

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18-08-2026

CORAM

THE HON'BLE MR JUSTICE N. ANAND VENKATESH

W.M.P.No.37192 of 2025

in

W.P.No.5662 of 2024

M/s.Aarthi Enterprises,
Rep. by its Partner Mrs.G.Mythili,
No.1, Chelliamman Colony,
Second Street, Peravallur,
Chennai – 600 082.

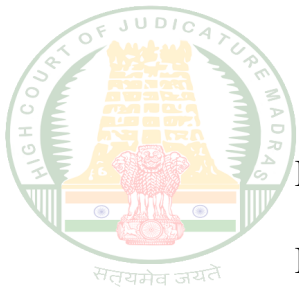
..Petitioner

Vs

1. Southern Railways,
Rep. by the General Manager,
Chennai - 600 003.
2. Senior Divisional Manager
Divisional Office, Commercial Branch,
Southern Railway,
Chennai – 600 003.
3. Deputy Chief Labour Commissioner (Central),
No.4, Haddows Road,
Shastri Bhavan, Chennai – 600 006.

..Respondents

Writ Miscellaneous Petition filed under Article 226 of the Constitution of India praying to modify the final order passed in W.P.No.5662 of 2024 dated 06.08.2025 to the extent of payment of withheld sums in the form of Security Deposit, Two Month bill together with interest as indicated in the above W.A.No.865 of 2020 dated 20.01.2021 without insisting for no claims certificate from the petitioner besides reconciliation of statement of accounts pertaining to payment of difference in minimum wages, payment of bonus, EPF/ESI, by paying the outstanding amounts together with interest as indicated in W.A.No.865 of 2020 dated 20.01.2021 besides payment of GST.



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For Petitioner : Mr.P.Wilson, Senior Counsel
for Mr.T.S.Rajamohan
For Respondents : Mr.Venkataswamy Babu
Senior Panel Counsel

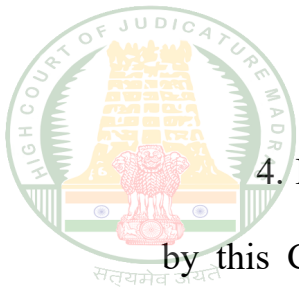
ORDER

This petition has been filed seeking modification of the order passed by this Court in W.P.No.5662 of 2024 dated 06.08.2025.

2. Heard learned Senior Counsel appearing for petitioner and learned Senior Panel Counsel appearing for respondents.

3. This Court issued the following direction at paragraph No.15 of the order passed in the writ petition:

“15. In the light of the above discussion, there shall be a direction to the respondents 1 and 2 to settle the entire amount payable to the petitioner towards security deposit to the tune of Rs.68,16,788/- and the two bills to the tune of Rs.48,85,460/-. This payment shall be made to the petitioner within a period of four (4) weeks from the date of receipt of a copy of this order. The claim made by the petitioner for reimbursing the amount incurred towards payment of ESI and EPF to the tune of Rs.63,47,886/- is concerned, the petitioner shall provide all the particulars to the respondents 1 and 2 with all the details of the employees and on verification of the same, the said amount shall be disbursed to the petitioner. The petitioner shall also submit an undertaking before the respondents 1 and 2 that ultimately, subject to the final result in the writ petition challenging the assessment order under GST, if it completely ends in favour of the petitioner, they will refund the entire amount collected from the Southern Railway towards GST and if it ends in dismissal, the petitioner will pay the entire amount to the GST Council and produce the no due certificate before the respondents 1 and 2.”



4. It is clear from the above that there were two separate directions given by this Court. The first direction is regarding the payment towards security deposit and the two bills towards which no payment was made by the Southern Railway. This direction was given based on the materials that were placed before this Court and the payment to be made was not dependent on any undertaking given by the petitioner.

