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WP.No.27022 of 2023

In the High Court of Judicature at Madras

Reserved on 29.7.2025	Delivered on : 31.7.2025
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Coram :

The Honourable Mr.Justice N.ANAND VENKATESH

Writ Petition No.27022 of 2023
& WMP.Nos.26447, 26449 & 26451 of 2023

M/s.Senthil Enterprises, rep.by
its Proprietor R.Senthil Kumar

...Petitioner

Vs

1.Tamil Nadu Minerals Ltd.
(TAMIN), rep.by its
Managing Director, No.31,
Kamarajar Salai, TWAD
House, Chepauk, Chennai-5.

2.The General Manager,
Tamil Nadu Minerals Ltd.
(TAMIN), No.31,
Kamarajar Salai, TWAD
House, Chepauk, Chennai-5.

3.The Deputy Manager,
Production, Tamil Nadu
Minerals Ltd. (TAMIN),
No.31, Kamarajar Salai, TWAD
House, Chepauk, Chennai-5.

4.The Divisional Manager,
Tamil Nadu Minerals Ltd.
(TAMIN), Krishngiri Division,
Krishnagiri District.

...Respondents



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PETITION under Article 226 of The Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus to call for the records of the impugned order passed by the 2nd respondent dated 23.6.2023 in Rc.No.1512/D/2022/1, quash the same and consequently direct the respondents to pay the payment dues for a sum of Rs.1,08,40,884/- to the petitioner for the total labour contract awarded for the production of dimensional granite blocks in Sudanur S.F.1 Black Granite Quarry demarcated portion Pit -B along with interest forthwith.

For Petitioner : Mr.Om Prakash, SC for
Mr.M.R.Jothimanian
For Respondents : Mr.B.Vijay,
Standing Counsel

ORDER

This writ petition has been filed challenging the proceedings of the second respondent dated 23.6.2023 and for a consequential direction to the respondents to pay a sum of Rs.1,08,40,884/- to the petitioner towards total labour contract awarded in favour of the petitioner along with interest.



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2. Heard the learned Senior Counsel appearing on behalf of the petitioner and the learned Standing Counsel appearing for the respondents.

3. The case of the petitioner is as follows :

(i) The petitioner is a contractor registered with the respondent Corporation. On 29.11.2021, the first respondent issued a notice inviting tenders for the total labour contract with mining machineries and fuels from individuals/firm experienced in production of granite blocks. The period of contract was for a period of two years. The petitioner applied for the labour contract in Sl.No.2 and ultimately, the petitioner was declared as the successful bidder. Further, the work order was issued in favour of the petitioner. Pursuant to that, an agreement dated 04.7.2022 was executed between the petitioner and the second respondent. The period of contract was fixed from 04.7.2022 to 03.7.2024.

(ii) The petitioner started the work and it went on till 15.9.2022. However, the amount for the work done by the petitioner was not paid it was pending. While so, on 19.9.2022, the second respondent issued a notice for temporary stoppage of work with effect from 30.9.2022.



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The petitioner continued with the production till 30.9.2022 and in total, they made production of granite blocks to the extent of 378.74 cubic meters and the cost of labour incurred was to the tune of Rs.1,58,90,667/-.

(iii) After the stoppage of work, the first respondent released 50% out of the 75% payment for the unapproved quantity and thereafter paid a sum of Rs.50,49,783/- on various dates. But, the remaining amount is yet to be paid. According to the petitioner, as per the contract, 75% payment must be made at the time of marking, out of which, only 50% of the amount was paid to the petitioner in respect of the unsold quantity of 208.979 cubic meters upto 15.9.2022.

(iv) Though the petitioner was requesting for the remaining amount and also towards the entire quantity of 378.746 cubic meters, it was not considered, but kept pending. Further, the second respondent, through the impugned proceedings dated 23.6.2023, cancelled the contract and did not pay the amount that was due and payable to the petitioner. Under such circumstances, the above writ petition has been filed.



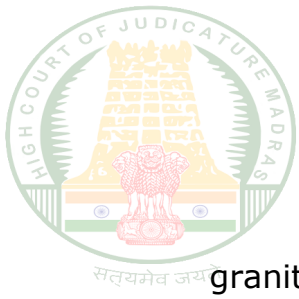
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4. The Assistant General Manager (P&A), Tamil Nadu Minerals Limited filed a counter affidavit on behalf of the respondents wherein they took the following stand :

(i) The petitioner is obligated under the contract to produce the granite blocks as per the specific dimensions and size prescribed under Clause 1 of the contract. They must be saleable dimensional granite blocks. The petitioner is also bound to produce the minimum monthly target consistently from the quarry allotted to them without any default. Right from the beginning, the petitioner failed to achieve the minimum target prescribed under the contract. In addition, the granite blocks produced by the petitioner failed to satisfy the specifications prescribed in Clauses 1 and 7 of the contract.

