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APHC010552292023



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

[3333]

THURSDAY, THE EIGHTH DAY OF JANUARY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SMT JUSTICE V.SUJATHA

WRIT PETITION NO: 28711/2023

Between:

1.KELLER GROUND ENGINEERING INDIA PRIVATE LIMITED,, A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE AT 7TH FLOOR, EASTERN WING, CENTENNIAL SQUARE, 6A - DR. AMBEDKAR ROAD, KODAMBAKKAM CHENNAI, TAMIL NADU, 600024. REPRESENTED BY ITS AUTHORIZED REPRESENTATIVE, MR. M. GANESH KUMAR.

...PETITIONER

AND

1.STATE OF ANDHRA PRADESH, REPRESENTED BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, A.P. SECRETARIAT VELAGAPUDI, GUNTUR DISTRICT.

2.THE CHIEF ENGINEER, POLAVARAM IRRIGATION PROJECT, DOWLAI SWARAM, EAST GODAVARI DISTRICT.

3.STATE OF ANDHRA PRADESH, REPRESENTED BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, A.P. SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT

4.TRANSSTROY JSC EC UES JV, A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956 HAVING ITS OFFICE AT PLOT NO. 201, 202 A AND 202 B, GUTTALA, BEGUMPET, KAVERI HILLS,

HYDERABAD REPRESENTED BY ITS LIQUIDATOR DR.
GOVINDRAJULA VENKATA NARASIMHA RAO

...RESPONDENT(S):

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased topleased to issue a writ, direction, or order more so in the nature of a writ of mandamus- (a)declaring that the action of Respondent 1, the Water Resources Department of the State of Andhra Pradesh (WRD) and Respondent 2, the Chief Engineer, WRD, of withholding the amount due and payable to the Petitioner towards the jet grouting, ECPT and vibro compaction works completed at the Polavaram Irrigation Project is manifestly arbitrary, unlawful and violates the Petitioner's rights under Articles 14 and 19 of the Constitution of India, 1950, and consequently (b) direct the State of Andhra Pradesh to remit amounts to the tune of INR 52,41,49,107/- (Rupees Fifty-Two Crores Forty-One Lakh Forty-Nine Thousand One Hundred and Seven only) (including GST) which are due and payable to the Petitioner along with interest,

IA NO: 1 OF 2023

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to direct the Respondents Nos. 1, 2 and 3 to deposit the unlawfully withheld amount of INR 52,41,49,107/- (Rupees Fifty-Two Crores Forty-One Lakh Forty-Nine Thousand One Hundred and Seven only) due and payable to the Petitioner with this Hon'ble Court and permit the Petitioner to withdraw the aforesaid amount of INR 52,41,49,107/- (Rupees Fifty-Two Crores Forty-One Lakh Forty-Nine Thousand One Hundred and Seven only) deposited by the Respondents

Counsel for the Petitioner:

1.SAI SANJAY SURANENI

Counsel for the Respondent(S):

1.GP FOR FINANCE PLANNING

2.GP FOR IRRIGATION COMM AREA DEV

The Court made the following:

ORDER:

This Writ Petition came to be filed under Article 226 of the Constitution of India seeking the following relief:-

“...to issue a writ, direction, or order more so in the nature of a writ of mandamus- (a)declaring that the action of Respondent 1, the Water Resources Department of the State of Andhra Pradesh (WRD) and Respondent 2, the Chief Engineer, WRD, of withholding the amount due and payable to the Petitioner towards the jet grouting, ECPT and vibro compaction works completed at the Polavaram Irrigation Project is manifestly arbitrary, unlawful and violates the Petitioner's rights under Articles 14 and 19 of the Constitution of India, 1950, and consequently (b) direct the State of Andhra Pradesh to remit amounts to the tune of INR 52,41,49,107/- (Rupees Fifty-Two Crores Forty-One Lakh Forty-Nine Thousand One Hundred and Seven only) (including GST) which are due and payable to the Petitioner along with interest...”

2. The petitioner herein is a company incorporated under the provisions of the Companies Act, 1956 and is engaged in the business of ground improvement, which is a critical part of all construction projects. It is a well known fact that Polavaram Irrigation Project is a multi-purpose public works project that provides irrigation to the highland areas of Visakhapatnam, East Godavari, West Godavari and Krishna districts. Polvaram Irrigation Project was declared as a national project under Section 90 of the Andhra Pradesh State Reorganization Act, 2014 and subsequently, the Polavaram Project Authority was constituted by the Central Government vide gazette notification dated 28.05.2014. Vide office memorandum F.No.1(2)/PF-1/2014, dated

30.09.2016, the Government of India decided that the State of Andhra Pradesh would execute all irrigation related construction works of the Polavaram Irrigation Project on its behalf. The 1st respondent is the responsible authority for the construction and development of irrigation projects in the State of Andhra Pradesh such as the Polavaram Irrigation Project and the 2nd respondent herein is the Chief Engineer for the Polavaram Irrigation Project.

