

IN THE HIGH COURT AT CALCUTTA
(Constitutional Writ Jurisdiction)
ORIGINAL SIDE

Present:

The Hon'ble Justice Krishna Rao

W.P.O. No. 252 of 2025

With

GA No. 1 of 2026

With

GA No. 2 of 2026

M/s. Bhanu Metal Industries & Ors.

Vs.

Union of India & Ors.

Mrs. Monica Jaiswal

Ms. Ankita Mitra

Mr. Subrata Mukherjee

....For the petitioners.

Ms. Sanjukta Gupta

....For the respondent no. 3.

Mr. Kamal Kr. Chattopadhyay

Ms. Rimi Chatterjee

....For the respondent no. 2.

Hearing Concluded On : 28.09.2026

Judgment Delivered On : 07.10.2026

Judgment Uploaded On : 07.10.2026

Krishna Rao, J.:

1. The petitioners have filed the present writ petition praying for a Mandamus commanding the respondent nos. 2 and 3, to declare the auction being MSTC/ ERO/PRASAR BHARTI, ADG(E)(EZ), Kolkata/2/ Behind of Eden Garden Stadium/ 23-24/ 28025 as null and void, and illegal. The petitioners have also prayed for a direction upon the respondent no.3 to refund the sum of Rs. 70,92,500/- along with interest.
2. The respondent no.3 floated a e-Tender being MSTC/ERO/PRASAR BHARTI, ADG(E)(EZ), Kolkata/2/Behind of Eden Garden Stadium/ 23-24/28025 (401446) on 1st November, 2023, through the respondent no.2 for the purpose of selling of scrap and e-waste material. Before participating in the tender, the petitioner no.1 had inspected materials which were the subject-matter of the e-auction and being satisfied with the quality of materials participated in the tender process and was declared as “successful bidder”.
3. On 18th December, 2023, the petitioner no. 1 has made total tender amount of Rs. 70,92,750/- and on receipt of the total amount, on 19th December, 2023, the respondent no.2 has issued delivery order to the petitioner no. 1. On 22nd December, 2023, the petitioner no. 1 has

submitted delivery Challan and requested the respondent no.3 to allow the petitioners to lift the auctioned materials and the respondents have issued delivery order to lift materials. Pursuant to the deliver order, the petitioners made arrangements to lift materials and went to the godown of the respondent no. 3, the petitioners found most of the materials have been damaged due to fire and were missing from the lifting site. The petitioners immediately on 28th December, 2023, informed to the respondents by mentioning that since some of the materials were missing and damaged, the petitioners are not able to lift the materials from the site.

- 4.** On receipt of information from the petitioners, the respondent no.2 advised the respondent no.3 to cancel the tender and to go for fresh auction with the available materials to avoid complications. The respondent no.3 has not taken any steps inspite of the information received from the petitioners and as per advice of the respondent no.2. The petitioner no. 1 by an e-mail dated 8th January, 2024, requested the respondent no.3 to refund the entire amount deposited by the petitioners in terms of the bid process for purchase of scrap materials but the respondent no.3 failed to consider the request of the petitioners and has not taken any steps.
- 5.** The respondent no.3 assigned the work to the respondent no.2 to carry out the auction process of materials at Cossipore godown. On 5th October, 2023, auction notice was uploaded and inspection of materials to the prospective bidders was open from 9th October, 2023 to 31st

October, 2023. The bid was open on 1st November, 2023. The petitioner no.1 firm being the highest bidder, a sale intimation was issued to the petitioner no.1 to deposit the material value of Rs. 67,55,000/- excluding GST on 1st November, 2023. Final delivery order was issued by the respondent no.2 on 19th December, 2023 by fixing the last date of delivery on 17th January, 2024.

- 6.** On 10th November, 2023, a fire incident took place in godown no.2 at Cossipore. In the fire incident, some auction materials got burnt and blackened due to soot. The respondent no.3 constituted a Committee of four officers to take note of the materials damaged. As per the report submitted by the Committee, the cost of the burnt materials assessed at Rs. 19,450/-.
- 7.** The respondents requested the petitioners by way of several correspondences to lift materials but the petitioners avoided to lift materials. On receipt of the complaint of the petitioners and on instructions from the Vigilance Section of the Directorate of All India Radio, again a high-level committee consisting of three (3) Senior Officers and they have submitted report on 9th August, 2024. As per report, there was no shortage of auction materials in godown no.2 except some burnt/ damaged materials.
- 8.** The petitioner no. 1 being the highest bidder in the auction process conducted by the respondent no.2 on behalf of the respondent no.3 has deposited the total amount of Rs, 70,92,500/- including GST on 18th

December, 2023. The respondent no.2 has issued delivery order to the petitioner no. 1 on 19th December, 2023, having last date of delivery on 17th January, 2024.

