IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.09.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE
AND
THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.P.No.36549 of 2026
and W.M.P.No.40951 of 2026

Raj.G
S/o.Govindan,
New No.5, Old No.18,
Subbu Chetty Street, Wall Tax Road,
Park Town, Chennai - 600 003.

Petitioner(s)

Vs

1. The Tamil Nadu Medical Service Corporation Limited
   Rep by its Managing Director,
   No.417, Pantheon Road,
   Egmore, Chennai - 600 008.

2. Joyalukkas India Limited
   Having Head quarters at Joyalukkas India Ltd,
   Fathima Nagar, Mission Quarters, Thrissur,
   Kerala, India - 638 005
   and Regional office at Regional and Corporate
   Coordination office, No 39 North Usman Raod,
   T.Nagar, Chenani - 600 017.

3. Kalyan Jewellers Limited
   TC 32/ 204 / 2 Sitaram Mill Road, Punkunnnam,
   Thrissur, Kerala India - 680 002.

Respondent(s)

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus calling for the records relating to the impugned Award of contract dated 21.08.2026 and the Letter of Acceptance No.E1553/TMTMT/RC/TNMSC/ENGG/2026, dated 21.08.2026-1 issued by the 1st respondent to the 2nd respondent in respect of tender Reference No.E1553/TMTMT/RC/TNMSC/ENGG/2026, dated 13.07.2026, being Tender ID 2026_TNMSC_685559_1 and the 3rd Respondent, for the supply of 4,41,667 one gram gold rings of twenty two carat purity under the Thaimaman Thanga Mothiramthittam scheme, quash the same and consequently direct the 1st Respondent to conduct the procurement afresh in accordance with law and through a procuring entity competent in the subject matter.

For Petitioner(s): Mr.T.Mohan, Senior Counsel
for Mr.P.Suresh Babu

For Respondent(s): Mr.Vijay Narayan
Advocate General
asst by Mr.J.Lenin
Special Govt Pleader for R1

ORDER
(Order of the Court was made by the Hon'ble Chief Justice)

This writ petition has been filed as a public interest litigation by a person, who claims himself as a goldsmith, questioning the Award of Contract dated 21.08.2026 and the consequent Letter of

Acceptance dated 21.08.2026 issued by the Tamil Nadu Medical Services Corporation Limited/first respondent, in favour of Joyalukkas India Limited/second respondent, for the supply of 4,41,667 one-gram gold rings of twenty two carat purity, meant for distribution to newborn children under a welfare scheme of the Government of Tamil Nadu called the "*Thaimaman Thanga Mothiram Thittam*".

2.1. The nub of the matter runs thus: The Health and Family Welfare Department of the Government of Tamil Nadu had entrusted the procurement of these gold rings to the first respondent. Pursuant to that entrustment, the first respondent floated Tender Reference No.E1553/TMTMT/RC/TNMSC/ENGG/2026 dated 13.07.2026, inviting rate contract bids for one year, for a total quantity of 4,41,667 rings.

2.2. Two corrigenda came to be issued before the bids were opened. By the corrigendum dated 08.08.2026, the first respondent revised the format of the price schedule. What had originally been seven separate heads of cost, viz., discount on a benchmark gold rate, making charges, packing charges, insurance charges, transportation charges, other incidental charges, and GST, was collapsed into a single composite figure described as "charges per ring", covering making, BIS hallmarking, packing, insurance, transportation and other incidental charges, exclusive of the price of gold itself, which was thereafter to be paid separately at the prevailing IBJA rate on the date of the purchase order. The same corrigendum revised the qualification criteria, deleted the requirement of sample approval before bulk supply, deleted the Manufacturer's Undertaking Letter, and deleted certain seller-bidder document requirements. By a further corrigendum dated 10.08.2026, the bid security was enhanced from Rs.50,00,000/- to Rs.3,75,00,000/-.

