



W.P. Nos.9067-10127/2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	Pronounced on
01.04.2026	16.04.2026

CORAM

THE HONOURABLE MR. JUSTICE M.DHANDAPANI

W.P. NOS.9067 & 10127 OF 2026

AND

W.M.P. NOS. 9788, 10937 & 10938 OF 2026

M/s. P & C Projects Pvt. Ltd.
Rep. By its Executive Director
S.C.Keerthi Shankar
87/2A, P&C Garden
Nolambur, Mogappair West
Chennai 600 037.

.. Petitioner in both petitions

- Vs -

1. Union of India
Rep. By its Secretary to Government
Ministry of Jal Sakti
Shram Shakti Bhawan, Rafi Marg
New Delhi 110 001.
2. M/s. WAPCOS Ltd.
(A Govt. Of India Undertaking)
Rep. By its Deputy Chief Engineer
Project Office, MEPZ Special Economic Zone
GST Road, Tambaram
Chennai 600 045.
3. Madras Export Processing Zone
(Special Economic Zone)



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Rep. By its Development Commissioner
Project Office, MEPZ Special Economic Zone
GST Road, Tambaram
Chennai 600 045.

.. Respondents in both petitions

W.P. No.9067 of 2026 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus calling for the records pertaining to the impugned rejection of the 2nd respondent dated 10.02.2026 in NIT No.WAP/ENVT/MEPZ/2025/ET/07 and quash the same and consequently direct the 2nd respondent to award the contract for the work of Revamping of Trunk Infrastructure facilities at MEPZ Special Economic Zone, Tambaram, Chennai, to the petitioner by accepting the financial bid of the petitioner being L1 to the tender in NIT No.WAP/ENVT/MEPZ/2025/ET/07 in a time bound manner.

W.P. No.10127 of 2026 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus calling for the records pertaining to the impugned rejection of the 2nd respondent dated 02.03.2026 in NIT No.WAP/ENVT/MEPZ/2025/ET/03 and quash the same and consequently direct the 2nd respondent to award the petitioner the contract pursuant to the petitioner being declared L1 pursuant to the tender notification dated 29.09.2025 NIT No.WAP/ENVT/MEPZ/2025/ET/07 in a time bound manner.



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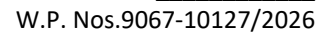
For Petitioner : Mr. V.Raghavachari, SC, for
Mr. A.Mohd. Ismail in both
petitions

For Respondents : Mr. AR.L.Sundaresan, ASG
Assisted by Mr. P.G.Santhosh
Kumar for RR-1 & 3 in WP
9067/2026
Mr. AR.L.Sundaresan, ASG
Assisted by
Mr. V.Chandrasekaran for RR-1
& 3 in WP 10127/2026
Mr.Tushar Sannu for R-2 in both
petitions

COMMON ORDER

Through the writ petition in W.P. No.9067/2026, while the petitioner has assailed the order cancelling the total tender process, inspite of the petitioner being the lowest tendered and declared as L-1, W.P. No.10127/2026 has been filed against the fresh tender floated by the 2nd respondent for the very same project, that too pending the writ petition in W.P. No.9067/2026.

2. Since W.P. No.10127/2026 has been filed pending the writ petition in W.P. No.9067/2026, this Court had permitted the petitioner to participate in the fresh tender, through order dated 17.03.2026 and had further made it clear that the fresh tender process would be subject to the result of the petitions pending



3. It is the case of the petitioner that the 3rd respondent intending to open the Special Economic Zone premises, appointed the 2nd respondent to provide consultation and monitoring services to the 3rd respondent and based on the understanding between the 2nd and 3rd respondent, the 2nd respondent issued a notification dated 29.09.2025 inviting tender for the work of “Revamping of Infrastructure facilities at MEPZ Special Economic Zone, Tambaram, Chennai” with an estimated value fixed at Rs.457,62,58, 412/- excluding GST. It is further averment of the petitioner that the tender process consists of a two-stage system of technical bid and financial bid. Though initially the last date for submission of the bid was fixed on 21.10.2025, there after it was extended upto 31.10.2025. The technical bids, though were to be opened on 3.11.2025, however, committee for evaluating the technical bid was formed by respondents on 3.11.2025 and on 18.11.2025, the technical bids were opened, as evidenced from the tender portal.



