WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 28-10-2026

CORAM

THE HON'BLE MR.JUSTICE HEMANT CHANDANGOUDAR

CS No. 11 of 2020

CNR: {HCMA011985412019}

M.Parthasarathy
No.19, TK Mudaly Street,
Choolai, Chennai-112

..Plaintiff(s)

Vs

1. The Managing Director
   Chennai Metropolitan Water Supply and
   Sewerage Board, No.1, Pumping Station Rd.
   Chintadripet, Ch-2
2. The Superintendent Engineer
   Contracts and Monitoring, Chennai
   Metropolitan Water Supply and Sewerage
   Board, No.1, Pumping Station Rd. Chintadripet,
   Ch-2

..Defendant(s)

(a) To directing the defendants to pay a sum of Rs.1,67,90,833/- together with future interest at the rate of 24% per annum on the principal outstanding sum of Rs.1,00,58,217/- payable from the date of plaint till the date of realization

(b) To pay the costs of the suit.

https://www.mhc.tn.gov.in/judis

WEB COPY

For Plaintiff: Mr. S.Sathish Rajan

For Defendants: Mr. Goutam S.Raman, Standing Counsel

JUDGMENT

The present suit has been filed seeking a decree directing the defendants to pay a sum of Rs.1,67,90,833/- together with future interest at the rate of 24% per annum on the principal outstanding amount of Rs.1,00,58,217/- from the date of plaint till the date of realisation.

2. The plaint averments, in brief, are as follows:

2.1. The plaintiff is a civil contractor and is eligible to participate in the tender process floated by the defendants. The defendants issued two tender notifications inviting bids from eligible contractors for outsourcing the operation and maintenance of sewage pumping stations in Area-6 for a period of three years under Package No.12 and in Area-4 for a period of three years under Package No.7.

2.2. Pursuant to the said notifications, the plaintiff participated in the tender process and emerged as the successful bidder for both packages. The defendants issued letters of acceptance dated 24.02.2016 and 03.03.2016, marked as Exs.P2 and P3 respectively. The plaintiff was directed to furnish security deposits of

https://www.mhc.tn.gov.in/judis

WEB COPY

Rs.3,67,400/- and Rs.6,01,300/- respectively and to contact the Superintending Engineer for commencement of the work. The contracts were for a period of three years from the respective dates of commencement as per the schedule.

2.3. Pursuant to the letters of acceptance, the plaintiff claims to have commenced the maintenance work of the sewage pumping stations on 01.03.2016 and 03.03.2016 respectively and continued the work till the contracts were terminated by the defendants on 27.01.2017. The plaintiff claims that, despite several representations seeking payment for the work carried out during the said period, the defendants failed to release the amounts due. Hence, the present suit.

3. The defendants filed their written statements. While admitting the issuance of the tender notifications and the letters of acceptance, they denied that the plaintiff had actually carried out the maintenance work pursuant to the letters of acceptance.

4. The defendants further contended that no contract had been executed in favour of the plaintiff and that the plaintiff had not independently participated in the tender process. According to them, one of the engineers of the defendants' Board had obtained the contract in the name of the plaintiff.

https://www.mhc.tn.gov.in/judis

WEB COPY

5. On the basis of the pleadings, this Court framed the following issues:

(i) Whether the work carried out by the plaintiff was in accordance with the work orders dated 22.04.2016 and 03.03.2016?

(ii) Whether the plaintiff is entitled to recover a sum of Rs.1,67,95,847/- with interest at the rate of 24% per annum on the principal amount from the defendants towards the work allegedly carried out?

(iii) Whether the defendants awarded the contract in favour of the plaintiff for outsourcing the operation and maintenance of sewage pumping stations in Areas IV and VI for three years under Package Nos.7 and 12 respectively?

(iv) Whether the plaintiff commenced the work pursuant to the work orders dated 22.04.2016 and 03.03.2016 in respect of Package Nos.7 and 12 respectively?

(v) Whether the defendants, having extracted the work from the plaintiff pursuant to the work orders till the date of termination, are entitled to retain the amounts of Rs.55,46,367/- towards Package No.7 and Rs.45,11,850/- towards Package No.12, totalling Rs.1,00,58,217/-, for the period from 01.03.2016 to 27.01.2017?

https://www.mhc.tn.gov.in/judis

WEB COPY

(vi) Whether the termination of the contract on the basis of a complaint, without affording an opportunity to the plaintiff, is valid?

6. The plaintiff examined himself as PW1 and reiterated the averments made in the plaint. He also marked documents Exs.P1 to P18.

7. The defendants examined DW2. However, no documents were marked on their behalf.

8. The learned counsel for the plaintiff submitted that the letters of acceptance and the subsequent representations made by the plaintiff seeking payment for the operation and maintenance of the sewage pumping stations clearly establish his entitlement to the amount claimed.

9. It was further contended that the defendants having issued the letters of acceptance and received the security deposits from the plaintiff, it must be presumed that the plaintiff had commenced and carried out the work entrusted to him. Therefore, the plaintiff is entitled to the amounts claimed in the suit.

