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W.P.No.3880 of 2026



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 05.02.2026

CORAM

THE HONOURABLE Ms. JUSTICE P.T. ASHA

W.P.No.3880 of 2026
and
WMP.Nos.4286 & 4287 of 2026

Flora Energies Private Limited
Represented by its Managing Director, Mr. Muthusamy Ramasamy,
E-8, First Floor, Southern Shelters,
Mount Poonamallee Road, Kattupakkam,
Chennai - 600056.

... Petitioner

Vs.

Tamil Nadu State Highways Authority (TANSHA)
Represented by its Authorised Signatory,
HRS Campus, 76, Sardar Patel Road,
Little Mount, Guindy, Chennai - 600025

... Respondents

Prayer:- Writ petition filed under Article 226 of the Constitution of India praying for issuance of a writ of Mandamus, directing the Respondent to consider the Petitioner's representation dated 31.01.2026 and consequently permit the Petitioner to participate in further negotiations to ensure the highest possible revenue for the State, with regard to the tender related to "Selection of Concessionaire for Tolling, Operation, Maintenance &



W.P.No.3880 of 2026

Transfer of Six lane Chennai Outer Ring Road (CORR) - Phase-I i.e. Vandalur to Nemilichery [29.65 km] and Phase-II i.e. Nemilichery to Minjur in TPP Road [30.50 Km], for a total length of 60.15 Km" bearing tender Notice No. 1/ TANSHA/CORR/2025, Date: 21.07.2025 and pass such further or other orders as this Hon'ble Court may deem fit.

For Petitioner : Mr. A.K.Sriram, Senior Counsel

for Mr. P.J.Rishikesh

For Respondents : Mr.P.S.Raman, AG, assisted by

Ms.R.L.Karthika, Govt. Advocate

ORDER

The writ petition has been filed for the following reliefs:-

“directing the Respondent to consider the Petitioner's representation dated 31.01.2026 and consequently permit the Petitioner to participate in further negotiations to ensure the highest possible revenue for the State, with regard to the tender related to "Selection of Concessionaire for Tolling, Operation, Maintenance & Transfer of Six lane Chennai Outer Ring Road (CORR) - Phase-I i.e. Vandalur to Nemilichery [29.65 km] and Phase-II i.e. Nemilichery to Minjur in TPP Road [30.50 Km], for a total length of 60.15 Km" bearing tender Notice No. 1/ TANSHA/CORR/2025, Date: 21.07.2025.”

**Brief Facts:-**

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2. The petitioner who is a company incorporated under the provisions of the Companies Act would submit that the respondent had floated a tender dated 20.07.2025 for the selection of a concessionaire for Toll Operation, Maintenance and Transfer (TOT) of the six-lane Chennai Outer Ring Road, covering Phase-I from Vandalur to Nemilichery and Phase-II from Nemilichery to Minjur, aggregating a total length of 60.15 kilometres. The project was structured under a Public-Private Partnership model for a concession period of 25 years and was invited through International Competitive Bidding under a single-stage bidding process.

3. The petitioner would further submit that, under the tender conditions, particularly Section 2 of the Instructions to Bidders, the bidder quoting the highest upfront concession fee was required to be declared as the successful bidder. However, the tender process was vitiated by repeated ambiguities, as evidenced by the issuance of several corrigenda by the respondent on the last date of the submission of the tender. These frequent and belated amendments to the tender clauses clearly reflect a fundamental lack of clarity in the original tender documents, compelling extensive clarifications during the pre-bid meetings and also raising concern



regarding transparency as envisaged under the Tamil Nadu Transparency in Tenders Act, 1998.

4. The petitioner would submit that after conducting a detailed technical and financial evaluation had submitted its bid along with a bid security in the form of a bank guarantee for a sum of Rs. 6,00,00,000/-. Thereafter, the Petitioner was declared as technically qualified bidder, having complied with all eligibility requirements stipulated under the tender. On 30.01.2026, the financial bids were opened and the petition was declared as the second highest bidder (H2) having quoted Rs. 2465 Crores. The highest bidder (H1), namely, M/s. Adani Enterprises, had quoted Rs.2511 Crore.

