



W.P.No.5295 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 02.07.2025

CORAM :

THE HON'BLE MR. JUSTICE N.ANAND VENKATESH

W.P.No.5295 of 2023

M/s Century Steels
rep.by its Sole Proprietor
Rashed Abdul Hafiz
130/4, Manali Express Road
Ernavoor, Chennai
Tamil Nadu 600 057

.. Petitioner

v.

Southern Railway
rep.by its Deputy CMM
General Stores Depot
Perambur
Chennai 600 023

.. Respondent

Petition filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Mandamus, directing the respondent to refund the Earnest Money Deposit of Rs.20,40,062/- (Rupees Twenty Lakh Forty Thousand Sixty Two Only) paid by the petitioner along with an interest at the rate of 36 percent per annum within a time frame stipulated by this Hon'ble Court.

For Petitioner :: Mrs.Narmada Sampath

For Respondent :: No appearance



W.P.No.5295 of 2023

ORDER

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This writ petition has been filed for issuance of a writ of mandamus directing the respondent to refund the Earnest Money Deposit of a sum of Rs.20,40,062/- paid by the petitioner along with interest within the time frame fixed by this Court.

2. Heard the learned counsel for petitioner and carefully perused the materials available on record. There is no appearance on behalf of the respondent.

3. The case of the petitioner is that they participated in the e-auction that was conducted by the respondent on 13.01.2023. The petitioner also remitted the EMD of a sum of Rs.20,40,062/-. The petitioner, instead of mentioning the bid amount as Rs.4,08,123/-, mentioned it as Rs.40,80,123/-. Hence the petitioner was declared as the highest bidder in the auction.



W.P.No.5295 of 2023

4. The petitioner, after realising the mistake, made a representation to the respondent. The respondent informed the petitioner that the decision taken by the petitioner to withdraw from the bid will result in the forfeiture of the entire EMD amount. It is under these circumstances, the present writ petition came to be filed before this Court.

5. In the considered view of this Court, there was a genuine mistake on the part of the petitioner in mentioning the bid amount as Rs.40,80,123/-, instead of Rs.4,08,123/-. The same is evident from the fact that the second highest bidder had quoted a value of Rs.4,07,500/-. Therefore, for this mistake committed by the petitioner, the entire EMD should not be forfeited.

6. This Court places reliance upon the judgment of the Apex Court in *ABCI Infrastructures P Ltd v. Union of India and others*, 2025 SCC OnLine SC 327. The Apex Court considered a very similar case and held that the entire EMD cannot be forfeited and permitted forfeiture of six per cent out of the total EMD that was deposited by the bidder in that case. The same



W.P.No.5295 of 2023

reasoning can be adopted in the present case also.

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7. In the light of the above discussion, there shall be a direction to the respondent to deduct six per cent out of the total EMD of Rs.20,40,062/- and pay the balance amount to the petitioner, within a period of four weeks from the date of receipt of a copy of this order. If there is any delay in settling this amount, it will carry an interest of six per cent per annum from the date on which the EMD was remitted till the date of actual payment of the amount.

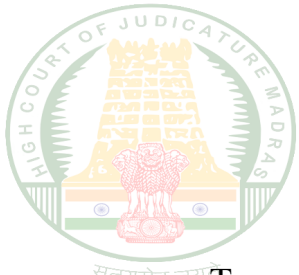
8. In the result, this writ petition is allowed with the above direction.

No costs.

Index : yes/no
Neutral citation : yes/no

02.07.2025

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W.P.No.5295 of 2023

To
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1. The Deputy CMM
Southern Railway
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W.P.No.5295 of 2023

N.ANAND VENKATESH,J.

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W.P.No.5295 of 2023

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