- 9.** The respondent no.3 has relied upon two inspection reports dated 16th January, 2024 and 9th August, 2024. In one report, it is mentioned that the cost of the damaged materials due to the fire incident is Rs. 19,450/- and another report says that there is no shortage of auction materials in godown no.2 except some burnt /damaged materials.
- 10.** On 1st November, 2023, bid documents of the petitioners was accepted and was declared highest bidder and was directed to pay an amount of Rs.67,55,000/- excluding GST. On 18th December, 2023, the petitioner no. 1 has paid total amount of Rs. 70,92,500/- including GST. The respondent no.3 had the knowledge that a fire incident was occurred on 10th November, 2023 that is prior to deposit of the tender amount but the respondent no.3 has neither informed to the respondent no.2 or to the petitioners herein and has accepted the total amount on 19th December, 2023.
- 11.** Now, the respondents have taken the ground that the respondents have constituted two committees of four members and three members each to ascertain the damaged occurred due to the fire incident. The committees alleged to have inspected the godown wherein the fire incident was occurred and submitted report but neither the inspection was carried out with the notice to the petitioners or in presence of the

petitioners. The reports have also not been served upon the petitioners. The petitioners neither got an opportunity to inspect materials in presence of the committees constituted by the respondent no.3 nor the respondent no.3 served the copy of report to the petitioners.

- 12.** The respondent no.3 had the knowledge that they have published tender notice through the respondent no.2 for sale of the scrap items available in the godowns of the respondent no.3 and the petitioner no. 1 is the highest bidder and before depositing the tender amount, the fire incident was occurred but without informing about the fire incident either to the petitioners or to the respondent no.2, the respondents have accepted the tender amount which amounts to suppression of facts on the part of the respondent no.3. The respondent no. 3 being the authority ought to have informed the fire incident to the respondent no.2 and the petitioners before accepting the tender amount. Before accepting the amount inspection ought to have been carried out in presence of the petitioners to ascertain the damage of the materials due to the fire incident.
- 13.** When the respondent no.2 came to know about the fire incident, the respondent no.2 advised the respondent no.3 for cancellation of auction and suggested for fresh re-tender with the available materials to avoid complications but the respondent no. 3 has not acted upon the suggestion of the respondent no.2.

- 14.** There is no dispute that the petitioner no. 1 was the highest bidder and had submitted the tender value along with applicable tax total amounting to Rs. 70,92,500/- on 19th December, 2023. It is also not in dispute that on 10th November, 2023, a fire incident was occurred in the godown wherein the scrap materials were stored. The only dispute raised by the respondents that there was no much damage of the scrap materials as per report of the committees but the petitioners raised dispute with regard to the said report on the ground that the petitioners had no knowledge with regard to the constitution of committees, no inspection was carried out in presence of the petitioners and no report was served upon the petitioners.
- 15.** This Court finds that no purpose would be served to allow the parties for joint inspection of the scrap materials which was the subject-matter of the tender as more than three and half years has been passed from the fire incident and the said materials are the scrap materials, by this time the remaining scrap materials might have been further damaged.
- 16.** The respondent No. 3 ought to have informed the petitioners with regard to the constitution of the committees and the committees ought to have issued notice to the petitioners for inspection but such procedure is not followed and even no report was served upon the petitioners. The reports which the Respondents are relied upon are also contradictory.

- 17.** In the circumstances mentioned above, it would be appropriate to direct the respondent no.3 to refund the amount of Rs. 70,92,500/- with simple interest to the petitioners.
- 18.** In view of the above, the respondent no.3 is directed to refund an amount of Rs. 70,92,500/- (Rupees Seventy Lakhs Ninety Two Thousand and Five Hundred only) to the petitioners within two months along with interest at the rate of 5% per annum from 19th December, 2023.
- 19. WPO No. 252 of 2025 is allowed. GA No. 1 of 2026 and GA No. 2 of 2026 are accordingly disposed of.**

Parties shall be entitled to act on the basis of a server copy of the Judgment placed on the official website of the Court.

Urgent Xerox certified photocopies of this judgment, if applied for, be given to the parties upon compliance of the requisite formalities.

(Krishna Rao, J.)