5. The petitioner would submit that, immediately after the disclosure of the bid values and in demonstration of its bona fide commitment to the project as well as to the welfare of the State, it addressed an email and a representation dated 31.01.2026 to the respondent. In the said representation, the petitioner voluntarily enhanced its offer to a sum of Rs.2,665 crores, which is Rs.154 crores higher than the offer submitted by the highest bidder. This enhancement represents a substantial increase of 6.13% over the highest bid.



WEB COPY

W.P.No.3880 of 2026



6. The petitioner would submit that their revised offer is intended to ensure the maximization of revenue for the public exchequer, and any decision to disregard such a substantially higher offer would be detrimental to the public interest and contrary to the principles of fair and transparent governance. This revised offer has been made only in the interest of the public, ensuring that a public asset is not undervalued.

7. The petitioner would further submit that Section 10 of the Tamil Nadu Transparency in Tenders Act, 1998, mandates the State to secure the best value for public assets. That apart, transparency does not imply blind adherence to procedure, but requires decision-making that promotes the public interest and prevents the unjust enrichment of private entities at the expense of the taxpayer.

8. The petitioner would submit that the respondent is presently acting with undue haste to finalise the award in favour of the highest bidder and if a Letter of Award is issued at this stage, it would cause irreparable prejudice not only to the petitioner but also to the State of Tamil Nadu, resulting in substantial loss of revenue over the concession period of 25 years. Therefore, the petitioner has filed the above Writ Petition seeking the



WEB COPY

W.P.No.3880 of 2026



for calling us for negotiation as we are the H2 bidder.

*Nevertheless, in the interest of the project and the State
exchequer, we voluntarily submit our improving offer of
price from Rs.2465 Crores to Rs.2665 Crores.”*

He would therefore submit that the petitioner cannot be permitted to stall the tender process.

12. Heard the learned counsel on either side.

13. It has been time and again emphasized by the Hon’ble Supreme Court that a bidder does not have a right to insist upon the authority inviting tender to enter into further negotiations. The Hon’ble Supreme Court in the judgement reported in **(2009) 6 SCC 171 – Meerut Development Authority Vs. Association of Management Studies and Another** had discussed the nature of rights available to a bidder participating in the tender process and observed as follows:-

*“ 27. The bidders participating in the tender process
have no other right except the right to equality and fair
treatment in the matter of evaluation of competitive bids
offered by interested persons in response to notice inviting
tenders in a transparent manner and free from hidden*



agenda. One cannot challenge the terms and conditions of the tender except on the abovestated ground, the reason being the terms of the invitation to tender are in the realm of the contract. No bidder is entitled as a matter of right to insist the authority inviting tenders to enter into further negotiations unless the terms and conditions of notice so provided for such negotiations.

29. The Authority has the right not to accept the highest bid and even to prefer a tender other than the highest bidder, if there exist good and sufficient reasons, such as, the highest bid not representing the market price but there cannot be any doubt that the Authority's action in accepting or refusing the bid must be free from arbitrariness or favouritism.”

14. It is clear that after the opening of the price bid and upon coming to know about the highest bid, the petitioner has revised their bid by enhancing the bid amount. The bidder who has been declared as H-1 has now been called for negotiations, and it is for the tender inviting authority to negotiate and obtain an optimum rate from H-1, keeping in mind the



W.P.No.3880 of 2026

interests of the State. If H-1 fails to match the enhanced amount now bid by the petitioner herein, it is for the respondent to take an appropriate decision, taking into account the public interest and the interests of the State involved. This Court cannot dictate to the respondent as to how the tender is then to be finalized. Therefore, the respondent is directed to consider and pass orders on the representation of the petitioner dated 31.01.2026, on merits and in accordance with law within a period of 2 weeks from the date of receipt of a copy of this order. It is made clear that, while passing such orders, the respondent shall keep in mind the economic interest of the State.

15. Accordingly, the Writ Petition stands allowed. No costs. Consequently, the connected Miscellaneous Petitions are closed.

05.02.2026

(shr)

Index : Yes/No

Speaking Order: Yes/No

Neutral Citation : Yes/No

To

Tamil Nadu State Highways Authority (TANSHA)
Represented by its Authorised Signatory,
HRS Campus, 76, Sardar Patel Road,
Little Mount, Guindy, Chennai - 600025



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