

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

[M/S SRI BALAJI TRADING CORPORATION VS. THE
STATE OF KARNATAKA AND OTHERS]

20.01.2026

(VIDEO CONFERENCING / PHYSICAL HEARING)

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

Mr. Jayakumar S. Patil, the learned Senior counsel for the petitioner, is heard on the grant of *ad interim* order.

The petitioner's grievance is with the second respondent's decision on 05.01.2026 [as per Annexure - A] to cancel the previous tender and direct the concerned to issue fresh tenders with the revised eligibility criteria. Mr. Jayakumar S. Patil submits that **[i]** earlier the stipulation was that an intending bidder should be *a trader of rejects/waste coal with minimum quantity and a turnover of Rs.724.85 lakhs during any two years in the last preceding five years* but the second respondent has now stipulated that an intending bidder should be *a trader of mill reject coal from thermal power station with a financial*

turnover for the same period in a sum of Rs.1,440.70 lakhs, [ii] that the previous tender was issued because bids were not received when prior tenders were issued with stringent conditions, [iii] that the petitioner would qualify if his transactions for the relevant years, including Dolochar, is considered, and [iv] that there is no reason to exclude the value of transaction in Dolochar, especially when the stated interest is to ensure there is wider participation.

Mr. Jayakumar S. Patil invites this Court's attention to the second respondent's reasoning to exclude Dolochar transactions for the purposes of qualification and such Clause reads as under:

"e) Dolochar is a carbonaceous solid waste by-product of the sponge iron industry, often referred to as de-volatilized dolomite and coal. It is a low-cost fuel used in industrial applications such as brick kilns and power plants and research is exploring its use as an absorbent for removing heavy metals and in other applications like road construction."

The question *whether this Court must stay the finalisation of the bids received consequent to the tender issued in terms of Annexure - C after the second respondent's order dated 05.01.2026* is considered in the light of these circumstances; and this Court is of the view that, at this stage, the petitioner must be permitted to submit his bid including the transactional value for Dolochar subject to further orders and the second and third respondents be directed not to finalise the financial bids until the next date of hearing [the last date for submissions of the bid is 27.01.2026]. It is ordered accordingly.

Mr. B. Ravindranath, a learned Additional Government Advocate, is called upon to accept notice for the first respondent. Ms. Sumana Naganand, a learned standing counsel for the second and third respondents, subject to entrustment otherwise, is called upon to accept notice for these respondents.

Mr. Kempe Gowda, the learned counsel for the petitioner, is called upon to ensure copies of the petition are served on the chambers of Ms. Sumana Naganand at the earliest.

The office is directed to re-list this petition in the *Orders* category on **06.02.2026**.

(B M SHYAM PRASAD)
JUDGE

RB
List No.: 2 Sl No.: 16