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4. It is the further averment of the petitioner that based on the tender notification, the petitioner, having fulfilled the necessary criteria prescribed, submitted its bid and upon technical evaluation, the petitioner was found to be qualified in the technical bid along with 4 other bidders from out of the total number of 7 bidders. The financial bid submitted by the bidders were opened on 18.12.2025 in which the petitioner had quoted a value of Rs.350,30,82,129/- and as such the petitioner was ranked L-1.

5. It is the further averment of the petitioner that though the financial bid was opened on 18.12.2025, the same was not uploaded in the portal and the 2nd respondent. The 2nd respondent, over the mail, declared the petitioner as the L-1 bidder stating that the bid value quoted is 23.45% below the estimate cost of tender, which was fixed at Rs.457,62,58,412/-.

6. It is the further averment of the petitioner that after opening of the financial bids, the 2nd respondent had sought clarification for proceeding with the evaluation vide its email on 4.1.2026 seeking detailed item-wise breakup corresponding to the lowest quoted rates for each individual component of work



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and in compliance of the said request, the petitioner had also furnished the breakup through email on 9.1.2026.

7. It is the further averment of the petitioner that pursuant to the detailed cost breakup sought for by the 2nd respondent, the petitioner had provided detailed analysis for all major and high-value items, which substantially governed the financial viability of the project clearly indicating the components of materials, labour, plant, machinery, overheads and other incidentals. It is the further averment of the petitioner that inspite of the submission of the above details, the 2nd respondent did not undertake the evaluation of the petitioner's price bid based on the breakup already furnished and kept the matter pending for an unexplained period. The said inaction and abnormal gap are in clear violation of the tender conditions and the procedure contemplated under the general guidelines governing Central Public Procurement and affects the sanctity of the tender.

8. It is the further averment of the petitioner that only after communication of the petitioner dated 9.2.2026 seeking clarification regarding the status of the evaluation, the 2nd respondent updated the decision by



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uploading the tender summary report in the portal on 10.02.2026 by declaring the petitioner as L-1, but had rejected the bid of the petitioner stating that the bid value of the petitioner company is 23.45% below the estimate cost of tender which was claimed to be abnormally low and, therefore, had rejected the bid of the petitioner and had cancelled the tender in toto. Aggrieved by the said cancellation of the tender, W.P. No.9067/2026 has been filed by the petitioner.

9. As stated above, when the said W.P. No.9067/2026 came up for admission on 5.3.2026, on behalf of the respondents it was informed that the respondents have floated a fresh tender dated 2.3.2026 and taking note of the said representation of the counsel, this court had passed an interim order permitting the respondents to proceed with the tender with a further direction not to finalise the same until the disposal of W.P. No.9067/2026. By way of abundant care and caution and to avoid any technical plea by the respondents, W.P. No.10127/2026 has been filed by the petitioner challenging the fresh tender notice dated 2.3.2026.

10. Learned senior counsel appearing for the petitioner in his inimitable style submitted that the whole process of the tender undertaken by the



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respondents has been made a farce, as no proper reason has been shown for rejection of the bid of the petitioner.

11. It is the further submission of the learned senior counsel that the ground alleged for rejecting the bid of the petitioner is a low quote, which is about 23% less than the value estimated by the 2nd respondent, which, according to the respondents is not viable and would compromise quality. It is the submission of the learned senior counsel that the concept of bid is giving the best quality at a competitive and lowest price, which would be in the interest of the exchequer, as the exchequer deals with the public money and the said public money should not be waster. However, the rejection of the bid of the petitioner citing a lower quote is unheard of in matters relating to tender and it clearly shows a mala fide intent on the part of the respondents.

12. It is the further submission of the learned senior counsel that not only the petitioner, who was declared as L-1, even L-2 and L-3 bidders have quoted the bid amount less by 22.12% % and 20.61% of the estimated amount, which only shows that the bid amount quoted by the petitioner is clearly a true and



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realistic bid value and it is by no means a way to compromise quality or to engage in litigative battle with the respondents at a later point of time.

