



W.P(MD)No.3499 of 2023

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 31.01.2025

CORAM

THE HONOURABLE MR.JUSTICE G.K.ILANTHIRAIYAN

W.P(MD)No.3499 of 2023

M.Ganesan

... Petitioner

Vs

1.The Chairman,
Railway Board,
Room No.256A, Rail Bhavan,
Raisana Road,
New Delhi – 110 001.

2.The General Manager,
Southern Railways,
General Branch, 1st Floor,
NGO Main Building,
Park Town,
Chennai – 600 003.

3.The Divisional Commercial Manager,
Southern Railway,
Madurai Division,
Madurai – 625 016.

... Respondents

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Mandamus, directing the third respondent to cancel the contract entered between the petitioner by refunding the security amount of Rs.43,000/- + Rs.2,16,999/- fees amount towards the petitioner as per (17.2) Exit clause of standard conditions of contract on the basis of the petitioner's representation dated 13.12.2022 within a stipulated time fixed by this Court.



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For Petitioner : M/s.Kalaiyarasi Bharathi

For Respondents : Mr.K.R.Laxman
Central Government Senior Panel Counsel

ORDER

This Writ Petition has been filed by the petitioner for a direction directing the third respondent to cancel the contract entered between the petitioner by refunding the security amount of Rs.43,000/- + Rs.2,16,999/- fees amount towards the petitioner as per (17.2) Exit clause of standard conditions of contract.

2.The petitioner was awarded the contract for collecting parking fees in the parking area of the third respondent for three years period from 09.11.2022 to 08.11.2025. After awarding the said contract, the petitioner paid a sum of Rs.43,000/- towards the security deposit and a sum of Rs.2,16,999/- as fee amount. However, there were no car parking premises and only in the vacant site that too without fencing handed over to the petitioner for parking purposes. Therefore, no one was interested in parking their vehicles in the parking area which was permitted to collect parking fees by the petitioner. The petitioner left the car parking area and closed down the business with zero income. Therefore, the



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petitioner reported before the third respondent and asked for a refund of the security deposit and fees.

3.The learned counsel appearing for the respondents would submit that as per Clause 17.1 of the standard conditions of the contract, if the petitioner quit the contract less than six months, the refund of security deposit cannot be considered.

4.Admittedly, the petitioner could not be able to run the business since no one was interested in parking their car in the area and submitted a representation within a period of six months from the date of award of the contract. It is relevant to extract clause 17.1 of the standard conditions of the contract hereunder:

17.1.Exit clause – by the contractor: If it is not feasible for the contractor to continue the contract due to any reason, the contractor can terminate the contract by giving 30 days' notice to the Railway Administration 'subject to completion of six months contractual period.' The complete Security Deposit will be refunded in such cases. This provision shall not be applicable on the contracts of less than six months duration. In case



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the lease holder surrenders his contract before completion of six months or complete duration of the contract, whichever is less, the Security Deposit shall be forfeited. Further, if the contractor fails to adhere to the 30 days' notice period, the Security Deposit shall be forfeited."

5.It was duly agreed by the petitioner and paid the security amount and fee amount. The Eist clause 17.1 of the standard conditions of the contract was invoked by the petitioner within a period of six months of the work award and as such, the request made by the petitioner cannot be considered. Hence, this Writ Petition itself is devoid of merits and the same is liable to be dismissed. Accordingly, this Writ Petition is dismissed. There shall be no order as to costs.

31.01.2025

NCC : Yes / No
Index : Yes / No
Internet : Yes
ps



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To

WEB COPY

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G.K.ILANTHIRAIYAN, J.

ps

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