10. Per contra, the learned counsel for the defendants submitted that, though letters of acceptance were issued in favour of the plaintiff, no contract was ultimately executed. It was further contended that the plaintiff had not produced any documentary evidence to establish that he had actually carried out the work during the relevant period or that the amounts claimed were due and payable.

https://www.mhc.tn.gov.in/judis

WEB COPY

11. The learned counsel for the defendants further submitted that the contract was terminated on account of the plaintiff's failure to furnish proof of identity and other relevant documents. Since the order of termination has not been challenged, the present suit, in its present form, is not maintainable.

12. This Court has carefully considered the pleadings, oral and documentary evidence and the submissions made by the learned counsel on either side.

13. Ex.P1 is the tender notification issued by the defendants and published in the local daily newspaper. The issuance of the said notification is not disputed by the defendants.

14. Ex.P2 is the letter of acceptance dated 24.02.2016 and Ex.P3 is the letter of acceptance dated 03.03.2016. A perusal of these documents establishes that the plaintiff was declared the successful bidder and that the work relating to the maintenance of sewage pumping stations under the respective packages was awarded to him, subject to the terms and conditions of the tender documents.

15. It is also not in dispute that the plaintiff furnished security deposits of Rs.3,67,400/- and Rs.6,01,300/- respectively pursuant to the letters of acceptance. The defendants have not disputed the receipt of these amounts.

16. Thus, the documentary evidence establishes that the letters of acceptance were issued in favour of the plaintiff and that the security deposits were received from him. However, the question as to whether the plaintiff actually

https://www.mhc.tn.gov.in/judis

WEB COPY

commenced and carried out the work and, if so, the amount payable for such work has to be independently examined on the basis of the evidence available on record.

17. Ex.P4 is the show cause notice dated 28.10.2016 issued by the first defendant calling upon the plaintiff to explain why the contracts should not be terminated on the ground that they had been obtained fraudulently.

18. Ex.P5 is the reply dated 14.11.2016 submitted by the plaintiff, denying the allegations of having obtained the contracts fraudulently.

19. After considering the reply submitted by the plaintiff, the defendants terminated the contracts by letter dated 21.01.2017, which has been marked as Ex.P6.

20. To substantiate his claim for payment, the plaintiff has produced the representations submitted to the defendants, which have been marked as Ex.P7 series.

21. It is an admitted fact that the termination of the contracts has not been challenged by the plaintiff. The plaintiff has not sought any relief questioning the termination. His claim in the present suit is confined to the amounts allegedly due towards the work carried out from the respective dates of commencement till the date of termination.

https://www.mhc.tn.gov.in/judis

WEB COPY

22. A perusal of Ex.P7 series shows that the plaintiff has consistently asserted that, pursuant to the work orders dated 03.03.2016 and 24.02.2016, he furnished the security deposits and commenced the maintenance work in five sewage pumping stations. He has further claimed that the work continued till the termination of the contracts and that the defendants are liable to pay the amounts due for the said period.

23. However, these representations, by themselves, only establish that the plaintiff made claims for payment before the defendants. They do not independently establish that the work was actually carried out or that the amounts claimed were due and payable.

24. The answers given by PW1 during his cross-examination are relevant to determine whether the plaintiff has established his monetary claim.

25. The plaintiff was questioned as to how he arrived at the amounts of Rs.55,46,367/- under Package No.7 and Rs.45,11,850/- under Package No.12. He was also asked whether any documents were available to substantiate the amounts claimed. The plaintiff answered in the affirmative.

26. However, when a specific suggestion was made that, apart from the answer given to Question No.10, there was no other document to support his monetary claim; the plaintiff admitted the same, stating that the other documents were available with the department.

https://www.mhc.tn.gov.in/judis

WEB COPY

27. The plaintiff further admitted that he had not raised any invoices or bills with the defendants for the period from 2016 till 20.07.2017.

28. When questioned about the number of employees engaged for carrying out the work, the plaintiff stated that approximately 50 workers were employed. However, he admitted that he had no documents to establish the payments allegedly made to those workers.

29. He was also questioned as to whether payments had been made to the employees during the relevant period of ten months. He stated that payments had been made to some employees but not to others.

30. The above answers assume significance, particularly because the plaintiff's claim is based on the assertion that he had continuously carried out the maintenance work and incurred expenditure towards the same.

31. Ex.P9 is the notice dated 15.10.2019 issued by the plaintiff calling upon the defendants to pay the amounts allegedly due. Exs.P10 and P11 are the acknowledgements evidencing service of the said notice.

32. Exs.P12 to P16 are photocopies of identity cards. Ex.P17 is the solvency certificate. These documents do not establish the actual performance of the maintenance work or the expenditure allegedly incurred by the plaintiff.

https://www.mhc.tn.gov.in/judis

WEB COPY

33. Ex.P18 is the letter dated 13.12.2024 issued by the defendants, wherein it is stated that the plaintiff's request for refund of the security deposits would be considered after the disposal of the present suit.