5. The next limb of the order pertained to reimbursement of amount incurred towards payment of ESI and EPF for which this Court directed the petitioner to provide all the particulars along with the details of the employees. The petitioner was also directed to submit an undertaking before the respondents 1 and 2 that ultimately subject to the final result in the writ petition challenging the assessment order under GST, if it completely ends in favour of the petitioner, they will refund the entire amount collected from the Southern Railways towards GST and if it ends in dismissal, the petitioner will pay the entire amount to the GST Council and produce no due certificate before the respondents 1 and 2.

6. The petitioner was impelled to file the present modification petition on the ground that the Southern Railways is insisting for an undertaking even insofar as releasing the amount towards security deposit and the two bills and according to the petitioner, this payment was bound to be made by the Southern



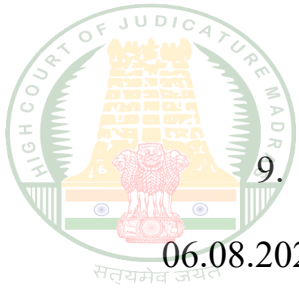
Railways since it was not in dispute. To that extent, the petitioner is seeking for a clarification/modification.

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7. A counter has been filed by respondents 1 and 2 and the relevant portion is extracted hereunder:

“8. I submit that in compliance with the order dated 06-08-2025 passed by this Hon’ble Court, the respondent issued letter dated 24-09-2025 to the petitioner to submit undertaking for payment of GST amount of Rs.2,26,06,212/- in terms of the Hon’ble High Court’s order in the Writ Petition No.5662 of 2024. The petitioner had vide letter dated 09-10-2025 refused to give the undertaking and instead sought for refund of Security Deposit and final two months bills first. The respondent is thus exposed to huge risk since the amount due from petitioner to respondent as returnable GST is Rs.2,26,06,212/- whereas the amount payable by respondent to petitioner is the refund of Security Deposit of Rs.68,16,788/- and final two months bills of Rs.48,85,460/-. In order to maintain fairness and equity, the petitioner should be directed to return the GST amount of Rs.2,26,06,212/- to respondent first and then seek refund of Security Deposit of Rs.68,16,788/- and final two months bills of Rs.48,85,460/-.”

8. In the considered view of this Court, the direction given by this Court directing the Southern Railways to pay the entire amount towards security deposit to the tune of Rs.68,16,788/- and the two bills to the tune of Rs.48,85,460/- was not based on any undertaking to be given by the petitioner and this is an independent payment which ought to have been made by the Southern Railways to the petitioner. Therefore, insofar as payment under these heads, the Southern Railways cannot insist for any undertaking from the petitioner.



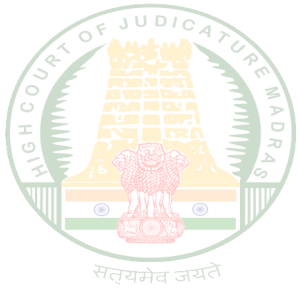
9. As already made clear in the order passed in the writ petition on 06.08.2025, the undertaking was towards the GST payable and this Court made it clear that if the writ petition challenging the assessment order under the GST ends in favour of the petitioner, they will refund the entire amount collected from the Southern Railways towards GST and if it ends in dismissal, the petitioner will pay the entire amount to the GST Council and produce no due certificate before the respondents 1 and 2. If ultimately, the Southern Railways finds that the petitioner, after giving such an undertaking, is trying to wriggle out of the undertaking, it is always left open to the Southern Railways to move this Court by filing a contempt petition and this Court will take care of the interest of the Southern Railways.

10. The above clarification sufficiently takes care of the interest of both the parties. Hence, the directions issued at paragraph No.15 of the order passed in the writ petition dated 06.08.2025 shall be strictly complied with. The time frame fixed by this Court for payment of money is extended by six (6) weeks from today.

This writ miscellaneous petition is disposed of in the above terms.

18-08-2026

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



N.ANAND VENKATESH, J.

gm

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To

1. The General Manager,
Southern Railways,
Chennai - 600 003.
2. The Senior Divisional Manager,
Divisional Office, Commercial Branch,
Southern Railway, Chennai – 600 003.
3. The Deputy Chief Labour Commissioner (Central),
No.4, Haddows Road,
Shastri Bhavan, Chennai – 600 006.

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