISES OSHIWARA LINK ROAD ANDHERI WEST MUMBAI - 400 102 REPRESENTED BY ITS DIRECTOR MR. V. ANAND.

2. LAJ EXPORTS LIMITED 5-A MAIN, 2ND STAGE INDUSTRIAL SUBURB YESHWANTHAPURA BENGALURU - 560 024 REPRESENTED BY ITS DIRECTOR MR.PRADEEP NAIK. ...COMPLAINANTS (BY SRI UDAYA HOLLA, SENIOR ADVOCATE FOR SRI VIVEK HOLLA, ADVOCATE) AND:

1. DR. B.L. SUJATHA RATHOD THE DIRECTOR MEDICAL EDUCATION NO.24, 1ST FLOOR, PWD BUILDING ANANDARAO CIRCLE BENGALURU - 560 009.

2. MR. MOHAMMAD MOHSIN SECRETARY, MEDICAL EDUCATION THE GOVERNMENT OF KARNATAKA M.S.BUILDING -4- DR. AMBEDKAR ROAD BENGALURU - 560 001. ...ACCUSED

3. STATE OF KARNATAKA REP. BY SECRETARY MEDICAL EDUCATION DEPARTMENT VIDHANA SOUDHA AMBEDKAR BEEDHI, SAMPANGI RAMA NAGARA BENGALURU KARNATAKA - 560 001. PRO FORMA RESPONDENT (BY SRI RUBEN JACOB, AAG A/W SRI K.S. HARISH, AGA) THIS CCC IS FILED UNDER THE CONTEMPT OF

COURTS ACT, 1971, PRAYING TO ISSUE APPROPRIATE ORDERS HOLDING THE ACCUSED GUILTY OF GROSS CONTEMPT OF THE ORDERS OF THIS HON'BLE COURT DATED 10.04.2024 PASSED IN W.P.NO.6875/2023(GM-RES) (ANNEXURE-E) AND PUNISH THE ACCUSED AND FURTHER DIRECT THE ACCUSED TO PAY THE BALANCE SUM OF Rs.38,26,00,000/- TO THE 1ST COMPLAINANT AND GRANT SUCH OTHER AND FURTHER RELIEFS AS ARE JUST. THIS APPEAL AND CONTEMPT PETITION, COMING ON FOR ORDERS, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER: -5- CORAM: HON'BLE THE CHIEF JUSTICE MR. JUSTICE N. V. ANJARIA and HON'BLE MR JUSTICE M.I.ARUN

## **ORAL JUDGMENT**

(PER: HON'BLE THE CHIEF JUSTICE MR. JUSTICE N. V. ANJARIA) By filing this appeal, the appellant-the Director, Medical Education has sought to call in question the judgment and order of learned Single Judge dated 10th April 2024 whereby learned Single Judge directed the appellant authorities to release the amount of Rs.38,26,00,000/- in favour of the petitioner No.1 within six weeks, further granting liberty to the petitioners to initiate civil proceedings for grant of interest for the delayed period or the non-payment.

2. The prayer of the petitioner before learned Single Judge was

for issuance of writ of mandamus for refund of Rs.76,51,35,000/- which was towards the cost of Personal Protection Equipment kits (PPE kits) supplied by the

petitioners to the appellant during the period of second wave of pandemic Covid-19. Agreement dated 8th September 2020 between the Director of Medical Education and petitioner No.2 was entered into for supply of the PPE kits. Petitioner No.2 authorised the petitioner No.1 to supply the kits, -6- which were supplied and the amount towards the same was demanded.

3. In course of the hearing and pendency of the petition, several

orders came to be passed by learned Single Judge, more particularly dated 15th September 2023 and 21st November 2023, as also dated 27th March 2024. Pursuant to the orders passed, Rs.38,26,00,000/- was deposited before the Court. It was recorded that the amount in part came to be released in favour of the petitioner on 27th February 2024 and the remainder claim was approximately Rs.76.00 crores. 3.1 It was submitted before the learned Single Judge on behalf of the appellants herein that the supply made by the petitioners were under scrutiny and was being audited, therefore, it would not be possible to release the remaining amount without the outcome of the inquiry of the audit. 3.2 In this appeal, it was inter alia contended by the appellant that 5,82,960 PPE kits of the value amounting to Rs.76,51,35,000/- was supplied and it was indicated to the petitioners that the settlement of the claim towards the supply of the said PPE kits was -7- under scrutiny and the payment would be made only depending upon the outcome of the scrutiny which was still not completed and that it was specifically contended before the learned Single Judge that the scrutiny was underway. 3.3 The impugned order was passed notwithstanding, it was submitted. It is the further case of the appellant that there was an undertaking offered and given by the respondents that they would indemnify the appellants for the amount which may be released in