2.3. Eleven bids were received, technically evaluated and financially opened. The rates quoted, expressed as charges per ring exclusive of the price of gold, and the ranking assigned to each, were as follows: Joyalukkas India Limited – Rs.0.01 (L1); GRT Jewellers India Pvt Ltd – Rs.410.97 (L2); Vummidi Bangaru Jewellers (India) Pvt Ltd – Rs.822.97 (L3); Titan Company Limited

– Rs.832.24 (L4); Malabar Gold and Diamonds Limited – Rs.871.38 (L5); Emerald Jewel Industry India Limited – Rs.947.60 (L6); The KTM Jewellery Limited – Rs.964.08 (L7); Mohanlal Jewellers Private Limited – Rs.977.47 (L8); Kalyan Jewellers Limited, the 3rd respondent – Rs.978.50 (L9); Zaveri and Company Private Limited – Rs.1,325.61 (L10); and Saravana Stores (Jewel) Super Limited – Rs.15,356.27 (L11).

2.4. Clause 5.7 of the tender document, which is not under challenge in this petition, prescribes the manner in which the lowest bidder is to be dealt with. Under Clause 5.7(vi), the responsive L1 bidder is to be called for negotiation while the remaining responsive bidders are kept in reserve. Under Clause 5.7(vii), the contract is to be awarded to the responsive L1 bidder at the sole discretion of the Tender Accepting Authority, which also reserves the right to reject or annul the process without assigning reasons. Under Clause 5.7(viii), the purchaser reserves the right to empanel one or more technically qualified bidders at the L1 rate, subject to their willingness, to ensure uninterrupted supply. It is this last clause that was put into operation here. The L1 rate of Rs.0.01 was placed before the remaining ten bidders. Nine of them did not match it. The 3rd respondent alone matched it, bringing down its own quoted rate of Rs.978.50 to Rs.0.01. The Award of Contract dated 21.08.2026 records the total contract value as Rs.0.01, and the Letter of Acceptance was issued to the second respondent alone. The bid of the third respondent is shown in the tender portal as "Rejected-AOC", with the remark "Matched L1".

3.1. Learned Senior Counsel for the petitioner states that petitioner is not against the scheme of the government, as has been admitted in the asseveration in paragraph 3 of his affidavit that he is "*not against the scheme of this government rather only the way in which the scheme is implemented and the mode of procurement*." In fact, the petitioner does not question the validity of the scheme itself, nor does he question any of the conditions contained in the tender document or in either of the two corrigenda. He submits that challenge is confined entirely to the resultant Award of Contract and Letter of Acceptance.

3.2. Learned Senior Counsel submits that Clause 5.8(vi) of the tender requires a bidder to quote for the full scope of work, failing which the bid is to be treated as non-responsive; a quotation of one paisa, he submits, necessarily omits every cost head save that one paisa, and ought to have been rejected at the threshold. He hastened to add that Rule 29-A of the Tamil Nadu Transparency in Tenders Rules, 2000, which deals with the "*treatment of speculative tenders*", empowers the Tender Accepting Authority to reject a bid that is abnormally low in relation to the subject matter of the procurement, but the first respondent never exercised such power.

3.3. Relying on the objects clause of the first respondent's Memorandum of Association, as extracted in an earlier judgment of this Court, learned Senior Counsel for the petitioner contended that first respondent is constituted to deal in medicines, drugs and hospital equipment, and has no vires whatever to procure bullion, gold articles or jewellery of any description.

4.1. Learned Advocate General appearing on behalf of the first respondent, opposed the writ petition on several counts. It was submitted that the petitioner does not challenge the scheme, nor a single condition of the tender, nor the price schedule as revised by corrigendum, nor the qualification criteria, nor Clause 5.7 under which the award came to be made. What is impugned is only the award that followed from those very terms. Since the mechanism that produced the L1 rate, which was tested against ten other qualified bidders and finally accepted, is itself unquestioned by this petition, the plea raised in this writ petition, it was submitted, has no independent leg to stand on.

