



W.A(MD) No.1996 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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Dated : 24.07.2025

CORAM

**THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN
AND
THE HONOURABLE MR.JUSTICE K.RAJASEKAR**

**W.A(MD) No.1996 of 2025
and
C.M.P.(MD)No.11482 of 2025**

The Collector and Chairman,
District Rural Development Agency,
Madurai-20.

... Appellant / Respondent

Vs.

M/s.Bhavadharani Builders,
Rep. by Managing Partner,
Palanikumar
S/o.Nedumaran,
No.64, Pasupathi Street,
Jeeva Main Road,
Sellur, Madurai 625 002.

... Respondent / Writ Petitioner

PRAYER: Writ Appeal filed under Clause 15 of Letters Patent, praying this Court to set aside the order passed in W.P.(MD)No.2926 of 2019, dated 28.11.2024 and allow the writ appeal.



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For Appellant : Mr.A.Kannan
Additional Government Pleader

For Respondent : Mr.R.Maheswaran

JUDGMENT

(Judgment of the Court was made by **G.R.SWAMINATHAN, J.**)

Heard both sides.

2. The writ petitioner was the successful tenderer in respect of the road contract works awarded by the appellant. This took place in the month of March 2018. The writ petitioner was not called upon to execute any work agreement. No work order was issued. However, to forfeit EMD and security deposit, show cause notice was issued on 25.10.2018. The writ petitioner submitted their reply. Thereafter, on 18.12.2018, forfeiture order was passed. Challenging the same, the writ petitioner filed W.P.(MD)No.2926 of 2019. The learned single Judge vide order dated 28.11.2024 allowed the writ petition in the following terms.



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“6.On perusal of the status report and also submissions made on either side, it is seen that there is no quarrel over the amount deposited by the petitioner. Clause 30.3 of Instructions to Bidders (ITB) states that failure of successful bidder to comply with the requirement of delivery of performance security of two and half percent of contract price plus additional security for unbalanced bids as per provisions of Clause 30.1 shall constitute sufficient ground for cancellation of award and forfeiture of the bid security. Such successful bidder, who fails to comply with the above requirement, is liable to be debarred from participating in bids under PMGSY for a period of one year.

7.Further, a perusal of the notice issued by the respondent dated 25.10.2018, informing the petitioner that already work order was issued and agreement was also executed, shows that admittedly, no work order was issued to the petitioner and no agreement was executed by the respondent to commence the work. Further, the road was also not handed over to the petitioner. It was categorically replied by the petitioner vide reply dated 03.11.2018. Without even considering the reply submitted by the petitioner, the respondent passed the impugned order dated 18.12.2018, stating that even after execution of the agreement and issuance of the work order, the petitioner failed to commence the work and therefore, the agreement was terminated and also the earnest money deposit and security deposit made by the petitioner were forfeited.

8.In such view of the matter, this Court is of the view that the respondent, without application of mind, mechanically, passed the impugned order. However, now, the work order cannot be issued as per the contract, since the work was subsequently allotted to some other persons and maintenance of the road work has been completed. However, the petitioner is entitled for refund of the earnest money deposit and security deposit made by him, since there is no fault on him.

9.In view of the above, the respondent is directed to refund earnest money deposit of Rs.4,77,000/- and Rs.4,84,000/- and the



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security deposit amount of Rs.1,63,000/- and Rs.1,54,000/- to the petitioner forthwith.

10. With the above direction, this Writ Petition is partly allowed and the impugned order is set aside, insofar as the forfeiture of earnest money deposit and security deposit alone is concerned.”

Challenging the same, this writ appeal has been filed.

3. We went through the contents of the order impugned in the writ petition. The impugned order dated 18.12.2018 as well as the show cause notice dated 25.10.2018 read that the agreement was entered into and the work order was issued. The categorical stand of the writ petitioner is that the site was not handed over and agreement was not entered and the work order was never issued. To dislodge this assertion, no material has been placed before us. That is why, the learned single Judge had also observed that the writ petitioner was not at all at fault. The reasons given by the learned single Judge have not been shown to be incorrect. There is no merit in the writ appeal.

4. The Writ Appeal stands dismissed. No costs. Consequently,



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connected miscellaneous petition is closed.

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(G.R.S., J.) (K.R.S., J.)
24.07.2025

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G.R.SWAMINATHAN, J.

AND



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