13. It is the further submission of the learned senior counsel that by the order of rejection, the respondents have made known the bid amount of the petitioner and thus the further position of the petitioner is severely jeopardized in the fresh tender which has been floated by the respondents, as not only the competitors will be knowing the bid amount of the petitioner, but due to the aforesaid reason, the petitioner would be forced to quote a lesser bid value, in which case as well, the percentage would fall, which would once again be not likeable by the respondents.

14. It is the further submission of the learned senior counsel that giving the tender to any other person who had quoted higher than the petitioner would be a loss to the exchequer and the award of the tender to any one quoting lesser than the petitioner in the fresh tender would be against the interests of the petitioner and it would be grossly impermissible and against the spirit of the Tender Transparency Act.



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15. It is the further submission of the learned senior counsel that even the manual of procurement issued by the Ministry of finance, particularly Clause 7.5.7 speaks about consideration of abnormally low bids and the manner in which the said abnormally low bids have to be assessed have been provided. However, in the case on hand, the respondents have not stated as to what would be the percentage below the estimated value which would be considered to be abnormally low.

16. It is the further submission of the learned senior counsel that the industry of civil contracts is a highly competitive domain and there are various good reasons for quoting a low bid price and all the factors related to manufacturing processes, services provided, supply of products and services which are available at the disposal of the bidder ought to be considered before terming a bid abnormally low. However, such a process has not been undertaken by the respondents, which strikes at the root of the rejection.

17. It is the further submission of the learned senior counsel that the earlier tender was floated on 29.09.2025 in which the respondents had estimated the value of work at Rs.457,62,58,412/- excluding GST in which the petitioner had



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quoted a figure of Rs.350,30,82,129/=, which according to the respondents was a abnormally lesser quote which resulted in rejecting the bid and cancelling the tender process. However, in the fresh tender called on 2.3.2026, the respondents have brought down the estimated value of work to Rs.420 Crores, thereby, the value has been brought down by Rs.37 Crores even by the respondents. In this regard it is the submission of the learned senior counsel if the tenderers are to quote a value, either it would be about the very same value quoted in the last round of tender process or it would be an amount, which would still be lesser, as the earlier value quoted by the petitioner and other tenderers have been made known to one and all.

18. In this backdrop it is the submission of the learned senior counsel that the value has been brought to by the respondents themselves which only shows that the estimated value of the work was on the higher side even according to the respondents, which has resulted in bringing the value of the tender below the amount which was quoted in the earlier tender process. If such be the case, it is the submission of the learned senior counsel the stand of the respondents that the value quoted by the petitioner is abnormally low does not merit acceptance as even the respondents are able to bring the value down by Rs.37 Crores, which



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only shows the viability of the quote submitted by the petitioners and it also exposes either the ignorance of the respondents in not able to properly estimate the value of the work or the mala fide intent of the respondents in not able to digest the lesser quote for reasons best known to them.

19. In fine, it is the submission of the learned senior counsel that not only the rejection of the tender submitted by the petitioner reeks of mala fide on the part of the respondents, but the fresh tender floated by the respondents only bolsters the case of the petitioner that the bid amount quoted by the petitioner by no stretch could be termed to be abnormally low or was a bid compromising quality or a bid, which would lead to later litigative process and, therefore, the order of rejection passed by the respondents deserve to be interfered with, with an affirmative direction to grant the bid to the petitioner, being the L-1 bidder by allowing the writ petitions.

20. In support of the aforesaid submissions, learned senior counsel for the petitioner placed reliance on the following decisions :-

- i) *Dutta Associates Pvt. Ltd. – VS – Indo Merchantiles Pvt. Ltd. & Ors. (1997 (1) SCC 53); and*



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ii) *Union of India & Ors. – Vs – Dinesh Engineering Corporation & Ors. (2001 (8) SCC 491)*

21. Per contra, learned Addl. Solicitor General appearing for the respondents submitted that the system adopted by the 2nd respondent for rejection of the bid of the petitioner was based on the provisions under the General Financial Rules, 2017 and Office Memorandum dated 6.2.2020, as the price quoted by the petitioner at Rs.350.30 Crore is an '*abnormally low bid*' lower by 23.45% of the estimated cost of Rs.457.62 Crore provided by the respondents.

