



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 28-07-2026

CORAM

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THE HON'BLE MR.JUSTICE HEMANT CHANDANGOUDAR

WP Nos. 25316, 25319 and 25335 of 2026

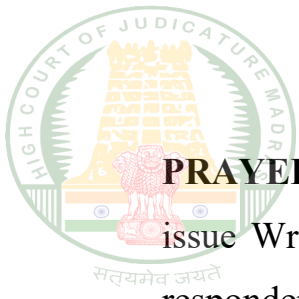
Quality Property Management Service Ltd
NO.86, Sudharshan Building
3rd floor
Chamiers Road,
Nandanam
Chennai-600 018
Rep by its Director-C.Bharat

..Petitioner(s)

Vs

1. The Greater Chennai corporation
Rep by its Commissioner
Ripon building,
EVR Periyar salai Park Town
Chennai-600 003.
2. The Superintending Engineer
Park and Playfield Department
Greater Chennai corporation
Ripon building,
Periyar EVR salai
chennai-600 003
3. The Senior Legal officer
Greater Chennai Corporation
Ripon building
Periyar EVR Salai
Chennai-600 003
4. The Chief Engineer
park and Playfiled Department
Greater chennai corporation
Ripon building,
Periyar EVR salai
Chennai-600 003.

..Respondent(s)



PRAYER : Writ petition filed under Section 227 of the Constitution of India, to issue Writ of Certiorarified Mandamus, calling for the proceedings of the 1st respondent in tender bearing ref.Nos.P.D.C.NO.P2/1579-1/2024, P.D.C.NO.P2/1579-2/2024 and P.D.C.NO.P2/1579-3/2024 dated 25.2.2025 forfeiting the Earnest Money Deposit submitted by the petitioner, quash the same as being arbitrary unlawful, illegal, without basis and being violate of Articles 19(1)(g) and 300-A of the constitution and section 74 of the Contract Act and direct the same to be returned to the petitioner with interest forthwith and pass orders.

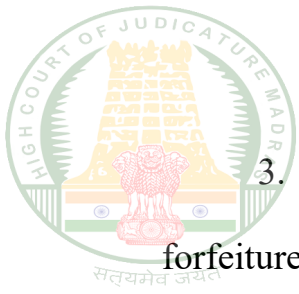
For Petitioner(s): Mr.Madhan Babu

For Respondent(s): Ms.K.Aswini Devi
Standing Counsel for R1 to R4

ORDER

The petitioner has challenged the proceedings of the second respondent dated 25.02.2025, by which the Earnest Money Deposit (EMD) submitted by the petitioner was forfeited.

2. The Greater Chennai Corporation invited e-tenders on 13.12.2024 for the upkeep and maintenance of parks within its limits for a period of three years. The petitioner, a company engaged in facility and property management services, participated in all three tenders. After submitting its bid, the petitioner withdrew it on 03.02.2025. Consequently, its technical bid was rejected and the EMD was forfeited, which is under challenge in this writ petition.

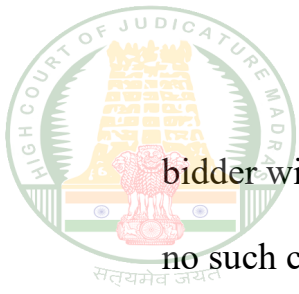


3. The second respondent, in its counter affidavit, contended that the forfeiture was justified since the petitioner withdrew its bid after submission and before the bids were opened on 04.02.2025. It therefore sought dismissal of the writ petition.

4. Heard the learned counsel appearing on both sides and perused the materials placed on record.

5. A reading of the tender conditions shows that the EMD can be forfeited only if the successful bidder fails to execute the contract, fails to honour the acceptance of its bid, or fails to sign the agreement. The tender conditions do not provide for forfeiture of the EMD merely because a bidder withdraws its bid before completion of the tender process. Therefore, the EMD could have been forfeited only in the situations specifically mentioned in Clause 13(e) of the tender document. Since withdrawal of a bid before completion of the tender process is not one of those contingencies, the forfeiture of the petitioner's EMD is without authority and is arbitrary. Further, the Tamil Nadu Transparency in Tenders Act also does not contain any provision permitting forfeiture of the EMD merely because a bidder withdraws its bid before completion of the tender process.

6. It is also brought to the notice of this Court that the earlier tender process was subsequently cancelled and a fresh tender was issued. In the fresh tender, a specific condition was introduced stating that the EMD would be forfeited if a



bidder withdrew its bid during the period of bid validity. This itself indicates that no such condition existed in the earlier tender.

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7. Accordingly, the proceedings of the second respondent in Ref. No. ref.Nos.P.D.C.NO.P2/1579-1/2024,P.D.C.NO.P2/1579-2/2024 and P.D.C.NO.P2/1579-3/2024 dated 25.02.2025 forfeiting the petitioner's EMD are set aside. The second respondent is directed to refund the EMD amount of Rs.54,32,000/- (inclusive of GST) within four weeks from the date of receipt of a web copy of this order. If the amount is not refunded within the said period, it shall carry interest at the rate of 6% per annum from the date of default until payment. The writ petitions are accordingly allowed. There shall be no order as to costs.

28-07-2026

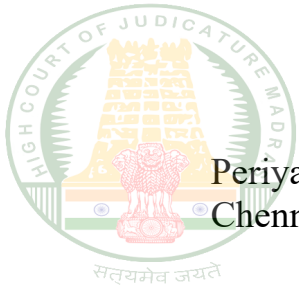
Index : Yes/No

Neutral Citation: Yes/No

VCA

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HEMANT CHANDANGOUDAR, J.

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