



W.P(MD)No.20400 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 07.11.2025

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THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

W.P(MD)No.20400 of 2025

and

W.M.P.(MD)No.24645 of 2025

Sai Hridham Infra Private Ltd.,
No.208/6, Muthudaiyanpatti,
Kulathur Taluk,
Pudukkottai – 622501,
Rep by its Managing Director,
V.Palanisamy.

... Petitioner

Vs.

1.The Chief Engineer (South),
Southern Railway,
Office of the Administrative,
Construction Branch,
Egmore, Chennai - 600008.

2.The Deputy Chief Engineer,
Southern Railway,
Gauge Conversion – 1,
Tiruchirappalli.

... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, directing the Respondents herein to settle the pending amount of Rs.4,30,68,061/- and



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Security Deposit (bank Guarantee) Rs.1,21,08,100/- with an interest of 8 percent till the payment of money and within the time frame fixed by this Court.

For Petitioner : Mr.M.Vijayanand

For Respondents : Mr.A.Srinivasan

ORDER

Heard both sides.

2.The writ petitioner is a railway contractor. He was entrusted with the following contract:-

“Proposed GC between TTP-AGX station – proposed earthwork in formation in widening or regarding of existing bank, mechanical compaction, blanketing the tope of formation between CH:24000 to CH:37500 (excluding yards), construction of RCC Retaining walls and C side drains with cover slabs etc.”

3.The case of the writ petitioner is that the work was completed way back in October, 2022. But the respondents have not settled the



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final bill nor released the bank guarantee. Hence, this writ petition has been filed.

4.The stand of the respondents is that though the writ petitioner completed the entire reach length of 13.5 kilo meters, damage was noticed in the final stretch of one kilometer even before the expiry of the maintenance period. The learned standing counsel draws my attention to the communication dated 06.12.2022 which reads as follows:-

“During the inspection of CRS, it was noticed that there is a lot of rain cuts in formation between KM.24/000 and KM.37/100. These rain cuts needs to be attended urgently. Even after the repeated instructions at field level, you are not attended the rain cuts since 45 days.

Hence, you are hereby advised to rectify the formation as per the required profile and also attend the rain cuts.”

5.The stand taken by the respondents is strongly contested by the learned counsel for the writ petitioner.

6.This is a factual dispute and it cannot be gone into in writ proceedings. The petitioner has an arbitral remedy. The issue as to



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whether the petitioner successfully completed the work without giving any room for complaint or whether the petitioner was under liability is a matter that can very well be resolved in arbitral proceeding.

7.I called upon the respondents to undertake a spot visit and give a tentative estimate to repair the damage noticed originally. The learned standing counsel on instructions submitted that it may cost about Rs.1.37 Crores. Admittedly, the respondents are in possession of following:-

- (i) Cash security to the tune of Rs.1.30 Crores.
- (ii) EMD to the tune of Rs.12 Lakhs
- (iii) Bank guarantee to the tune of Rs.1.21 Crores.

8.The respondents can as well retain a sum of Rs.1.37 Crores and return the balance amount and also release the bank guarantee. This alone would be fair and in the interest of justice.

9.Whether the writ petitioner is entitled to Rs.4,30,68,061/- as claimed in the writ petition or whether he is entitled to refund of



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Rs.1.37 Crores alone is a matter that can be decided only in the arbitral proceedings. This writ petition is partly allowed in the following terms:-

- (a) The respondents are entitled to retain a sum of Rs.1.37 Crores.
- (b) They shall forthwith pay the balance amount of Rs.5 Lakhs of EMD.
- (c) The bank guarantee furnished by the writ petitioner to tune of Rs.1,21,08,100/- (petition mentioned bank guarantee) shall stand released.
- (d) Mr.Justice G.Ilangovan, retired Judge of this Court, residing at No.48, I Dream, Meenakshi Avenue, Near Amaran Hotel Back Side, Pandikovil Road, Uthangudi, Othakadai Post, Madurai - 625 107 as the Arbitrator. The Arbitrator is requested to enter upon reference and adjudicate the dispute in accordance with law. It will be open to the Arbitrator to fix fees and expenses in relation to the arbitral proceedings. The arbitration shall take place at Trichy. The Arbitrator is requested to complete the arbitral proceeding within a period of three months from the date of receipt of a copy of this order.



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No costs. Consequently, connected miscellaneous petition is closed.

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NCC : Yes/No
Index : Yes / No
Internet : Yes/ No
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Issue order copy on 12.11.2025.



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G.R.SWAMINATHAN, J.

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