

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.09.2019

CORAM

THE HON'BLE MR. JUSTICE P.D. AUDIKESAVALU

W.P. No. 27338 of 2019

and

W.M.P. Nos. 26767 and 26769 of 2019

M/s. Consolidated Construction Consortium Limited,
Rep. by its Managing Director,
Mr. S. Sivaramakrishnan,
No. 5, 2nd Link Street, CIT Colony,
Mylapore,
Chennai - 600 004.

... Petitioner

-vs-

Tamil Nadu Water Supply and Drainage Board (TWAD),
Rep. by its Executive Engineer,
Project Division,
No. 73, PSG Building, 2nd Floor,
Karur Road,
Kangeyam - 638 701.

... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Mandamus, directing the Respondent to consider the Petitioner's representation dated 14.08.2019 and 17.08.2019 and accept the Bank Guarantee for a sum of Rs.93,45,548/-.

For Petitioner : M/s.S. Karthikei Balan

For Respondent : Mr. M. Arockiaraj,
Standing Counsel

ORDER

The Petitioner has furnished a bank guarantee for a sum of Rs.4,55,10,000/- in respect of the contract for the work undertaken to be completed to the Respondent. It is submitted that though the contract has been completed, the Respondent has been insisting for renewal of the entire amount of the bank guarantee for Rs.4,55,10,000/- (expiring on 30.09.2019) and it would suffice to furnish bank guarantee for the sum of Rs.93,45,548/-, which is 5% of the value of the work involved as per the agreed terms of contract.

2. This Court during the earlier hearings had required the parties to sort out the disputes through mutual negotiation, but it is reported today that they could not arrive at an amicable settlement.

3. Learned Standing Counsel appearing for the Respondent, on instructions, submits that there have been defects in the work carried out by the Petitioner, which works out to a sum of Rs.1,13,65,140/- and the if re-tendered, it would work out to a sum of Rs.1,95,63,601/-.

4. Having regard to the aforesaid submissions made, the Petitioner shall furnish four bank guarantees of Rs.50,00,000/- each aggregating to the sum of Rs.2,00,00,000/- in favour of the Respondent which shall be kept in force till 16.12.2020. As and when the defects in the work to the value of Rs.50,00,000/- is rectified satisfactorily at every stage to that extent, the Respondent shall release each bank guarantee.

5. The Writ Petition is disposed on the aforesaid terms. Consequently, the connected Miscellaneous Petitions are closed. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

The Executive Engineer,
Tamil Nadu Water Supply and Drainage Board (TWAD),
Project Division,
No. 73, PSG Building, 2nd Floor,
Karur Road,
Kangeyam - 638 701.

+1 cc to M/s.S.Karthikei Balan, Advocate Sr.No. 83722
+1 cc to M/s.M.Arokiaraja, Advocate Sr.No.83329

AKM/01.10.19/2P-4C /

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