



**W.P.(MD) No.5739 of 2025**

**WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT**

**DATED : 05.03.2025**

**CORAM:**

**THE HONOURABLE MR.JUSTICE V.LAKSHMINARAYANAN**

**W.P.(MD) No.5739 of 2025**

Vasantham Agencies,  
Rep by its Proprietor,  
N.Monikandan.

...

Petitioner

Vs

1 The General Manager,  
Southern Railway,  
NGO Annexe,  
George Town,  
Chennai-600 003.

2 The Divisional Railway Manager, (Mechanical),  
Southern Railway,  
Palakkad -678 002.

3 The Senior Divisional Mechanical Engineer,  
Southern Railway,  
Palakkad -678 002.

...

Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, praying for issuance of a writ of mandamus, directing the respondents to refund the security deposits of Rs.6,01,096/- deducted towards the Contract



**W.P.(MD) No.5739 of 2025**

WEB COPY

Agreement vide No.J/M 271/VII/MAQ/TRA/15-17, dated 15.10.2015, and Rs. 7,82,386/- deducted towards the Contract Agreement vide No.J/M 271/VII/PM Clg/MAQ/2016-17, dated 20.03.2017, and also to release the Bank guarantee of Rs.4,77,146.25/- furnished towards the Contract Agreement vide No.J/M 271/VII/PM Clg/MAQ/2016-17, dated 20.03.2017.

For Petitioner : Mr.C.T.Perumal

For Respondents : Mr.K.Govindarajan,  
Deputy Solicitor General of India.

### **ORDER**

The petitioner seeks a writ of mandamus to direct the respondents to refund the security deposits of Rs.6,01,096/-, Rs.7,82,386/-, and also to release the Bank guarantee of Rs.4,77,146.25/-, furnished by the petitioner to the respondents.

2. The case of the petitioner is that he had been awarded with contracts by the Divisional Railway Manager (Mechanical), Palakkad, on 15.10.2015 and 20.03.2017. The first contract was for cleaning of coaches of platform turn round trains, pit/track/platform cleaning and garbage removal at Mangalore Central Coaching Depot. The contract was for a period of two years, the value of the contract being Rs.1,36,39,320/-. On the basis of the



**W.P.(MD) No.5739 of 2025**

WEB COPY

value of the contract, the petitioner had remitted a sum of Rs.6,81,966/-, as security deposit. Similarly, the contract, dated 20.03.2017, was given for cleaning and washing different types of coaches during primary maintenance, garbage cleaning and pit cleaning at Mangalore Central Coaching Depot. On the basis of the said contract, the petitioner had remitted a sum of Rs. 7,82,386/-, as security deposit. The petitioner had also given a performance bank guarantee for Rs.4,77,146.25/-.

3. The petitioner pleads that though he had successfully completed the works allotted to him, despite his demands, the security deposit and the bank guarantee were not released. Hence, he made a representation on 18.07.2024 and has followed it up with the present Writ Petition.

4. When the Writ Petition came up for admission, Mr.K.Govindarajan, learned Deputy Solicitor General of India, appearing for the respondents, had obtained written instructions and produced the same before this Court.

5. The written instructions state that the Regional Provident Fund Commissioner had passed an order against the petitioner, stating that he was liable to pay Provident Fund dues of Rs.65,96,823/-. The Commissioner had sent a letter, seeking compliance from the respondents, in his proceedings, MN/RO/1647129/Compliance-I/50103/385/2024-25, dated 01.08.2024.



**W.P.(MD) No.5739 of 2025**

WEB COPY

Hence, Mr.Govindarajan states that as there was a demand from the Regional Provident Fund Commissioner to withhold the detained amounts, the second respondent was not in a position to release the security deposits.

6. Mr.C.T.Perumal invites my attention to an order passed by this Court in W.P.(MD) No.8114 of 2024, dated 28.03.2024, and urges that the proceedings of the Regional Provident Fund Commissioner, Mangalore, have been kept in abeyance by this Court in the aforesaid order. Therefore, he states that there is no bar for release of the amounts.

7. In response, Mr.Govindarajan states that as the principal employer, if the proceedings initiated by the writ petitioner fail, then, the Railways would be answerable to Employees Provident Fund Organisation and hence, the amounts have not been released.

8. I have carefully considered the submissions of both sides and gone through the records.

9. A perusal of the order passed by this Court, dated 28.03.2024, shows that the Regional Provident Fund Commissioner, Mangalore, had passed the order, dated 06.03.2024. The order of stay granted by this Court in W.M.P.(MD) No.7341 of 2024 in W.P.(MD) No.8114 of 2024, only restrains the third and fourth respondents from enforcing the orders, crystallising the provident fund dues. Unless and until the Writ Petition is allowed quashing



**W.P.(MD) No.5739 of 2025**

WEB COPY

the demand made by the Provident Fund Commissioner, the liability continues to loom large. To make it abundantly clear, it is only enforcement of the dues; which have been prevented by the interim order granted by this Court. As long as demand exists, there cannot be a direction to the Railways to release the amounts. The Railways, as the principal employer, can be called upon by the Provident Fund Commissioner to make good the loss on behalf of the writ petitioner. Hence, I am not inclined to entertain the Writ Petition.

10. Needles to add, in case the proceedings of the Regional Provident Fund Commissioner are quashed and the matter attains finality, the petitioner is entitled to renew his request for release of the security amounts as well as the bank guarantee.

11. With the above observations, this Writ Petition is dismissed.

No costs.

**05.03.2025**

NCC : Yes / No

Index : Yes / No

Internet : Yes / No

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**W.P.(MD) No.5739 of 2025**

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***W.P.(MD) No.5739 of 2025***

**V.LAKSHMINARAYANAN, J.**

dixit

**W.P.(MD) No.5739 of 2025**

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