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. 1790 of 2022
and
CMP No. 13123 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)

WA No. 1790 of 2022

To set aside the order passed by the learned Judge WP.No. 34682/2019 (Common Order passed in WP.Nos.34682/2019 and 34687/2019), dated 4.4.2022.

WA No. 1790 of 2022

For Appellant(s): Mr.Ramanlal,
Additional Advocate General,
assisted by
Mr.T.Arunkumar
for Additional Government Pleader

For Respondent(s): Mr.H.S.Hredai

Judgment

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

The respondent preferred a writ petition challenging the resolution No.4.17/487 dated 10.08.2018 of the 2nd respondent, culminating in resolution dated 07.06.2019 of the 2nd respondent and consequential proceedings dated 19.11.2019 of the 4th respondent and further direct the respondents to release the balance sum of Rs.2,755, 44,,915/- along with eligible 1% bonus amount to the appellant herein.

2. The resolution passed in 487 Board Meeting held on 10.08.2018 reads as follows:

Items No.	***SUBJECT***
4.17	PMAY(U)- HFA – Construction of 864 tenements (Stilt +9 floors) including all services such as Internal and external water supply, sanitary, electrification and development works using conventional technology under Lumpsum Turkey Design and build basis contract system at K.P. Park scheme in Cor.Dn.77 under Vertical-III (AHP) – Request of the contractor to pay the GST at the rate of 12% of the accepted tender value in additional to be bill value- Reg. (HFA/4802/17) TNSCB may consult a Consultant/ Auditors approved by CMRL/ Government Department to verify the claims of the contractors, under GST and the same may be placed before the Board for consideration.

3. Clause 6.6. as well as the special condition in the contract entered into between the parties would show that all applicable tax are to be paid and the Government Order issued in G.O.264, Finance (Salaries) Department dated 15.09.2017 would apply. In the event of dispute, the parties have to resolve the same either by invoking arbitration clause or by approaching the competent Forum in the manner known to law. Since there is a dispute caused regarding payment of tax, based on the terms and conditions of contract, the issues cannot be resolved in a writ proceedings. Thus, the writ order is set aside and the Writ Appeal stands allowed. No costs.

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

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

VSI

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

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

vsi

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