4.2. Learned Advocate General further submitted that there is an inherent contradiction between the petitioner's case and his prayer. The petitioner's Grounds J and K rest entirely on the submission that the first respondent has no vires under its Memorandum of Association to touch bullion, gold articles or jewellery at all, yet the petitioner, in the prayer clause, seeks this Court to "*consequently direct the 1st Respondent to conduct the procurement afresh… through a procuring entity competent in the* *subject matter*." Learned Advocate General submitted that a party cannot ask the Court, in one breath, to hold that an authority has no power to enter a field, and in the next breath ask the Court to direct that very authority to act within that same field.

5. Heard learned Senior Counsel for the petitioner and learned Advocate General for the first respondent, and perused the affidavit, the impugned Award of Contract, the tender document, the corrigenda, and the bid summaries placed on record.

6. The scope of judicial review available to this Court in matters of this kind is well settled and quite narrow.

7. In an epoch-making judgment in the case of *Tata Cellular v. Union of India*[1], the Supreme Court delineated the scope of judicial review in tender/contract matters as under:

"94. The principles deducible from the above are:

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

1 *(1994) 6 SCC 651*

(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]

8. The Supreme Court in the case of *Michigan Rubber (India) Ltd. v. State of Karnataka*[2]*, held thus:*

"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 the 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***

2(2012) 8 SCC 216

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 the tendering authority is found to be malicious and a misuse of its statutory powers, interference by courts is not warranted****;*

(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 a fundamental right to carry on business with the Government.

24. 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; 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"? and*
>
> *(ii) Whether the public interest is affected?*
>
> *If the answers to the above questions are in the negative, then there should be no interference under Article 226."*
>
> *[emphasis supplied]*

9. Tested against these principles, two features of this case stand out and stare against the petitioner. The first is that the petitioner, admittedly, does not challenge the scheme. The welfare object behind the scheme "*Thaimaman Thanga Mothiram Thittam*", and the decision of the Government to entrust its execution to TNMSC, are left entirely undisturbed.

10. The second is that the petitioner does not challenge a single condition of the tender either. Clause 5.7, under which the L1 rate was tested and accepted, is not under challenge. Clause 5.8, which the petitioner invokes to say the bid ought to have been rejected as non-responsive, is itself not under challenge. The revised qualification criteria, the revised price schedule, the enhanced bid security, the deletion of the sample-approval and Manufacturer's Undertaking requirements are not under challenge. In substance, the petitioner accepts the entire architecture of the tender and objects only to the final award of contract. Once the terms by which L1 was to be identified and accepted are left standing, a court exercising a narrow supervisory jurisdiction cannot readily strike down the outcome those very terms produce.

11. Furthermore, Grounds J and K of the writ affidavit say that the first respondent has no vires under its Memorandum of Association to deal in bullion or gold jewellery. Yet, the prayer clause seeks this Court to "*consequently direct the 1st Respondent to conduct the procurement afresh… through a procuring entity competent in the subject matter*." The Court accepts the submission

of learned Advocate General that this is a real inconsistency. A litigant cannot plead incompetence of an authority, while simultaneously asking the Court to route continuing directions through that same authority.

12. Moreover, the petitioner is not a tenderer and has no personal stake in the award. He has approached the Court as a stranger to the tender, in public interest. None of the ten tenderers who lost out to the second respondent has chosen to question the award. The Court ought to be slow to unsettle a commercial tender at the instance of a person with no direct interest in its outcome, more so when those who have a direct interest have not felt aggrieved enough to come forward.

13. For all these reasons, the Court is unable to accept that the impugned Award of Contract and Letter of Acceptance suffer from the kind of arbitrariness, mala fides, or irrationality that alone would justify interference under Article 226 of the Constitution of India. The scheme stands unchallenged. The tender conditions

stand unchallenged. In these circumstances, no case for interference is made out.

In the result, the writ petition fails and is dismissed. There shall be no order as to costs. Consequently, connected interim application stands closed.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)
10.09.2026

Index : Yes/No
Neutral Citation : Yes/No
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To:
1. The Managing Director,
Tamil Nadu Medical Service Corporation Limited
No.417, Pantheon Road,
Egmore, Chennai - 600 008.

THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

(sasi)

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