3. On 02.03.2013, the 2nd respondent entered into an Engineer, Procurement and Construction agreement with the 4th respondent – Transstroy JSC EC UES (JV), for carrying out construction works at the Polavaram Irrigation Project which includes, surveying, investigation, sub-soil exploration, designs, engineering, estimates and construction of the Earth dams for Gap-I & Gap-III, Earth-cum-rock fill dam for Gap-II, spill channel and excavation of foundations for a 960 MW hydroelectric power house including approach channel, intake structure etc. A supplementary agreement was also executed between the respondent authorities and the 4th respondent on 07.10.2016. In a meeting held on 08.06.2017 and 09.06.2017, the Dam Designs Review Panel decided to carryout geotechnical investigations that are necessary for the design of the Earth-cum-Rock Fill dam and to use jet grouting for the cut-offs at the upstream and downstream coffer dams.

4. Subsequently, the 4th respondent sub-contracted part of the scope of work to the petitioner herein through the following work orders:

- i. Work Order dated 03.06.2017 for Electronic Cone Penetration Tests for an Earth-cum-Rock Fill dam base and along the axis of upstream and downstream cofferdams for the Polavaram Irrigation Project.
- ii. Work Order dated 11.07.2017 for execution of jet grouting works for cut-off at the upstream and downstream cofferdams for the Polavaram Irrigation Project.
- iii. Work orders dated 27.09.2017 and 03.02.2018 for carrying out ground improvement using vibro-compaction for the proposed Earth-cum-Rock Fill dam foundation at the Polavaram Irrigation Project.

5. As the 4th respondent was in financial distress due to pending insolvency proceedings, in order to ensure that the work undertaken by the sub-contractors of the 4th respondent is not hindered, the State of Andhra Pradesh sanctioned a special imprest amount (Rs.170,00,00,000/-) so that the sub-contractors of the 4th respondent could be paid directly by the respondents. Subsequently, vide Minutes of Meeting dated 12.06.2017, the 1st respondent instructed the 4th respondent and the petitioner herein to

commence the work immediately. Accordingly, the petitioner commenced the works as per the abovementioned work orders by incurring an initial expenditure of Rs.15,00,00,000/- and Rs.13,79,00,000/- towards mobilization of the requisite resources towards jet grouting work and the vibro-compaction work.

6. Thereafter, the petitioner has completed all the works entrusted to it through the aforementioned work orders and the same was also noted in the Minutes of Meetings dated 29.10.2018, recorded in the review meeting conducted by the respondent authorities. Subsequently, in addition to the special imprest amount sanctioned by the State of Andhra Pradesh of Rs.170,00,00,000/-, the 1st respondent also recovered an amount of Rs.302,10,00,000/- from the 4th respondent's running account bills and encashed all the bank guarantees furnished by the 4th respondent to a tune of Rs.689,83,00,000/-. In spite of the same, the 1st respondent only paid Rs.2,00,00,000/- for the vibro-compaction work and Rs.71,26,62,284/- for the jet grouting work completed by the petitioner, by withholding the balance amount of Rs.52,41,49,107/- towards the work of Electronic Cone Penetration Tests, on the ground that the rates for undertaking such work, which had originally been submitted to the 1st respondent in the year 2017, are not approved by the Board of Chief Engineers.

7. On 27.08.2019, the Board of Chief Engineers rejected the rate analysis submitted by the 2nd respondent and directed the 3rd respondent to take a decision on the payment to be made to the petitioner in accordance with basic parameters and the payment schedule incorporated in the Engineer, Procurement and Construction agreement dated 02.03.2013. As per the said decision of the Board of Chief Engineers, an amount of Rs.45,90,00,000/- is payable by the 1st respondent towards the jet grouting work. Subsequently, the 2nd respondent, vide letter dated 29.12.2020 acknowledged the role of subcontractors, including the petitioner in the development of Polavaram Irrigation Project and recommended that an amount of Rs.45,90,00,000/- be paid to the petitioner. Though the Board of Chief Engineers finalized the amount to be paid to the petitioner towards jet grouting work on 27.08.2019, the respondent authorities, vide letters dated 03.12.2021, 06.01.2022 and 06.05.2022 revised the rates applicable towards the jet grouting work, but, however, no payment was made to the petitioner subsequently.

8. The letter dated 29.12.2020 addressed by the 2nd respondent was challenged by 'M/s Ratna Infrastructure Projects Private Limited' in W.P.No.701 of 2021 before this Court, wherein, initially this Court was pleased to pass an interim order on 07.01.2021 directing the 1st respondent not to disburse any amount from the account of the 4th respondent and has granted stay on all further proceedings pursuant to the letter dated 29.12.2020

addressed by the 2nd respondent. In the said writ petition, the petitioner having got impleaded as respondent No.10 and filed a vacate stay petition. Thereafter, this Court, vide interim order dated 17.07.2023, modified the earlier interim order dated 07.01.2021 by directing respondent Nos.1 and 2 herein to consider the claim and process the admitted amount of Rs.45,90,00,000/- in favour of the petitioner herein within a period of six (6) weeks. Consequently, the petitioner, duly enclosing the order copy dated 17.07.2023, addressed a letter dated 07.08.2023 to respondent Nos.1 to 3 with a request to release the amounts payable to the petitioner. As the amounts payable to the petitioner were not released by the respondent authorities, the present writ petition is filed.

