



W.P(MD)No.19886 of 2017

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 30.06.2026

CORAM:

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.19886 of 2017

and

W.M.P.(MD).No.16157 of 2017

Aqua Designs India Private Limited,
Represented through its
Authorized Signatory,
P.Kamal Hasan

... Petitioner(s)

vs.

1.The District Collector,
Collectorate,
Sivagangai District.

2.The Commissioner,
Sivagangai Municipality,
Sivagangai District.

... Respondent(s)

PRAYER : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, to call for the records of the impugned order passed by the second respondent herein in his proceedings in Na.Ka.No.3567/E1/2025 dated 27.09.2017 served upon the petitioner on 06.10.2017 more particularly para no.6 in the impugned order and



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quash the same as illegal and direct the second respondent herein to clear and release the excess duty amount to the tune of Rs.1,02,24,448/- (Rupees One Crore Two Lakhs Twenty Four Thousand Four Hundred and Forty Eighty only) as per Exemption of Excise Duty Notification No.12 of 2012 Central Excise dated 17.03.2012 within the time stipulated by this Court.

For Petitioners	: Mr.M.Madhubalan for Mr.V.Meenakshi Sundaram
For R-1	: Mrs.K.R.Shiva Shankari, Counsel for State
For R-2	: Mr.J.Parekh Kumar

ORDER

This writ petition has been filed challenging the proceedings of the second respondent in Na.Ka.No.3567/E1/2025 dated 27.09.2017, served on the petitioner on 06.10.2017, particularly paragraph No.6 thereof, and consequently seeking a direction to the second respondent to release the excise duty amount of Rs.1,02,24,448/- (Rupees One Crore Two Lakhs Twenty-Four Thousand Four Hundred and Forty-Eight only), claimed to be payable under Notification No. 12/2012-Central Excise dated 17.03.2012.



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WEB COPY 2. The learned counsel appearing for the petitioner submitted that the petitioner is a private limited company engaged in execution of infrastructure projects. The petitioner was awarded the work of providing a Water Supply Improvement Scheme for the second respondent Municipality. For execution of the work, the petitioner purchased Ductile Iron Pipes of 250 mm K-9 and 300 mm K-9 specification from M/s. Srikalahasthi Pipes Limited, Chennai. According to the petitioner, the said goods were exempted from payment of Central Excise Duty under Notification No.12/2012-Central Excise dated 17.03.2012.

3. It is the further case of the petitioner that the said exemption notification was enclosed along with the purchase order as well as the technical bid. The second respondent, by proceedings dated 02.11.2015, recommended grant of exemption to the first respondent, pursuant to which the first respondent issued an exemption certificate on 17.11.2015. Initially, while settling the first two running account bills, the respondents extended the benefit of excise duty exemption. However, from the third running account bill onwards, the respondents deducted excise duty, and from the fourth to the ninth running account bills, excise duty at the rate of 12.36% was deducted, despite the exemption notification and the exemption certificate.



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4. Aggrieved by the said deduction, the petitioner submitted a representation dated 10.05.2017 seeking release of the excise duty amount of Rs. 1,02,24,448/-. As no orders were passed on the representation, the petitioner filed W.P.(MD) No.17661 of 2017 seeking a direction for consideration of the same. Thereafter, the impugned proceedings dated 27.09.2017 came to be issued, wherein the second respondent directed the petitioner to complete the contract work within one month and declined to release the amount claimed by the petitioner. Challenging the said order, the present writ petition has been filed.

5. The learned counsel for the petitioner would contend that once the materials supplied by the petitioner were admittedly covered under Notification No.12/2012-Central Excise dated 17.03.2012 and an exemption certificate had also been issued by the competent authority, the respondents were not justified in deducting excise duty while settling the subsequent running account bills. It is submitted that the impugned order refusing to release the exempted amount is arbitrary and contrary to the notification. Hence, the petitioner seeks interference of this Court.



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WEB COPY 6. Heard the learned counsel appearing for the respondents.

7. On a perusal of the materials available on record, it is seen that the petitioner was awarded the contract for execution of the Water Supply Improvement Scheme. It is not in dispute that the work awarded under the contract had not been completed within the stipulated period. The impugned proceedings primarily direct the petitioner to complete the balance work within the prescribed time. Insofar as the petitioner's claim for release of the excise duty component is concerned, the same arises out of the terms and conditions of the contract entered into between the parties.

8. Whether the petitioner is entitled to reimbursement or release of the amount claimed under the exemption notification involves examination of the contractual terms, the scope of the exemption certificate, the nature of the supplies made, and the manner in which the bills were settled. Such disputed questions cannot conveniently be adjudicated in exercise of the writ jurisdiction under Article 226 of the Constitution of India.



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WEB COPY 9. If the petitioner is aggrieved by the deductions made or claims any amount under the contract, it is always open to the petitioner to work out its remedy in the manner contemplated under the agreement or before the appropriate forum in accordance with law. Equally, if the petitioner requires extension of time for completion of the work, it is open to the petitioner to seek such relief in terms of the relevant clauses of the agreement.

10. In such view of the matter, this Court is not inclined to interfere with the impugned proceedings in exercise of its writ jurisdiction.

11. Accordingly, this writ petition stands dismissed. No costs. Consequently, the connected miscellaneous petition is closed.

30.06.2026

NCC : Yes / No
Index : Yes / No
Internet : Yes
TSG
To
1.The District Collector,
Collectorate,
Sivagangai District.

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2.The Commissioner,
Sivagangai Municipality,
Sivagangai District.



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M.DHANDAPANI,J.

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**ORDER MADE IN
W.P(MD)No.19886 of 2017**

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