(ii) As a consequence, the granite blocks did not have any purchasers/buyers on account of the uneven shape and dimension. The respondent Corporation suspended the operation of the petitioner by issuing the notice dated 19.9.2022 under Clause 7(28) of the contract. The petitioner was also called upon to suspend the operation of the quarry work forthwith. The respondent Corporation decided to make 50% of the payment to the contractor in respect of the production of 208.97 cubic meters on various dates. Even though the



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granite blocks produced by the petitioner did not satisfy the requirements under the contract, a lenient view was taken and the payments were made to the petitioner.

(iii) The claim made by the petitioner for the unapproved granite blocks to the extent of 378.746 cubic meters is unsustainable since the petitioner breached the obligations under the contract. That is the reason as to why the contract itself was cancelled. There was breach of conditions of the contract on the part of the petitioner. That apart, the respondents are seriously disputing the amount due and payable to the petitioner. Ultimately, they sought for dismissal of the writ petition.

5. The main grounds raised by the learned Senior Counsel appearing on behalf of the petitioner are as follows :

Clause 8(ii) of the contract deals with the right of the respondent Corporation to cancel the contract. Such cancellation of contract can be done only if the respondent Corporation is not satisfied with the performance during the contract period. Even as per the impugned proceedings of the second respondent, through which, the contract was cancelled, what was stated was that the granite blocks produced were having defects like predominant uneven white specks spread



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over the entire dyke, which were inherent defects. However, nowhere in the impugned order, the second respondent pointed out anything regarding the non satisfactory performance on the part of the petitioner during the contract period. Since the contract period itself came to an end, at least the respondents must settle the entire amount due and payable to the petitioner.

6. Per contra, the learned Standing Counsel appearing for the respondents submitted that the contract was cancelled due to breach of the terms and conditions of the contract, that in addition, there has been a dispute with regard to the amount claimed by the petitioner and that therefore, the petitioner has to approach the competent civil court and work out their remedy.

7. This Court has carefully considered the submissions of the learned counsel on either side and perused the materials available on record and more particularly the impugned order.

8. In matters relating to contract, a Writ Court must be slow to interfere with the dispute arising out of the contract unless it involves



undisputed facts supported by relevant materials.

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9. In the case in hand, the parties are governed by an agreement dated 04.7.2022. As per Clause 1 of the agreement, the petitioner is expected to produce saleable dimensional granite blocks as follows :

<i>Size</i>	<i>Rate fixed per M3 excluding GST @ 18%</i>
<u><i>Category-I</i></u> <i>280 X 180 cm & up</i>	<i>Rs.37,910/-</i>
<u><i>Category-II</i></u> <i>1.500 M3 & up but below 280 X 180 cm</i>	<i>Rs.35,500/-</i>
<u><i>Category-III</i></u> <i>(a) 1.000 M3 to 1.499 M3</i> <i>(b) 0.500 M3 to 0.999 M3</i> <i>(c) 0.250 to 0.499 M3</i>	<i>Rs.28,000/-</i> <i>Rs.28,000/-</i> <i>Rs.18,000/-</i>
<u><i>Category IV</i></u> <i>Monuments below 0.250 M3</i>	<i>Rs.16,000/-</i>

10. The complaint against the petitioner is that they did not fulfil the requirements and as a result, there was a fall in the number of buyers and also stagnation of the granite blocks produced. Initially, the notice dated 19.9.2022 for stoppage of work was issued and ultimately, by the impugned order issued by the second respondent, the contract itself was cancelled in line with Clause 8 of the

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agreement, which states that where the Corporation is not satisfied with the performance during the contract period, it can result in withdrawal/cancellation of the contract.

11. As per the impugned proceedings of the second respondent, there were defects in the dimension of the granite blocks produced. It has not been explained as to what were the defects that were found except stating that there were uneven white specks spread over the entire dyke, which were inherent defects noticed in the raw blocks as well as the finished granite blocks and this had resulted in lack of demand for the product and led to stock accumulation. The reason assigned in the impugned order is not happily worded. However, it conveys the meaning that the granite blocks produced by the petitioner did not meet the specifications and that therefore, there was a lack of demand leading to stock accumulation. This is a sufficient ground for cancelling the contract. How far the second respondent is justified in cancelling the contract is not a matter that can be gone into by the Writ Court. It requires appreciation of facts and this exercise can be done only by the competent civil court.



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12. The next issue pertains to the amount due and payable to the petitioner. The respondents are seriously disputing the amount claimed by the petitioner. Hence, once again, there is a disputed question of fact on the amount payable to the petitioner. This issue can also be resolved by the civil court.

13. In the light of the above discussions, this Court holds that the dispute between the parties, which is arising out of the contract, involves disputed questions of fact, which can be resolved only by the competent civil court. This Court is not inclined to exercise its discretion under Article 226 of The Constitution of India. But, liberty is granted to the petitioner to work out their remedy before the competent civil court.

14. Accordingly, the writ petition stands dismissed. No costs. Consequently, the connected WMPs are also dismissed.

31.7.2025

To
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(TAMIN), rep.by its

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RS



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N.ANAND VENKATESH,J

RS

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