



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-08-2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY**WP No. 25251 of 2026**

M/s KCP Infra Limited
Registered office at,
No 4 Ground Floor,
Alayam Space, Anandha Road,
Alwarpet, Chennai 600 018
Rep by its Director, K. Muthukumarasamy

..Petitioner(s)

Vs

The Managing Director
Tamil Nadu Road Development Company Ltd,
No 171, II Floor,
Tamil Nadu Maritime Board Building,
South Kesavaperumal Puram,
Near Greenways Road MRTS Station,
Raja Annamalai Puram, Chennai 600 028

..Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue a Writ of Mandamus directing the respondent to consider the petitioner's representation dated 13.06.2026 and consequently release and refund the Earnest Money deposit amount of Rs.10,00,00,000/- (Rs.10 Crores) remitted for package DB-02 in Connection with Tender reference bearing IFB No. TNRDC / CPRR / JICA / DB- 02 / 2025 dated 19.11.2025 on the file of the respondent immediately in view of the non-finalization of the tender process as in time and expiry of the bid validity period of 120 days and pass such further or other orders.

For Petitioner(s):	Mr.S.Doraiswamy for Mr.V. Elangovan
For Respondent(s):	Mr.M.Sivavarthan



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ORDER

The prayer in the Writ Petition is for a Madamus directing the respondent to consider the petitioner's representation dated 13.06.2026 and to consequently release and refund the earnest money deposit amount of Rs.10 Crore, remitted for package DB-02 in Connection with Tender reference bearing IFB No. TNRDC / CPRR / JICA / DB- 02 / 2025 dated 19.11.2025.

2. Upon hearing the learned counsel for the petitioner and perusing the material records of the case, the grievance of the petitioner is that the aforementioned tender was floated on 19.11.2025. By applying loan and through other resources, the petitioner submitted the bid security amount of Rs.10 Crore as prescribed under the tender conditions. The technical bid was opened and the petitioner was qualified for opening of the price bid, however in the price bid, the petitioner was not L1. The validity period for refunding the earnest money deposit as per the tender document is 120 days and the same was expired on 22.05.2026. Thereafter when the bid was sought to be extended, the petitioner was not interested. The petitioner has already made a representation on 13.06.2026 itself to refund the earnest money deposit amount and the same was not refunded and the petitioner is before this Court.



3. The learned counsel would submit that the tender document categorically mentions about prompt return of the earnest money deposit amount. The petitioner is finding it extremely difficult on account of the fact that the amount is huge and the authority should promptly return the amount on the very next day of the request made by the petitioner.

4. *Per contra* the learned counsel appearing on behalf of the respondent / corporation would submit that the parties are bound by the various clauses in the tender document and the learned counsel would rely upon clause 18. 2 of the tender condition whereby power is given to the respondent / corporation to extend the validity under exceptional circumstances.

5. The learned counsel would submit that the petitioner is not the L1. The entire process could not be completed within a period of 120 days. In view of the exceptional circumstances, the respondent / corporation requested for the extension of the period and several other persons have already consented.

6. The learned counsel would thereafter, by relying upon paragraph 19.4 of the tender conditions, submits that the Earnest Money Deposit (EMD) amount of all unsuccessful bidders would be returned only upon finalisation and execution of the contract. In the present case, the process is still underway and may take another 20 days for completion, and only thereafter can the amount



deposited by the petitioner be returned. It is further submitted that, in the meantime, a situation may arise warranting forfeiture of the bid security amount. Therefore, at this stage, the bid security amount cannot be directed to be returned.

7. I have considered the rival submissions made on either side and perused the material records of the case.

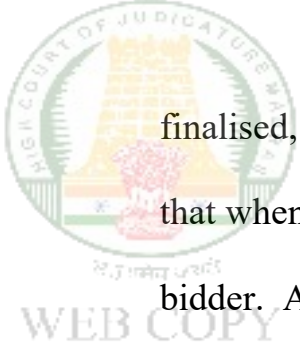
8. Clause 18.2 of the tender document is extracted here under for ready reference:-

“18.2 In exceptional circumstances, prior to the expiration of the Bid validity period, the Employer may request the Bidders to extend the period of validity of their Bids. The request and the responses shall be made in writing. The Bid Security shall also be extended for twenty-eight (28) days beyond the deadline of the extended validity period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its Bid, except as provided in ITB 18.3”

Similarly clause 19.4 is also extracted here under for ready reference:-

“.....The Bid Security of all unsuccessful Bidders (other than those referred in the above paragraph) shall be returned as promptly as possible upon the successful Bidder's signing the Contract and furnishing the Performance Security pursuant to ITB 41”

9. It can be seen that for any unsuccessful bidder, the bid security amount can be returned only on the day of finalisation of the contract as promptly as possible. However, if the contract is not finalised at all, then the validity of the bid is 120 days, as per clause ITB 18.1 of the tender document. If it is not



finalised, the procedure is mentioned in clause 18.1 and in 18.2. It can be seen that when the extension is requested by the employer, option is also given to the bidder. A bidder may refuse the request without forfeiting the bid security amount.

10. Therefore, in the present case, though the petitioner is one of the bidders, he has declined to extend the validity of his bid and has sought refund of the bid security amount. The consequence of such refusal would only be that, if for any reason the L1 bidder is not considered and the matter is required to proceed further to the next eligible bidder, the petitioner would no longer remain in the reckoning.

11. When the petitioner has exercised his right under clause 18.2 to decline the extension of the validity of his bid, the said clause has to be read harmoniously with clause 19.4 of the tender conditions. In view of the same, I am of the opinion that the petitioner is entitled to have the bid security amount refunded forthwith.

12. Accordingly, this petition is allowed and the respondent is directed to refund the bid security deposit amount of Rs.10 Crore to the petitioner within a period of seven working days from the date of receipt of a web copy of this order.



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13. It is made clear that, in the event of failure to refund the aforesaid amount within the stipulated period, the said amount shall carry interest at the rate of 12% per annum from today. No costs.

13-08-2026

Neutral Citation: Yes/No

JER

To

The Managing Director
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D.BHARATHA CHAKRAVARTHY, J.

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