IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI
(Special Original Jurisdiction) (3459)

THURSDAY, THE TWENTY FOURTH DAY OF APRIL TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HON'BLE SMT. JUSTICE SUMATHI JAGADAM

WRIT PETITION No.8614 OF 2024

Between:

M/s. Sri Lotus Constructions,
Rep. by its Managing Partner
P. Vijaya Bhaskar Reddy,
S/o.Sankar Reddy,
Aged about 52 Years,
R/o.Door No.16-12-105,
Flat No.G-1, Guru Nilayam, 3rd Street,
Haranathpuram, Nellore,
SPSR Nellore District --- Petitioner

and

The State of A.P.,
Rep. by its Principal Secretary,
Water Resources Department,
Secretariat, Velagapudi,
Amaravathi, Guntur District and
4 others --- Respondents

Counsel for the petitioner : Sri Sivaprasad Reddy Venati

Counsel for the respondents : G.P. for Irrigation & CAD &
G.P for Finance and Planning

The Court made the following **ORDER**:

This Writ Petition, under Article 226 of the Constitution of India, is filed by the petitioner seeking the following relief:

> "……..to issue a writ, order or direction, more particularly one in the nature of ***WRIT OF MANDAMUS*** declaring the action of

> the respondents in non-payment of an amount of Rs.35,60,176/- total due for the last Two years even after finalizing the bills, payable to the petitioner after the successful completion of the execution of work i.e., "Protection Arrangements to Mypadu Tank Sluice Channels in Indukurpet Mandal of SPSR Nellore District vide Agreement No.03 O&M/2023-24 dated 28.08.2023" duly approved by the respondents, as illegal, arbitrary, unjust, unreasonable and violative of fundamental rights guaranteed to the Petitioner under Articles 14 and 21 of the Constitution of India and consequently direct the respondents to release an amount of Rs.35,60,176/- towards the works executed by the petitioner along with 12% interest per annum and to pass ……"

2. The case of the petitioner, in brief, is that he has participated in the tender process and stood as successful bidder. The 4th respondent has entered into an agreement with the petitioner *vide* agreement No.03 O&M/2023-2024, dated 28.08.2023, for execution of Protection Arrangements to Mypadu Tank Sluice Channels in Indukurpet Mandal of SPSR Nellore District, during the year 2023-2024. The petitioner has completed the works within the stipulated time. The respondent authorities have inspected the works, issued Quality Control Certificate on 31.12.2023 and also the Measurement Books and finalized the bills for a net amount of Rs.35,60,176/-.

3. Learned counsel for the petitioner submits that the petitioner has borrowed amounts from third parties to execute the works and is paying huge interest. Though the work was completed long back and the bill is

finalized, the bill amount is not yet released to the petitioner. Learned counsel for the petitioner further submits that, in similar circumstances, this Court in ***S. Srinivas v. State of Andhra Pradesh and others***[1] held as under:

> *"21) In the considered opinion of this Court, withholding the amount for which the petitioner is legitimately entitled is nothing but depriving the petitioner. Due to illegal action of non-payment of the amounts promptly by clearing the bills submitted by the petitioner after execution of works, the petitioner could not feed and see the welfare of his family properly and he could not make payments to his employees/workers and he could not make payments to the material suppliers and he has to pay interests for the debts incurred by him for execution of works. Due to this situation, petitioner's respect and dignity in the society will be deteriorated.*
>
> *22) As such this Court holds that withholding the amount, for which the petitioner is legally entitled, is illegal, arbitrary, and unjust and violative of Article 21 of the Constitution of India.*
>
> *23) ……..*
>
> *24) A larger bench of the Hon'ble Apex Court in* ***Secretary, Irrigation Department, Government of Orissa and others V. G.C.Roy*** *opined as extracted hereunder:*
>
> > *"A person deprived of the use of money to which he is legitimately entitled has right to be compensated for the deprivation, call it by any name. It may be called interest, compensation or damages".*
>
> *25) The High Court of Andhra Pradesh in* ***J. Devendra Reddy V Kakatiya University and another*** *held that withholding of the*

[1] 2021 Lawsuit (AP) 390

amount payable to the petitioner for the contract works, constitutes patent arbitrariness on the part of the respondents."

4. This Court has observed that though the works were completed long back and the bill was finalized, the respondents have not released the amounts so far on the ground of insufficiency of funds. Since there is no dispute with regard to the works and the bill amount, the respondents should pay the bill amount on "*first done first paid*" basis. Apart from that, priority or preference should be given to those, whose works are below Rs.50.00 lakhs as they are the affected persons.

5. In view of my foregoing discussion and the law laid down by this Court in ***S. Srinivas*** (*supra*), the Writ Petition is disposed of with the following directions:

i) The respondents are directed to clear the bills submitted by the petitioner and release the payment of Rs.35,60,176/- within twelve (12) weeks from the date of receipt of a copy of this order with interest at 12% p.a.

ii) The interest shall be computed from the date of expiry of one (1) month from the date of submission of the bills by the petitioner till the date of payment. There shall be no order as to costs.

As a sequel, miscellaneous petitions pending, if any, shall stand closed.

JUSTICE SUMATHI JAGADAM

Date: 24.04.2025
DSH