IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-02-2026

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THE HON'BLE MS. JUSTICE P.T. ASHA

WP No. 38667 of 2024
AND
WMP No. 41867 OF 2024

C.P.Foods,
Rep. by its Partner S.Manikandaprabhu
52, South Car Street
Virudhunagar – 626 001.

..Petitioner(s)

Vs

Tamil Nadu Civil Supplies Corporation
Rep. by the Managing Director,
TNCSC Head Office,
CMRL Office Campus
Poonamallee High Road
Koyambedu, Chennai - 600 107.

..Respondent(s)

PRAYER : Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorari calling for the records in Proc. No. BS6/028829/2024(1) DATED 06.11.2024 and the connected proceedings issued by the respondent therein and quash the same.

For Petitioner:	Mr.S.Manuraj
For Respondent:	Mr.M.K.Kabir, Senior Counsel for Mr.C.Selvaraj

ORDER

The above writ petition has been filed for issue of certiorari to call for the records of the respondent relating to Proc.No.BS6/028829/2024(1) dated

06.11.2024 and quash the same and also the connected proceedings issued thereafter.

2. The short facts which has given rise to the above writ petition are as follows :

(a) The respondent has floated a tender for “The Purchase of 60,000 metric tonnes of any one of Dal” by Notice Issued Tender No. BS6/028829/2024 [NIT] dated 23.08.2024. The petitioner had paid the Earnest Money Deposit of Rs.5,11,50,000.00 on 09.09.2024. Pursuant to which, the petitioner was selected and directed to supply 12,000 MT of Canadian Yellow Lentil Whole Husked and Laired No.2 (in short 'CYL') at Rs.1,31,000/- per MT. A confirmation letter dated 16.09.2024 was issued which details that for the month of October, November and December 2024, the supply should be made in three spells viz., 4,600 MT + 4,700 MT and 2,600 MT. This letter also indicated that the supply must start immediately and to complete the supply aforesaid quantity on or before 16.10.2024, 16.11.2024 and 16.12.2024.

(b) The petitioner would submit that without reference to them, the respondent had arbitrarily revised the quantities of supply for each spell at 4,600 MT + 4,700 MT and 2,600 MT instead of the apportioned quantity of 4,000 MT every month. The petitioner had signed the agreement on 24.09.2024 and had commenced the supply. However, for reasons beyond the control of the petitioner, there was a delay in the supply, earlier on account of mechanical defects and later, due to unfavourable cyclonic weather and onset of festival holidays in October. These factors for delay were communicated to the respondent in the meetings held in the month of September and October, 2024. The petitioner had assured the respondent that the supply would be honoured and completed as soon as possible.

(c) On 17.10.2024 and 14.10.2024, the respondent had issued show cause notices to the petitioner as to why a penal action should not be taken as per Clause 20(e) of the tender documents. The petitioner had submitted its explanation vide letter dated 19.10.2024, setting out the reasons for the delay and providing the details of the shipments. However, the respondent had neither sent a reply nor notified the petitioner about the cancellation of their order.

(d) The respondent thereafter floated a new tender dated 17.10.2024 calling for “The Purchase of 12,000 MT of Any One Dal” that was already allotted to the suppliers in previous tender in NIT dated 23.08.2024. Pursuant to the new tender, the respondent had also issued confirmation letter dated 28.10.2024 to one Kendriya Bhandar and Arunachala Impex directing them to supply 7,500 MT and 4,500 MT of Toor Dal at the rate of Rs.1,38,540/-.

(e) Despite the issuance of confirmation to the new suppliers to supply 12,000 M.T vide NIT dated 17.10.2024, the petitioner continued to supply the ordered quantity pertaining to the month of October, 2024. However, by the impugned proceedings dated 06.11.2024, the respondent had cancelled the agreement partially pertaining to the unsupplied quantity of 2,357.785 MT and initiated recovery for the differential sum of Rs.1,77,77,70/- and revised the order for the month of October 2024 from 4,700 MT to 2,342.215 MT. This right was exercised by invoking Clause 20(c) of the tender conditions and Clause 10(ii)(g) of the Agreement.

Challenging the impugned proceedings, the petitioner is before this Court.

3. The main grievance of the petitioner is that the impugned order has been issued without considering the explanation given by the petitioner for the delay and without giving them an opportunity of hearing. The issuance of fresh tender clearly shows the fact that the respondent had already decided to cancel the contract and issued the fresh tender. Hence, the petitioner seeks to quash the impugned order.

4. Heard the learned counsel on either side and also perused the materials placed before this Court.

5. Extensive arguments were made on the side of the petitioner. The challenge to the writ petition is the alleged partial unsupplied quantity of of 2,357.785 MT on CYL and recovery of the differential sum of Rs.1,77,77,70/-, and had revised the order for the month of October 2024 from 4,700 MT to 2,342.215 MT by the respondent. The supply of CYL by the petitioner to the respondent-Corporation was on the basis of the e-tender document dated 23.08.2024 and the agreement dated 24.09.2024.

6. A perusal of Clause-23 of the e-tender documents vide NIT No.BS6/028829/2024 dated 23.08.2024 provides for resolution of the disputes through Arbitration. Clause 23 would read as follows :

"***23.ARBITRATION :***

i) In case of any dispute in the e-tender including the interpretation of any of the clauses of the tender or the agreement to be executed, the matter shall be referred by the Corporation / tenderer to an Arbitrator who shall be selected by the party from the panel of Arbitrators approved by the Board of Directors of TNCSC nd communicate the same within 15 days from the date of receipt to the letter from the Corporation along with the panel of the Arbitrators. If there is no reply from the tenderer within 15 days, the Corporation shall choose any one of the Arbitrators from the panel of Arbitrators. The remuneration for the Arbitrator and other expenses shall be shared equally by the TNCSC and the party to the Arbitration.

ii) The venue of Arbitration shall be at the Head Office of the

TNCSC, Chennai. The decision of the Arbitrator shall be final and binding on both the parties to the Arbitration.

iii) The Arbitrator may with the mutual consent of the parties extend the time for making the award. The award to be passed by the Arbitrator is enforceable in the court at Chennai City only.

iv) Any other disputes arising out of the Arbitration award or any civil remedy for non-fulfilment of any of the terms and conditions of the tender/Agreement shall be subject to the Jurisdictions of the Civil Courts at Chennai city only." ½

This clause has also been incorporated in condition No.20(iii) of the Agreement entered into between the parties on 24.09.2024, , which is more or less in *pari materia* with Clause 23 of the e-tender.

7. The parties having agreed to resolve the disputes through arbitration and the entire dispute being one related to the contract, the petitioner cannot invoke the jurisdiction of this Court under Article 226 to interpret the contract and resolve the dispute between the parties. Therefore, the writ petition is dismissed. No costs. Consequently, connected miscellaneous petitions are closed.

16-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

DS

To:

The Managing Director
Tamil Nadu Civil Supplies Corporation
TNCSC Head Office,
CMRL Office Campus
Poonamallee High Road
Koyambedu, Chennai - 600 107.

P.T.ASHA J.

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