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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04-03-2026

CORAM

THE HON'BLE MR JUSTICE S. M. SUBRAMANIAM

AND

THE HON'BLE MR.JUSTICE K. SURENDER

WA No. 1792 of 2022

and

C.M.P.Nos.13131 & 13132 of 2022

1. The Government Of Tamil Nadu
Rep. by its Additional Chief Secretary Finance
(Salaries) Department, Fort St. George,
Chennai.
2. The Tamil Nadu Slum Clearance Board
Rep by its Chairman, No. 5, Kamarajar Salai
Chennai 600 005
3. The Tamil Nadu Slum Clearance Board
Rep. by its Managing Director, No. 5.
Kamarajar Salai, Chennai 600 005
4. The Superintending Engineer
Chennai Circle III, Tamil Nadu Slum Clearance
Board, No. 5, Kamarajar Salai, Chennai 600
005

..Appellant(s)

Vs

P.S.T. Engineering Construction
Rep. by its Managing Partner V.S.Thennarasu,
No. 5/72C Salem Bye-Pass Service Road,
Nallipalayam Post, Namakkal 637 003.

..Respondent(s)

To set aside the order passed by the Learned Judge in WP.No.
34687/2019(Common order passed in WP.Nos.34682/2019 and 34687/2019),
dated 04.04.2022.



For Appellant(s):

Mr.R.Ramanlaal,
Additional Advocate General
assisted by
Mr.T.Arunkumar,
Additional Government Pleader

For Respondent(s):

Mr.H.S.Hredai

JUDGMENT

(Judgment of the Court was delivered by S.M.Subramaniam J.)

The State preferred the present intra-Court appeal under Clause 15 of the Letters Patent challenging the writ order dated 04.04.2022 passed in W.P.No.34682 of 2019.

2. The respondent preferred the writ petition seeking a direction, not to apply G.O.Ms.296 Finance (Salaries) Department dated 09.10.2017 in respect of the work agreement dated 06.12.2017 entered into between the petitioner and Tamilnadu Slum Clearance Board calling for the records of the Board, which culminated in Resolution 4.17/487 dated 10.08.2018 and Resolution No.7.03/493 dated 07.06.2019 and quash the impugned resolution dated 19.11.2019.

3. The learned Additional Advocate General appearing on behalf of the State would mainly contend that it is a contractual obligation between the parties in pursuance to Articles of Agreement dated 06.12.2017 between Tamil Nadu Slum Clearance Board and the respondent, M/s.PST Engineer



Construction Limited.

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4. Dispute, if any arises, based on the terms and conditions of contract, remedy for an aggrieved person, is to invoke the arbitration clause, if any agreed or approach the competent forum for redressal of grievance. Writ Court under Article 226 of the Constitution of India cannot resolve the disputed facts involving contractual obligation which may be done in a trial nature proceedings.

5. Plain reading of the contract would show that in Clause 6.6, it is agreed between the parties that *“All duties, taxes, Cess and other levies payable by the contractor as per State/ Central Government rules, shall be included in the contract value quoted by the Bidder”*.

6. Special conditions annexed along with the contract would specifically state about the special condition regarding applicable of G.O.Ms.264 Finance (Salaries) Department dated 15.09.2017 and the said clause reads as under:

“6. The payment of Goods and Services Tax (GST) will have to be made by the procuring entity as specified in G.O.Ms.No.264, Finance (Salaries) Department, Dated 15.09.2017 and subsequent amendments, if any, made there after by the GOI/GOTIN during the currency of agreement.”

7. When the respondent agreed the applicability of G.O.Ms.No.264



dated 15.09.2017, now cannot turn around and claim that the said Government Order should not be implemented in respect of the subject contract. If at all any disputes arises regarding the transaction or payment of tax or otherwise, aggrieved person has to invoke the arbitration clause or approach the competent forum for the purpose of resolving the issues. As far as the relief sought for, not to implement G.O.Ms.264 dated 15.09.2017, is unacceptable, since the special condition as stated above would indicate that the G.O. will be made applicable in respect of the subject contract.

8. Granting liberty to the parties to work out their remedy in the manner known to law, the writ order dated 04.04.2022, is set aside. Consequently, Writ Appeal stands allowed. No costs. Consequently, connected miscellaneous petitions are closed.

(S.M.S.,J.) (K.S.,J.)
04-03-2026

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

VSI

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**S.M.SUBRAMANIAM, J.
AND
K.SURENDER, J.**

vsi

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