



W.P.(MD).No.27888 of 2023

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

**DATED :14.02.2024**

**CORAM**

**THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN**

**W.P(MD)No.27888 of 2023**

**and**

**W.M.P(MD)No.1589 of 2024**

Sindhu  
Proprietor of  
Sindu Muruga Constructions Private Limited,  
No.12, Ramvilas Nagar,  
NGO B Colony,  
Tirunelveli,  
Rep. by its Director,  
M.Sindhu

... Petitioner

vs.

- 1.The District Collector,  
Tirunelveli District,  
Tirunelveli.
  - 2.The Superintending Engineer,  
Highways, Construction and Maintenance  
Tirunelveli-2.
  - 3.The Divisional Engineer,  
Highways, Construction and Maintenance,  
Tirunelveli District.
- ... Respondents

**PRAYER:** Writ Petition is filed under Article 226 of the Constitution of India for issuance of a Writ of Mandamus, directing the respondents to



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calculate the price escalation on the capital materials for the Government works done by the petitioner between the years 2012-2021 as applicable under price escalation clause introduced under G.O.Ms.No.60, Public Works Department, dated 14.03.2008 in the light of petitioner's representation, dated 16.10.2023 within the time stipulated by this Court.

For Petitioner : Mr.M.Maharaja

For Respondents : Mr.D.Gandhiraj  
Special Government Pleader

### **ORDER**

This Writ Petition has been filed for issuance of a Writ of Mandamus, directing the respondents to calculate the price escalation on the capital materials for the Government works done by the petitioner between the years 2012-2021 as applicable under price escalation clause introduced under G.O.Ms.No.60, Public Works Department, dated 14.03.2008 in the light of petitioner's representation, dated 16.10.2023 within the time stipulated by this Court.

2.Heard the learned counsel appearing for the petitioner and the learned Special Government Pleader appearing for the respondents 1 to 3.



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3. The case of the petitioner is that the petitioner is the registered Class-I Contractor of civil works for more than 30 years and they registered their construction company in the name of Sindu Muruga Constructions Private Limited. The Builders Association had already made a representation concerns over undue increase in the cost of materials, labour etc., affecting progress of Government Works and requested for appropriate action to provide price adjustment for materials, labour etc. Their demands were considered by the Government after consulting with the heads of departments and they introduced the Price Adjustment Clause in Public Works Department and Highways Departments vide G.O.(Ms)No.60, Public Works (G2) Department, dated 14.03.2008. The petitioner's company executed several works of Government works, in particularly, the Government contract works which awarded to their company during the year 2014-2015 were brought under the purview of price adjustment. By virtue of price adjustment clause mentioned supra, the price drop occurred during the year 2012-2023 was brought under the purview of price escalation adjustment. At the time of carrying out the works in the year 2014 and 2015 the respondents have adjusted 14.5% in the tender amount citing



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price escalation clause for the works already done in the years 2012-2023 since because of price drop on the capital materials. Thereby, the respondents have adjusted crores of rupees on the tender amount supposed to have disbursed to the petitioner citing price escalation clause from the year 2012-2021. Likewise, the very same price adjustment clause is also made applicable to whenever the cost of capital materials hiked during relevant point of time. When the respondents effected the price escalation clause on the price drop on the capital materials and adjusted the same with pending final amounts to be settled, the petitioner also equally entitled to get refund of the amount whenever the price of capital materials hiked and such variation of amount shall be refunded to the petitioner for the years 2014-2021. All the works awarded to the petitioner were done within the time stipulated by the department and there is no other allegations so far in the matters of execution of contract works. Therefore, the petitioner is entitled to claim differential amount due to escalation of price on capital materials at the rates as applicable. Hence, the petitioner has made a representation to the respondents on 16.10.2023 to refund/reimburse the cost of price escalation at the rate as applicable for the works done during the year 2014 to 2021, while



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carrying departmental contract works. Since the respondents have not taken any steps on the petitioner's representation, dated 16.10.2023, the petitioner has filed this writ petition with the aforesaid period.

4. The learned Special Government Pleader appearing for the respondents would submit that appropriate direction may be given to the respondents to consider the petitioner's request in accordance with law, within a time frame.

5 Considering the limited scope of the prayer sought for by the petitioner, without going into the merits of the matter, this Court directs the respondents to consider the petitioner's representation, dated 16.10.2023, pass orders on merits and in accordance with law, within a period of eight (8) weeks from the date of receipt of a copy of this order.

6. Accordingly, this writ petition is disposed of. No costs.

Index: Yes/No  
NCC: Yes/No  
am

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**V.BHAVANI SUBBAROYAN,J.**

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