22. It is the further submission of the learned Addl. Solicitor General that due to the abnormally low bid detail justification including item-wise rate analysis, resource deployment and execution methodology was sought for by the respondent to which the petitioner submitted its response dated 9.1.2026. The Tender Evaluating Committee considered the materials and found that the justification given was partial, selective and inadequate and that the bid reflected systemic under-pricing thereby failing to demonstrate the petitioner's capability to execute the project at the quoted rates.



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23. It is the further submission of the learned Addl. Solicitor General that the Tender Evaluating Committee, acting within its domain expertise rejected the bid as unworkable and cancelled the tender in public interest by applying the objective reasoning uniformly across all the tenderers without raising any mala fides, bias or violation of tender conditions.

24. It is the further submission of the learned Addl. Solicitor General that it is settled law that no bidder acquires a vested right to award of contract merely because it is the L-1 bidder and the tender inviting authority is the best judge of its requirements and entitled to reject even the lowest bid if found non-viable and that judicial review in such matters relating to tender is confined to cases of mala fides, arbitrariness and perversity, which is not exhibited in the present tender process.

25. It is the further submission of the learned Addl. Solicitor General that the instances of acceptance of low bids by other tender inviting authorities in which the petitioner was the successful bidder is wholly misplaced, as each tender is independent and governed by its own conditions and the mere fact that in other tender process, the lowest tender has been accepted is no reason to



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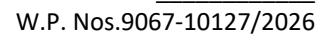
apply the same yardstick to the present tender process and no parity can be claimed.

26. It is further submitted that the substitution of expert commercial judgment with the petitioner's own assessment is impermissible and where no mala fides, bias and arbitrariness is evident, the decision of the tender evaluating committee cannot be interfered with.

27. It support of the aforesaid submissions, learned Addl. Solicitor General placed reliance on the following decisions :-

- i) *Afcons Infrastructure Ltd. – Vs – Nagpur Metro Rail Corporation (2016 (16) SCC 818);*
- ii) *Silppi Constructions Contractors – Vs – Union of India (2020 (16) SCC 489);*
- iii) *National High Speed Rail Corporation Ltd. – Vs – Montecarlo Ltd. (2022 SCC OnLine SC 111); and*
- iv) *Jagdish Mandal – Vs – State of Orissa & Ors. (2007 (14) SCC 517)*

28. This Court gave its careful consideration to the submissions advanced by the learned senior counsel appearing on either side and perused the materials available on record and also the decisions relied on by the parties.



30. Though the aforesaid affidavit was placed before the Court and taken on record, however, in view of the fact that the respondents are not inclined to



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turn back from their stand with regard to rejection and also on the ground that a fresh tender has already been floated, the respondents being not inclined to accept the said affidavit, except for recording the above and taking it on file, this Court is not acting on the said affidavit. **However, Registry is directed to maintain the said affidavit as part of the records.**

31. In ***Uflex Ltd. - Vs – Government of T.N. &Ors. (2021 SCC OnLine SC 738)*** the Apex Court has broadly visualised about the process of tender and the limitations in judicial review in the said process and the same is quoted hereunder by this Court before embarking upon analysing the merits and demerits of the contentions put forth by the parties :-

“The enlarged role of the Government in economic activity and its corresponding ability to give economic ‘largesse’ was the bedrock of creating what is commonly called the ‘tender jurisdiction’. The objective was to have greater transparency and the consequent right of an aggrieved party to invoke the jurisdiction of the High Court under Article 226 of the Constitution of India (hereinafter referred to as the ‘Constitution’), beyond the issue of strict enforcement of contractual rights under the civil jurisdiction. However, the ground reality today is that almost no tender remains unchallenged. Unsuccessful parties or parties not even participating in the tender seek to invoke the jurisdiction of



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the High Court under Article 226 of the Constitution. The Public Interest Litigation ('PIL') jurisdiction is also invoked towards the same objective, an aspect normally deterred by the Court because this causes proxy litigation in purely contractual matters.