**their favour. However, learned Single Judge in his final order**

overlooked the said aspect. 3.4 Along with the appeal, appellants have filed application which is interim application No.5 of 2024 under Order VI Rule 17 of the Code of Civil Procedure, 1908 seeking permission to amend the memorandum of appeal, thereby in addition to seeking to incorporate paragraphs 6(a), 6(e), to substitute paragraph 7, as also to add paragraphs 8 to 13 in the memorandum of

appeal by way of substitution, the appellants have also sought additional prayers. - 8- 3.5 It is to be further noted that interim application No.4 of 2024 is also filed seeking to produce additional documents. Thereby certain additional material is permitted to be produced. 3.6 I.A. No.4 of 2024 as well as I.A. No.5 of 2024 came to be allowed by the Court as per order dated 11th February 2025.

4. Heard learned Additional Advocate General Mr. Ruben

Jacob with learned Additional Government Advocate Mr. K.S. Harish for the appellant and learned Senior Advocate Mr. Udaya Holla for learned Advocate Mr. Vivek Holla for the respondent Nos.1 and 2-the original petitioners.

5. Though the submissions were made by both the sides with

some elaboration, in view of the course the Court is going to adopt in this order, it is considered not necessary to deal with the contentions on merits. 5.1 As the appellant has added further pleadings through the amendment application, which was I.A. No.5 of 2024 and granted as above, the additional factual aspects and the legal contentions are required to be gone into in light of the amendment. In the second place, I.A. No.4 of 2024 for production of additional -9- documents is also allowed as stated above. Fresh material are allowed to be placed on record. 5.2 By the aforesaid two orders passed in the respective interim applications, appellants were brought on record the additional facts. The documents which are produced and permitted and which now forms part of the record of the appeal, are (i) Contract Form dated 07.09.2020; (ii) Purchase Order dated 30.06.2021; (iii) Notification dated 10.08.2023; (iv) ACS Committee Report dated 27.12.2023; (v) Notices dated 10.10.2024; (vi) Notification dated 25.08.2023; (vii) Sealed Cover - Report dated 31.08.2024; (viii) Notices dated 04.11.2024 and (ix) Official memorandum dated 15.10.2024. The document No.(vii) above which was sealed cover was permitted to be opened by the Court in the presence of learned Advocate for the parties and the copy thereof is made available to them.

6. Having regard to the above, the Court is of the view that the

**facts and the documents now additionally on record which are**

sought to be relied on by the appellant and refuted by the respondents, are required to be gone into and examined for their effect on merits of the rival cases by learned Single Judge. The - 10 - appreciation of the additional documents and facts pleaded may be better done at the level of first instance. 6.1 The proper course therefore would be to remit back the proceedings of the writ petition No.6875 of 2023 to learned Single Judge for deciding the petition afresh. Accordingly, the writ petition is remanded to learned Single Judge for his fresh decision. While arriving at the decision afresh, learned Single Judge shall consider the additional facts and documents on their merits and the rival submissions which may be advanced on that score to render the decision. 6.2 In order that learned Single Judge is enabled to decide the writ petition afresh as directed above, impugned judgment and

**order of learned Single Judge dated 10th April 2024 is set aside.**

6.3 It is clarified that this Court has not expressed any opinion on merits of the case. The remand directed herein does not reflect anything on merits of the case. It is guided only in view that the additional facts and the documents are brought on record by the appellant. - 11 - 6.4 It is further observed that both the parties are at liberty to raise all the contentions of the kind and nature available in law to them, before learned Single Judge, when learned Single Judge accepts the writ petition for hearing and decision afresh. 6.5 It will be open for the parties to request learned Single Judge for expeditious hearing of the petition.

7. The present appeal is allowed to the aforesaid extent and in the aforesaid terms. In view of the disposal of Writ Appeal No.1576 of 2024 by the

**order of even date, the contempt proceedings for the present does**

not survive. Sd/- (N. V. ANJARIA) CHIEF JUSTICE Sd/- (M.I.ARUN) JUDGE KPS  
List No.: 1 Sl No.: 15

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