



W.P.(MD)No.28694 of 2024

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **02.12.2024**

CORAM:

THE HONOURABLE **MR.JUSTICE G.K.ILANTHIRAIYAN**

W.P.(MD)No.28694 of 2024

and

W.M.P.(MD)Nos.24328 and 24330 of 2024

M/s. Core4 Engineers Private Limited,  
Represented by its Authorised Signatory,  
Harsha Kumar CD,

... Petitioner

/Vs./

1. Union of India  
Represented by the General Manager,  
Southern Railway, Park Town,  
Chennai - 600 003.
2. The Senior Divisional Electrical  
Engineer, Madurai Division,  
Division Office, Traction Distribution Branch,  
Southern Railway, Madurai - 625 016.

.. Respondents

**PRAYER:** Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, to call for the records relating to the order in No.U/TRD/29/39 dated 24.10.2024 on the file of the Respondents and quash the same and consequently direct the respondents to permit the petitioner to perform and complete the work as per the



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Contract Agreement No. SR/MDU/Elect./2024/0009 dated 22.10.2024  
in respect of LOA dated 18.04.2024.

For Petitioner : Mr.Y.Prakash

For Respondents : Mr.K.Govindarajan

Deputy Solicitor General of India

### **ORDER**

This Writ Petition has been filed challenging the order passed by the second respondent dated 24.10.2024, thereby terminated the contract and also debarred the petitioner's participation in the bid for executing any work being tendered by the respondents for a period of two years.

2. Heard the learned counsel on either side and perused the materials available on record.

3. The petitioner is a registered Contractor and he was awarded series of contract by the respondent, involving periodical maintenance and breakdown attention of overhead equipment assets and ensuring seamless and uninterrupted railway operations in compliance with



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established safety and operational standards. As per the letter of acceptance issued, the tenderer in whose favour, the tender is accepted, is required to execute the Contract agreement within seven days from the date of issuance of notice. As far as the present contract is concerned, the petitioner had issued letter of acceptance on 18.04.2024. However, the petitioner could not be able to commence the operation due to the multiple factors, since it involved out sourcing of periodical maintenance and breakdown attention. Perhaps, the delay in execution of agreement for the period of six months for services. Finally, it was finalized only on 22.10.2024. Therefore, the petitioner could not be able to commence the work. Without considering the same, all of a sudden, contract of the petitioner was terminated and also debarred from participating in any tender issued by the respondents for the period of two years, by the communication dated 24.10.2024.

4. The learned Deputy Solicitor General of India, on instructions, would submit that the petitioner was issued letter of acceptance on 18.04.2024, for the work of outsourcing of periodical maintenance and breakdown attention of overhead equipment assets in Madurai –



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Manamadurai – Virudhunagar section for one year at the total contract value of Rs.67,79,140.19. Thereafter, by the communication dated 18.04.2024, informed the petitioner that the competent authority has accepted the rates offered by the petitioner, with regard to the work. The petitioner was further informed that the entire work shall be completed within 12 months from the date of issuance of letter of acceptance. Even then, the petitioner failed to commence the work, since it is daily maintenance of overhead equipment assets. Thereafter, the respondents also vide its communication dated 20.05.2024, directed the petitioner to submit performance guarantee, failing which, the contract shall be terminated, forfeiting EMD and other dues. Further, by the communication dated 31.05.2024, once again, the petitioner was informed to submit the documents and man power details, without any delay. However, the petitioner failed to submit any performance guarantee as well as the man power details to the respondents. Thereafter, another communication, dated 06.06.2024, by referring the earlier communications and also the letter of acceptance issued in favour of the petitioner, informed that in connection with bad management of outsourcing of periodic maintenance and breakdown attention of



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overhead equipment assets, the petitioner was issued notice in accordance with Clause 7.4 of the General Conditions of Contract, to commence the service / to make good the default, failing which, further action will be taken. Further, the petitioner was also issued seven days notice, by the communication dated 16.07.2024 by informing that if the performance does not improve on expiry of this period, a notice for termination of contract shall be issued and the contract will be carried out independently, without the petitioner's participation. Accordingly, the contract was terminated by an order dated 24.10.2024. However, while terminating the contract, the petitioner was also debarred from participation in the future tender to be floated by the respondents for other works.

5. The learned Deputy Solicitor General of India would submit that debarring the petitioner from participation in any future tender may be remanded to the respondent, for fresh consideration, since the petitioner has not served with any notice before debarring the petitioner from participating in any tender.



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6. Insofar as the termination of contract is concerned, the petitioner is given enough opportunity. Even then, the petitioner failed to complete the condition for letter of acceptance and also contract was rightly terminated. Insofar as debarring the petitioner from participating in the future tender is concerned, the second respondent is directed to serve notice to the petitioner and after giving opportunity to the petitioner herein, pass fresh order in respect of debarring the petitioner from participating in future tender.

7. With the above direction, this Writ Petition is partly allowed.  
No costs. Consequently, connected Miscellaneous Petitions are closed.

**02.12.2024**

Internet : Yes/No  
NCC : Yes / No  
Index : Yes/No  
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TO:-

1. The General Manager,  
Union of India  
Southern Railway, Park Town,  
Chennai - 600 003.



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**G.K.ILANTHIRAIYAN, J.**

LS

2. The Senior Divisional Electrical  
Engineer, Madurai Division,  
Division Office, Traction Distribution Branch,  
Southern Railway, Madurai - 625 016.

Order made in  
**W.P.(MD)No.28694 of 2024**

Dated:  
**02.12.2024**