2. The judicial review of such contractual matters has its own limitations. It is in this context of judicial review of administrative actions that this Court has opined that it is intended to prevent arbitrariness, irrationality, unreasonableness, bias and mala fide. The purpose is to check whether the choice of decision is made lawfully and not to check whether the choice of decision is sound. In evaluating tenders and awarding contracts, the parties are to be governed by principles of commercial prudence. To that extent, principles of equity and natural justice have to stay at a distance.

3. We cannot lose sight of the fact that a tenderer or contractor with a grievance can always seek damages in a civil court and thus, "attempts by unsuccessful tenderers with imaginary grievances, wounded pride and business rivalry, to make mountains out of molehills of some technical/procedural violation or some prejudice to self, and persuade courts to interfere by exercising power of judicial review, should be resisted.

4. In a sense the Wednesbury principle is imported to the concept, i.e., the decision is so arbitrary and irrational that it can never be that any responsible authority acting reasonably and in accordance with law would have reached such a



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decision. One other aspect which would always be kept in mind is that the public interest is not affected. In the conspectus of the aforesaid principles, it was observed in *Michigan Rubber v. State of Karnataka* as under:

“23. From the above decisions, the following principles emerge:

(a) the basic requirement of Article 14 is fairness in action by the State, and non-arbitrariness in essence and substance is the heartbeat of fair play. These actions are amenable to the judicial review only to the extent that the State must act validly for a discernible reason and not whimsically for any ulterior purpose. If the State acts within the bounds of reasonableness, it would be legitimate to take into consideration the national priorities;

(b) fixation of a value of the tender is entirely within the purview of the executive and courts hardly have any role to play in this process except for striking down such action of the executive as is proved to be arbitrary or unreasonable. If the Government acts in conformity with certain healthy standards and norms such as awarding of contracts by inviting tenders, in those circumstances, the interference by Courts is very limited;

(c) In the matter of formulating conditions of a tender document and awarding a contract, greater latitude is required to be conceded to the State authorities unless the action of tendering authority is found to be malicious and a misuse of its statutory powers, interference by Courts is not warranted;



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(d) Certain preconditions or qualifications for tenders have to be laid down to ensure that the contractor has the capacity and the resources to successfully execute the work; and

(e) If the State or its instrumentalities act reasonably, fairly and in public interest in awarding contract, here again, interference by Court is very restrictive since no person can claim fundamental right to carry on business with the Government.”

32. It is evident from the above ratio laid down by the Supreme Court, that fairness in action by the State, non-arbitrariness in essence and substance is the heartbeat of fair play, which are the basic requirements of Article 14 and that judicial review should not be for whimsical or ulterior purpose so long as the State acts are within the bounds of reasonableness. The Supreme Court had gone on to tabulate the various factors that govern the tender process and the yardstick that needs to be adopted and the leeway that needs to be given to the State in the discharge of its constitutional obligations by resorting to fair play and showing bona fide intent.

33. In the case of ***Tata Cellular – Vs – Union of India (1994 (6) SCC 651)***, the Supreme Court has elucidated the following principles :-

“94. The principles deducible from the above are:



(1) *The modern trend points to judicial restraint in administrative action.*

(2) *The court does not sit as a court of appeal but merely reviews the manner in which the decision was made.*

(3) *The court does not have the expertise to correct the administrative decision. If a review of the administrative decision is permitted it will be substituting its own decision, without the necessary expertise which itself may be fallible.*

(4) *The terms of the invitation to tender cannot be open to judicial scrutiny because the invitation to tender is in the realm of contract. Normally speaking, the decision to accept the tender or award the contract is reached by process of negotiations through several tiers. More often than not, such decisions are made qualitatively by experts.*

(5) *The Government must have freedom of contract. In other words, a fair play in the joints is a necessary concomitant for an administrative body functioning in an administrative sphere or quasi-administrative sphere. However, the decision must not only be tested by the application of Wednesbury principle of reasonableness (including its other facts pointed out above) but must be free from arbitrariness not affected by bias or actuated by mala fides.*

(6) *Quashing decisions may impose heavy administrative burden on the administration and lead to increased and unbudgeted expenditure."*

(Emphasis Supplied)



