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WA No. 2994 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02-12-2025

CORAM

THE HON'BLE MR JUSTICE R. SURESH KUMAR

AND

THE HON'BLE MR.JUSTICE SHAMIM AHMED

W.A No. 2994 of 2025 AND CMP NO. 24150 OF 2025

1. The Commissioner
Greater Chennai Corporation,
Rippon Building, Chennai-03.
2. The Superintending Engineer
Storm Water Drain Department,
Corporation of Chennai, Chennai-03.

..Appellants

Vs

R.Rama Rao
Civil Engineering Contractor,
New No. 29 (Old No. 192), V.V.Koil Street,
Thiruvalluvar Nagar,
Anna Nagar West, Chennai-40.

..Respondent

Prayer : Writ Appeal under Clause XV of the Letters Patent to set aside the Order made in WP No. 35536 of 2024 dated 17.12.2024.

For Appellants : Mr.P.S.Raman, Advocate General
for Mr.E.C.Ramesh, Standing Counsel

For Respondent : Mr.S.Doraisamy

Judgment

(Judgment of the Court was delivered by R.Suresh Kumar J.)

This intra Court appeal has been directed against the order passed by the Writ Court dated 17.12.2024 made in W.P.No.35536 of 2024.



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2. The respondent was the writ petitioner, who was a Contractor under the appellant Corporation. Certain work have been entrusted to the respondent / writ petitioner, which has been done by him. To that extent, there has been no issue.

3. Regarding the payment against the bills raised against the Corporation, especially Bill Nos.6 and 7 dated 30.04.2024 there has been a belated payment. In case of any belated payment as per Clause 58(1) of the agreement, the Contractor is entitled to get interest, which is otherwise called as 'finance charges'. In order to get such interest / finance charges, the respondent / writ petitioner had approached the writ Court by filing the said writ petition, which in fact was allowed through the impugned order dated 17.12.2024. Assailing the said order, this appeal has been filed.

4. Learned Advocate General appearing for the appellant Corporation would contend that, first of all the writ petition itself is not maintainable before the Writ Court, where the point though was raised, was not considered in proper perspective by the learned Writ Court, the reason being that, if at all under Clause 58 in the contract agreement, any finance charges is liable to be paid to the contractor, which is otherwise called as interest in case of any belated payment, whether there has been a delay actually occurred, and assuming that there has been a delay occurred, what shall be the rate of interest. All these issues can be gone into by way of



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arbitration proceedings as there has been a clause of arbitration available in the said contract. Therefore, such a contractual obligation, if at all has to be resolved it can only be resolved by arbitration proceedings alone and for enforcement of such a contractual obligation, one cannot be permitted to invoke the extraordinary jurisdiction of the Writ Court under Article 226 of the Constitution of India.

5. Since this is a fundamental question to be answered, on that question as well as the amount etc., the present appeal has been filed, was the initial argument advanced by the learned Advocate General appearing for the appellant.

6. Though the point of maintainability can be raised even at the appellate stage also, the fact remains that, as per Clause 58 of the contract agreement, since the contractor is entitled to get finance charges, which is otherwise called as interest, this Court has expressed its view as to why the said finance charges need not be calculated and a calculation memo be filed by the Corporation so that the main issue can be resolved amicably and thereafter the issue as to whether a writ petition would be maintainable or not being a pure academic question can be decided at a later point of time.

7. In pursuance of the same, today when the case is taken up for hearing, learned Advocate General submitted that a computation sheet for payment of finance charges for Bill Nos.6 and 7 has been prepared and filed before this Court. A



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Computation Memo has been filed before this Court by the learned Advocate General on behalf of the appellant Corporation, where, in respect of Bill No.6 an amount of Rs.18,43,709.66/- and in respect of Bill No.7 an amount of Rs.14,06,759.60/- was mentioned as finance charges. Payment of this amount is not an issue for the appellant Corporation and they are ready and willing to make this payment immediately.

8. After having receipt of a copy of the computation memo filed in this Court by the Chennai Corporation, the learned counsel appearing for the respondent would agree upon to receive the above amounts towards finance charges / interest and submits that the Corporation may be directed to make the payment within the time limit to be fixed by this Court. If that is ensured, the respondent / writ petitioner may not have any further grievance in this *//s.*

9. We have considered the submissions made by the learned counsel for both sides and after having gone through the documents and the memo filed by the appellant Corporation as well as the order impugned herein dated 17.12.2024, we are inclined to dispose of this writ appeal with the following orders.

(a) Since the main issue of making payment of finance charges is resolved as stated supra, that can be recorded by this Court by giving a direction to the appellant Corporation to make the payment



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as indicated in the earlier paragraphs of this order with regard to Bill Nos.6 and 7 within a period of two weeks from the date of receipt of a copy of this order to the respondent / writ petitioner.

(b) Insofar as the maintainability issue is concerned, since it is a contractual obligation, whether such kind of writ petitions would be maintainable by invoking the extraordinary jurisdiction of this Court under Article 226 of the Constitution, that question is left open to be decided in an appropriate case at a later point of time.

(c) It is further made clear that, merely because this appeal is entertained and an order is passed, this cannot be treated as a precedent and cannot be hereinafter referred to and resolved in the writ proceedings under Article 226 of the Constitution.

10. With the above directions and observations, this writ appeal is disposed of. No costs. Consequently, connected miscellaneous petitions are closed.

(R.S.K.,J.) (S.S.A.,J.)
02-12-2025

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
KST



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**R.SURESH KUMAR J.
AND
SHAMIM AHMED J.**

KST

To

1. The Commissioner
Greater Chennai Corporation,
Rippon Building, Chennai-03.
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