34. The central question that arises for consideration is whether the plaintiff has established, by acceptable evidence, that he actually carried out the maintenance work during the period for which payment is claimed and that the defendants are liable to pay the amounts quantified in the suit.

35. The issuance of letters of acceptance and the receipt of security deposits establish the award of the contracts in favour of the plaintiff. However, these circumstances, by themselves, cannot lead to a conclusion that the plaintiff actually performed the work throughout the period claimed or that the entire amount demanded by him became payable.

36. Once the defendants disputed the actual performance of the work and the quantum claimed, the burden was on the plaintiff to establish the same by producing relevant evidence. Such evidence could have been in the form of work records, attendance registers, wage payment details, bills, invoices, measurement records or other documents evidencing the maintenance work carried out at the respective sewage pumping stations.

37. In the present case, the plaintiff has not produced any such documentary evidence. No bills or invoices were raised by him for the work allegedly carried

https://www.mhc.tn.gov.in/judis

WEB COPY

out. There is also no documentary evidence to establish the engagement of 50 workers or the payments allegedly made to them.

38. The representations marked as Ex.P7 series merely contain the plaintiff's assertions regarding the work allegedly carried out and the amounts claimed. In the absence of supporting records, these representations cannot, by themselves, be treated as proof of actual performance of the work or the quantum payable. Further, the plaintiff's own admissions during cross-examination that he had not raised invoices and that he had no documents to establish the payments made to the workers does not substantiate his case.

39. It is true that the defendants issued letters of acceptance and received the security deposits from the plaintiff. However, the plaintiff is required to establish not merely the award of the contracts but also the actual performance of the work for which payment is sought. The plaintiff has failed to discharge this burden. In the absence of reliable evidence establishing the work carried out and the amounts due, this Court cannot grant a decree merely on the basis of the letters of acceptance and the representations submitted by the plaintiff. Consequently, the claim for interest at the rate of 24% per annum also cannot be sustained.

40. Insofar as the termination of the contracts is concerned, Ex.P4 show cause notice establishes that the plaintiff was called upon to explain the

https://www.mhc.tn.gov.in/judis

WEB COPY

allegations levelled against him. The plaintiff submitted his reply under Ex.P5, following which the defendants issued the termination order under Ex.P6.

41. Admittedly, the termination has not been challenged in the present suit. Therefore, this Court is not required to examine the validity of the termination in these proceedings. The plaintiff's claim for payment is being considered independently on the basis of the evidence produced to establish the work allegedly carried out before the termination.

42. In view of the foregoing discussion, this Court holds as follows:

(i) Issues Nos.1, 2 and 4 are answered in the negative, as the plaintiff has failed to establish the actual performance of the work and his entitlement to the amounts claimed.

(ii) Issue No.3 is answered in the affirmative, holding that the letters of acceptance were issued in favour of the plaintiff and the contracts were awarded under Package Nos.7 and 12.

(iii) Issue No.5 is answered in favour of the defendants, as the plaintiff has failed to establish that the defendants had extracted the work from him during the entire period claimed or that the amounts specified therein are due and payable.

https://www.mhc.tn.gov.in/judis

WEB COPY

(iv) In view of the fact that the termination of the contracts has not been challenged, Issue No.6 does not arise for consideration.

Result:

43. In view of the above findings, the plaintiff has failed to establish his entitlement to the amounts claimed in the suit. Accordingly, the suit is dismissed. There shall be no order as to costs.

44. Before parting with the matter, it is necessary to observe that this Court has not expressed any opinion regarding the identity of the plaintiff or the allegations made by the defendants in that regard.

45. However, the defendants admittedly received security deposits of Rs.3,67,400/- and Rs.6,01,300/- from the plaintiff. Ex.P18 also indicates that the defendants have agreed to consider the request for refund of the security deposits after disposal of the present suit. Since the contracts were terminated and the defendants have not forfeited the security deposits, they are under an obligation to refund the same to the plaintiff.

46. Accordingly, the defendants are directed to refund the security deposits to the plaintiff within a period of three months from the date of receipt of a copy of this judgment. The plaintiff shall not be entitled to any interest on the said amounts.

https://www.mhc.tn.gov.in/judis

WEB COPY

47. This direction is issued having regard to the peculiar facts and circumstances of the case, particularly the fact that, though the contracts were terminated, the defendants have not forfeited the security deposits furnished by the plaintiff.

28-10-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

ak

https://www.mhc.tn.gov.in/judis

WEB COPY

To

1. The Managing Director
   Chennai Metropolitan Water Supply and
   Sewerage Board, No.1, Pumping Station Rd.
   Chintadripet, Ch-2

2. The Superintendent Engineer
   Contracts and Monitoring, Chennai
   Metropolitan Water Supply and Sewerage
   Board, No.1, Pumping Station Rd. Chintadripet,
   Ch-2

https://www.mhc.tn.gov.in/judis

WEB COPY

HEMANT CHANDANGOUDAR, J.

ak

CS No. 11 of 2020

28-10-2026

https://www.mhc.tn.gov.in/judis