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34. Yet again, the Supreme Court in ***Silppi Constructions Contractors – Vs – Union of India &Anr. (2020 (16) SCC 489)*** has succinctly pointed out that *the Court must realise that the authority floating the tender is the best judge of its requirements and, therefore, the court's interference should be minimal. Authority which floats the contract or tender, and has authored the tender documents is the best Judge as to how the documents have to be interpreted. If two interpretations are possible, then the interpretation of the author must be accepted and the Courts will only interfere to prevent arbitrariness, irrationality, bias, mala fides or perversity.*

35. A careful perusal of the ratio laid down on the question of appreciation and interference by the Courts in matters relating to contracts/tenders, it is clear that the Courts should be very much circumspect, while interfering in the tender process, as it is a qualitative analysis to be made by experts in the particular field. Suffice for the Court to see that no unreasonableness, arbitrariness, bias or mala fides has crept in, in the tender process. The Supreme Court has also cautioned that the awarding of contracts by the Government and the Public Sector should not be made a cumbersome exercise in a long drawn out litigative battle.



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36. There is no quarrel with the fact that the petitioner has been adjudged as L-1 tenderer, its tender being the lowest by about 23.45% of the value estimated by the respondents. It is the specific case of the respondents that upon finding the value to be 23.45% below the estimated value, applying the provisions of the General Financial Rules and Office Memorandum dated 6.2.2020, as the bid value was abnormally low, the respondents had called upon the petitioner to furnish detailed justification, including cost analysis, methodology, resource deployment and execution capability. Since the details sought by the Tender Evaluation Committee was not satisfactory and inadequate, the tender was rejected.

37. It is the stand of the petitioner that there is no specific clause in the tender document which specifies viability range for quoting the value and without specifying the viability range, applying the General Financial Rules would not be applicable. In this regard, decision in *Dutta Associates case* has been relied upon in which the Supreme Court has held as under :-

"4. After hearing the parties, we are of the opinion that the entire process leading to the acceptance of the appellant's tender is vitiated by more than one illegality. Firstly the tender notice did not specify the 'viability range' nor did it say that only the tenders coming within the viability range will be



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considered. More significantly, the tender notice did not even say that after receiving the tenders, the Commissioner/Government would first determine the 'viability range' and would then call upon the lowest eligible tenderer to make a counter-offer. The exercise of determining the viability range and calling upon Dutta Associates to make a counter-offer on the alleged ground that he was the lowest tenderer among the eligible tenderers is outside the tender notice. Fairness demanded that the authority should have notified in the tender notice itself the procedure which they proposed to adopt while accepting the tender. They did nothing of that sort."

38. True it is that no viability range has been provided in the conditions of tender. But not necessarily every tender should provide a viability range, which would form the basis for accepting the tender. Only to offset the said scenario, the General Financial Rules have been formulated, which provides the manner in which abnormally low bids are to be dealt with. It is the admitted case of the parties that upon opening of the bid and finding the petitioner to be L-1 and the value of the bid being 23.45% below the estimated value, to find out the manner in which the financial distribution and resource allocation is made, details were called for from the petitioner by the respondents. It is the specific case of the respondents that the details provided by the petitioner were not exhaustive and



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the Tender Evaluation Committee found that the bid was unworkable. The decision has been arrived by the Tender Evaluation Committee which consists of persons with domain expertise, who have analysed the detailed analysis provided by the petitioner and had come to a conclusion that the bid quoted is unworkable.

39. It is not the case of the petitioner that another bidder, who was either L-2 or L-3 had been given the bid. It is the admitted case of the parties that even the L-2 and L-3 bidders had quoted values in the range of 22% and 21% respectively, which were determined by the Tender Evaluation Committee to be low and, therefore, they were also not considered for the tender. From this, it could very well be ascertained that there is neither a mala fide intent or an arbitrary act to benefit any particular tenderer, which has resulted in the rejection of the bid of the petitioner.

40. Further, the Tender Evaluation Committee, upon scrutinizing the detailed cost analysis provided by the petitioner pursuant to the details called for had come to the conclusion that the abnormally low bid would compromise the quality, which would be detrimental in public interest and, therefore, the entire



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tender process was cancelled. Such being the case, in the absence of any *mala fide* or arbitrariness or perversity in the cancellation of tender, this Court, under the guise of judicial review cannot interfere with the tender process, moreso, when it is in the wake of the application of the General Financial Rules and Office Memorandum dated 6.2.2020.

