



W.P.(MD)No.36671 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 09.06.2026

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THE HONOURABLE MR.JUSTICE **HEMANT CHANDANGOUDAR**

W.P.(MD)No.36671 of 2025

and

W.M.P.(MD)Nos.29180 and 29181 of 2025

S.Ramakrishnan

... Petitioner

vs.

1.The Government of Tamil Nadu,
Rep by its Secretary,
Rural Development and Panchayat Raj Department,
Secretariat, Chennai 600 009.

2.The Project Director / Tender Inviting Authority,
Block Development Officer (B.Pt),
Gandarovakkottai Block.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Certiorarified Mandamus, to call for the records of the cancellation order dated 25.11.2025 issued by the 2nd Respondent in Tender ID 2025_RDTN_606645_1, pursuant to Tender Notice Ref. No. A2/2660/2025 dated 12.09.2025 on the file of 2nd Respondent and consequently, to quash the same and further, direct the 2nd Respondent to allot the Tender to the petitioner.



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For Petitioner :Mr.V.Arunagiri
For Respondents :Mr.M.Mahaboob Athiff
Government Advocate

ORDER

The petitioner challenges the order dated 25.11.2025 passed by the second respondent, whereby the tender notification inviting bids for digging bore wells came to be cancelled.

2.The case of the petitioner is that the second respondent had issued a tender notification dated 12.09.2025 inviting bids for the aforesaid work. Pursuant thereto, the petitioner and several others submitted their bids. The petitioner's technical bid was found to be responsive and was accepted. Upon opening the financial bids, the petitioner emerged as the lowest bidder, having quoted a sum of Rs.7,96,590/-.

3.Despite the petitioner being the lowest bidder, the second respondent cancelled the tender process. Aggrieved by the same, the petitioner approached this Court in W.P.(MD) Nos.32434 and 32435 of

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2025. By order dated 14.11.2025, this Court set aside the earlier cancellation order and directed the second respondent to reconsider the matter and pass fresh orders in accordance with law by assigning reasons for cancellation. Pursuant to the said direction, the impugned order dated 25.11.2025 came to be passed.

4.The learned counsel for the petitioner submitted that the petitioner, being the lowest bidder, was entitled to be considered for award of the contract and that the unilateral cancellation of the tender process is contrary to the provisions of the Tamil Nadu Transparency in Tenders Act, 1998 and the Rules framed thereunder. It was therefore contended that the impugned order is arbitrary and liable to be set aside.

5.Per contra, the learned Government Advocate appearing for the respondents submitted that the petitioner had quoted a price which was 25.75% lower than the estimated project cost of Rs.12,00,000/-. According to the respondents, the authority was of the view that the work could not be satisfactorily executed at the quoted rate and, therefore, the tender was cancelled in public interest. It was further submitted that,



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although there is no specific provision in the Act or the Rules dealing with cancellation of a tender before award of contract, the tender inviting authority retains the discretion to cancel the tender process where circumstances so warrant. The learned Government Advocate also submitted that the work of digging bore wells was subsequently entrusted to the department concerned and has since been completed.

6.This Court has considered the rival submissions and perused the materials available on record.

7.It is not in dispute that the petitioner emerged as the lowest bidder. However, the impugned order reveals that the tender was cancelled on the ground that the petitioner's quoted rate was substantially lower, namely 25.75% below the estimated value of the work, and that the authority was not satisfied about the feasibility of executing the project at such a rate.

8.The reason assigned by the second respondent cannot be said to be arbitrary, irrational or actuated by mala fides. While there may not be



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any express provision in the Tamil Nadu Transparency in Tenders Act, 1998 or the Rules framed thereunder governing cancellation of a tender prior to award of contract, there is equally no prohibition against cancellation of a tender process where the competent authority forms a bona fide opinion that acceptance of the bid may not be in public interest.

9.It is well settled that a bidder does not acquire a vested or enforceable right to insist upon award of a contract merely because he is the lowest bidder. The decision whether to proceed with the tender process or to cancel the same rests within the domain of the tender inviting authority, provided such decision is not arbitrary, discriminatory or contrary to law.

10.In the present case, the cancellation is founded on a reason which bears a rational nexus to the execution of the work and the larger public interest. Therefore, no ground is made out for interference under Article 226 of the Constitution of India.

11.Accordingly, the writ petition stands dismissed. However, the



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second respondent is directed to refund the Earnest Money Deposit (EMD) to the petitioner, if the same has not already been refunded.

12. There shall be no order as to costs. Consequently, the connected miscellaneous petitions are closed.

Index : Yes / No
Internet : Yes / No
NCC : Yes / No

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HEMANT CHANDANGOUDAR, J.

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