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W.P.No.120 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.01.2026

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THE HONOURABLE Ms. JUSTICE P.T. ASHA

W.P.No.120 of 2025

M/S. Shivam Auto Forge.
Rep by Mr. Santhosh Kumar Garg
No. 22-12, Mehlon Link Road,
Lakhowal Kohara,
Ludhiana, Punjab -141112.

... Petitioner

Vs.

1.The Chairman and Managing Director
Tamil Nadu Generation and Distribution
Corporation Limited (TANGEDCO)
NPKKR Maligai, No.144, Anna Salai
Chennai. 600002.

2..The Chief Engineer,
Material Management,
TANGEDCO
NPKKR Maligai, No.144, Anna Salai.
Chennai. 600002.

3.The Superintending Engineer.
Tamil Nadu Generation and Distribution
Corporation. Limited (TANGEDCO)
NPKKR Maligai, No.144, Anna salai.
Chennai. 600002.

...Respondents

Prayer:- Writ petition filed under Article 226 of the Constitution of India

praying for issuance of a writ of Mandamus, directing the respondents

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herein to refund the bank guarantee amount of Rs. 22,50,000/-, which was furnished for the tender No.72/2022 pertaining to the supply of hexagonal Bolts and nuts and pass any further or other orders this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.

For Petitioner : Mr.U.M.Shankaar

For Respondents : Mr.D.R.Arunkumar, Standing
Counsel,TNEB for R1 to R3.

ORDER

This writ petition has been filed for the following relief:-

“directing the respondents herein to refund the bank guarantee amount of Rs. 22,50,000/-, which was furnished for the tender No.72/2022 pertaining to the supply of hexagonal Bolts and nuts.”

2. The short facts which has culminated in the filing of the Writ Petition are as follows:-

3. The petitioner is a registered small scale industry carrying on business of manufacturing galvanised Bolts, Nuts, Washers and related items which are utilised in transmission towers and various industrial applications. The petitioner is a recognised manufacturer and maintains strong reputation in the business sector.



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4. While so, the petitioner had participated in a tender floated by the respondents. As per the terms of the tender, the original deadline for submission of the tender was on 21.03.2023. However, the respondent board had decided to extend the deadline to 18.04.2023 as the number of persons participating in the tender was very less. The petitioner had submitted the bid after it was extended on 12.04.2023. However, while submitting the tender, by an oversight the price for hexagonal Bolts and Nuts was quoted on a per kilogram basis and not on a per metric ton basis. The minute the mistake was noticed, the petitioner had submitted a letter on 07.07.2023 prior to the opening and finalization of the tender to the respondent informing them about the mistakes. However, the respondent Board did not award the contract to the petitioner, despite being the lowest bidder and awarded the contract to another bidder. Therefore, the respondents did not sustain any financial loss. The petitioner was also not kept informed about the finalization of tender. That apart, without any notice, the petitioner's EMD amount was forfeited. Hence, the Writ Petition.

5. Heard the learned counsel on either side and perused the records.



6. It is seen that despite offering the least price the petitioner's bid had not been considered and the contract was awarded to others (as they were aware that the quoted price was erroneous and not workable). Therefore, the respondents had not sustained any financial loss. Nearly 4 months thereafter, the respondents had taken steps to invoke bank guarantee that too without issuing any notice to the petitioner. Clause 13.O of Section-I of the tender document provides the following grounds on which the earnest money could be forfeited:-

“a) he withdraw his tender or backs out after acceptance

b) he withdraw his tender before the expiry of validity period stipulated in the Specification or fail to remit the Security Deposit cum Performance Guarantee.

c) he violate any of the provisions of these regulations contained herein

d) he revise any of the terms quoted during the validity period.

e) The documents furnished with the offer is found to be bogus or the documents contain false particulars, the EMD paid by the tenderers will be forfeited in addition to blacklisting them for future tenders/contracts in TANGEDCO

f) If it is found at a later stage that the bidder has availed EMD exemption by hiding facts, it will be construed that such a bidder has not complied with the EMD requirements and suitable action deemed fit will be

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taken including summarily rejection of the offer, blacklisting/ banning the firm from participating in future TANGEDCO/ TANTRANSCO tenders.

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g)In case of any non fulfillment of or non observance of any of the conditions stipulated in the contract, the supplier I contractor shall pay an equivalent amount to EMD / SD or ah amount equal to the actual loss incurred by the Board whichever is less. The successful bidder / supplier shall furnish an Agreement in a Non-Judicial Stamp Paper of Rs.80/- in this regard.

h)GST @ 18% shall be recovered additionally from the Supplier/ Contractor/Tenderer as per the GST provisions for forfeiture of SD cum Performance Guarantee.”

7. The bank guarantee is sought to be invoked by exercising powers under Clause 13(d) of Section I of the tender document. However, a mere perusal of the records would reveal that the petitioner did not revise any of the quoted terms, but merely requested correction of certain clerical errors prior to the opening and finalization of the tender. The respondents, without considering the said request and without taking note of the fact that the petitioner was the lowest bidder, proceeded to award the contract to another party. In such circumstances, the respondents have not sustained any financial loss. That apart, without issuing any prior intimation or notice to



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the petitioner, the respondents forfeited the EMD amount of the petitioner.

Therefore, the forfeiture of the EMD amount by the respondents is per se illegal and unsustainable in law.

8. In fine, the Writ Petition is allowed as prayed for. No costs.

07.01.2026

(shr)

Index : Yes/No

Speaking Order: Yes/No

Neutral Citation : Yes/No

To

1.The District Collector,
Viluppuram District
Viluppuram

2.T2.The Chief Engineer,
Tamil Nadu Power Distribution Corporation Ltd
Viluppuram

3..The Executive Engineer
Vickravandi
Villupuram District

4.The Assistant Engineer
Vikravandi
Villuppuram District



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P.T. ASHA. J.,

(shr)

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