41. It is not the case of the petitioner that there is either arbitrariness or perversity in the rejection of the bid of the petitioner. The petitioner attributes *mala fide* to the act of the respondents, however, the nature of the *mala fide* act is not spelt out. Raising *mala fides* is different, but establishing the same is very much required if the Court is called upon to analyse and interfere in the said act. In the present case, though *mala fides* are alleged, however, the actual *mala fide* is not spelt out and that being the case, if the respondents had relied on the General Financial Rules and Office Memorandum dated 6.2.2020 by classifying the bid of the petitioner and the L-2 and L-3 bidders are abnormally low bid, this Court, in exercise of its extraordinary powers under Article 226, moreso while exercising judicial review, cannot substitute its view to that of the Tender Evaluation Committee by setting aside the cancellation of the tender process. Further, it is also to be pointed out that the threshold of mala fides, intention to



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favour someone or arbitrariness, irrationality or perversity must be met before the constitutional court interferes with the decision making process of the decision. However, as pointed out above the aforesaid situations have not been established and, therefore, interference with the cancellation of tender cannot be countenanced.

42. Further, it is to be pointed out that the whole tender process has been cancelled and the order of rejection has specifically stated that the bid value is low and all the tenders have been cancelled. Though, according to the respondents, the said act is in line with the General Financial Rules, however, it should not be lost sight of that once the financial bid is opened and the amount is made known in the public domain, definitely that would have a serious impacting result on the tender process, if it is once again started, as the lowest bid value quoted by the bidder would be known to one and all. When the respondents opened the bid and found that the value is far down that of the estimated value, prudent warrants that the respondents ought not have divulged the tender value, as divulging the tender value has prejudiced the petitioner as also the other tenderers immediately below the petitioner and in the new tender floated by the respondents for the very same work, knowing the value of the work, other



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persons would be in a position to quote a far lesser value or atleast a value equivalent to the one quoted by the petitioner. The respondents ought to have been careful enough upon finding the value quoted by the tenderers, moreso, in a bid of this nature, which is guided not only by the estimated value of the tender, but also the General Financial Rules, which checks the abnormally low bid with balancing mechanism which is to be provided by the tenderer.

43. Further, it is also to be pointed out that though the tender document provides for a clause which clothes the authority with power to accept a tender or not, inspite of the offer being low, it does not give unbridled power to the authority to exercise it in an arbitrary manner. The process in which it is exercised should be in the interest of the tender inviting authority, but at the same time, it should not be detrimental to the tenderers, as the unfettered discretion that is given to the tender inviting authority should not be exercised in an arbitrary and unreasonable manner and the extra discretion is granted only to provide a room to the authority for the use of discretion in accepting the offer, which has to be done within the four corners of law.



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44. In the present case, the opening of the tender and disclosing the value of the bid amount of the intending bidders definitely acts in detriment to the said bidders. However, it should not be lost sight of that while the respondents ought to have exercised restraint, nevertheless, it is a process of tender and the intending bidders definitely would have to face the consequences thereof, if their tenders are not accepted or that the whole tender process is cancelled, as it is inherent in the tender process that the tender inviting authority, for reasons best known to it and in public interests cancels the tender. Therefore, while the authority could have exercised restraint and not divulged the amount of the bid of each of the intending tenders, nevertheless the said act would not in any way be held to be mala fide or arbitrary warranting interference with the subsequent tender process, as it is a new tender with new terms and conditions and new estimated value and in such a scenario, it is always open to the intending bidders to submit fresh tenders, which includes the petitioner as well and this Court cannot presume and assume that the earlier tender process has prejudiced the tenderers, when the new tender process has drastically drifted from the earlier tender inclusive of the estimated value and, therefore, the grievance expressed by the petitioner cannot be countenanced.



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45. One other aspect, which has been highlighted by the petitioner is the earlier contracts, which it had undertaken for various other entities in which similar lower quotes were given and the contracts were executed without compromising on the quality. Though such materials have been placed before this Court as also before the authority, however, it is to be pointed out that each contract is weighed on its own terms and the manner in which another contract has been executed cannot form the basis for adjudging the bidder. Therefore, the successful completion of other contracts cannot form the basis to claim that the bidder would be able to complete the work successfully, as it is within the assessment of the Tender Evaluation Committee and this Court cannot substitute its views, as it borders on technical and scientific aspects, which are best to be determined by experts in the field and not by the judicial process. Therefore, the said contention cannot form the basis of any interference by this Court.

46. To sum up, invocation of judicial review could be resorted to in a narrow compass, more particularly in tender matters, which has been crystallised in the decision in *Jagdish Mandal case (supra)*, wherein the Apex Court held thus:-

19. Judicial review of administrative action is intended to prevent arbitrariness, irrationality, unreasonableness, bias and



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malafides. Its purpose is to check whether choice or decision is made 'lawfully' and not to check whether choice or decision is 'sound'. When the power of judicial review is invoked in matters relating to tenders or award of contracts, certain special features should be borne in mind. A contract is a commercial transaction. Evaluating tenders and awarding contracts are essentially commercial functions. Principles of equity and natural justice stay at a distance. If the decision relating to award of contract is bona fide and is in public interest, courts will not, in exercise of power of judicial review, interfere even if a procedural aberration or error in assessment or prejudice to a tenderer, is made out. The power of judicial review will not be permitted to be invoked to protect private interest at the cost of public interest, or to decide contractual disputes. The tenderer or contractor with a grievance can always seek damages in a civil court. Attempts by unsuccessful tenderers with imaginary grievances, wounded pride and business rivalry, to make mountains out of molehills of some technical/procedural violation or some prejudice to self, and persuade courts to interfere by exercising power of judicial review, should be resisted. Such interferences, either interim or final, may hold up public works for years, or delay relief and succour to thousands and millions and may increase the project cost manifold. Therefore, a court before interfering in tender or contractual matters in exercise of power of judicial review, should pose to itself the following questions :

i) Whether the process adopted or decision made by the authority is mala fide or intended to favour someone.



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OR

Whether the process adopted or decision made is so arbitrary and irrational that the court can say : 'the decision is such that no responsible authority acting reasonably and in accordance with relevant law could have reached'.

ii) Whether public interest is affected.

If the answers are in the negative, there should be no interference under Article 226. Cases involving black-listing or imposition of penal consequences on a tendered/contractor or distribution of state largesse (allotment of sites/shops, grant of licences, dealerships and franchises) stand on a different footing as they may require a higher degree of fairness in action."

47. In the present case, the questions which have been formulated by advertng to the various decisions, which have already been referred to by this Court, have not fructified so as to enable this Court to grant any relief to the petitioner, as neither the decision is *mala fide* or intended to favour someone nor the process adopted or the decision made is so arbitrary or irrational that no responsible authority acting reasonably would take such a decision nor it affects public interest and, therefore, interference of this Court is not called for with the said decision.



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48. For the reasons aforesaid, W.P. No.9067 of 2026 fails and the same is dismissed. In view of the dismissal of the aforesaid writ petition, the fresh tender floated by the respondents dated 2.3.2026 could very well continue and it is made clear that the petitioner also could very well participate in the tender process and in view of the above, no orders are required to be passed in W.P. No.10127 of 2026 and, accordingly, the said writ petition stands closed with the aforesaid directions. **The sworn affidavit dated 17.3.2026 submitted by the petitioner shall form part of the records.** Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

16.04.2026

Index : Yes / No

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To

1. The Secretary to Government
Ministry of Jal Sakti
Government of India
Shram Shakti Bhawan, Rafi Marg
New Delhi 110 001.
2. M/s. WAPCOS Ltd.
(A Govt. Of India Undertaking)
Rep. By its Deputy Chief Engineer
Project Office, MEPZ Special Economic Zone
GST Road, Tambaram
Chennai 600 045.
3. Madras Export Processing Zone
(Special Economic Zone)
Rep. By its Development Commissioner
Project Office, MEPZ Special Economic Zone
GST Road, Tambaram
Chennai 600 045.



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M.DHANDAPANI, J.

GLN

**PRE-DELIVERY ORDER IN
W.P. NOS.9067 & 10127 OF 2026**

**Pronounced on
16.04.2026**