9. The 2nd respondent filed a detailed counter affidavit and also an additional counter affidavit. It is averred in the counter affidavit that the present writ petition is not maintainable as the respondent authorities have not entered into any work agreement with the petitioner and that there is no contractual relationship between the petitioner and the respondent authorities. Furthermore, it is stated that the agreement entered into by the respondent authorities and the 4th respondent in the year 2013 was terminated vide Lr.No.CE/PIPHWunit/Polavaram/DCE/-II/OT-1/AEE-1/529m, dated 30.10.2019 due to slow work progress and the petitioner being subcontractor of the 4th respondent would not have any right to claim the amounts for the alleged

works completed by the petitioner in the Polavaram Irrigation Project. It is further stated in the counter affidavit that though the petitioner is a subcontractor of the 4th respondent, the respondent authorities do not have any kind of relationship with the petitioner and that the 1st respondent has no knowledge about the agreements that took place between the petitioner and the 4th respondent.

10. It is further stated that during the course of execution of the work by the 4th respondent, due to cash flow problems, the State of Andhra Pradesh has sanctioned an amount of Rs.170,00,00,000/- as a special imprest amount for arranging payments directly to the parties concerned subject to recovering the same from the subsequent RA bills of the 4th respondent. Subsequently, on a request made by the 4th respondent, a total amount of Rs.446,32,00,000/- has been released to various agencies and as a part of the same, the petitioner received an amount of Rs.73,20,24,786/-. It is further averred that the Assistant Commissioner of Central Tax, Guntur CGST Division, Guntur communicated Form GST DRC-13 notice dated 05.09.2023 to the 2nd respondent informing that the 4th respondent is a defaulter of GST with demand order No.OIO No.02/2020-21-GST in C.No.V/GGST/15/04/2020-Adj, dated 30.06.2020, Reference no of recovery C.No.V/04/14/2019-ARC, period:July 2017-18 to March, 2019. It is further averred in the counter affidavit that any disputes in the amounts payable to the petitioner have to be

sorted out by the petitioner with the 4th respondent but should not have filed the present writ petition against the respondent authorities as Water Resources Department is not responsible for the claim of the petitioner. As such, requested to dismiss the writ petition.

11. In reply to the counter affidavit filed by respondent No.2, the petitioner filed a reply affidavit stating that it entered into agreement with the 4th respondent for executing the works as per the work orders (mentioned in paragraph No.4) with the knowledge and approval of the 1st respondent. As the 4th respondent was under financial distress, the State of Andhra Pradesh sanctioned a special imprest amount in order to enable the sub-contractors like the petitioner to work without interruption and in order to receive payments directly from the Government. It is further averred that the 1st respondent repeatedly gave directions to the petitioner directly with regard to commencement and progress of work and accordingly, vide Minutes of Meeting dated 12.06.2017 and in few subsequent review meetings held by the Department; the petitioner was also assured of payment of the amount payable for the work executed by the petitioner. With regard to the contention of the respondents that the petitioner need not be paid any amount due to closure of imprest amount, the petitioner contended that pursuant to sanction of Rs.170,00,00,000/- by the State of Andhra Pradesh towards imprest amount, the Water Resources Department recovered an amount of

Rs.302,10,00,000/- from the 4th respondent's running account bills and encashed all bank guarantees furnished by the 4th respondent to a tune of Rs.689,83,00,000/-. Vide its letter dated 29.12.2020, the Water Resources Department stated that an amount of Rs.842,03,00,000/- was available with it against the assets of the 4th respondent and in the very same letter, the department proposed to pay an amount of Rs.45,90,00,000/- to the petitioner towards completion of jet grouting work. Further, the petitioner reiterated the facts pertaining to filing of W.P.No.701 of 2021 by a similarly situated sub-contractor and the modified interim order dated 17.07.2023, which was already discussed hereinabove. With regard to the notice issued by the Assistant Commissioner of Central Tax, Guntur CGST Division, Guntur as averred in the counter affidavit, the petitioner states that any such purported liability faced by the Water Resources Department towards any alleged unpaid dues under the Central Goods and Services Act, 2017 cannot absolve the liability of payment on the part of the respondent's department to the petitioner.

12. Heard Sri. Gokul Holani, learned counsel appearing on behalf of Sri. Sai Sanjay Suraneni, learned counsel for the petitioner on record and learned Government Pleader for Irrigation, assisted by learned Assistant Government Pleader for Irrigation.

13. Sri.Gokul Holani, learned counsel appearing for the petitioner, during the course of arguments, reiterated the entire facts that led to filing of the present writ petition and further contended that the 4th respondent sub-contracted a portion of the works pertaining to development of Polvaram Irrigation Project to the petitioner herein by issuing work orders (mentioned in paragraph No.4). Subsequently, due to financial distress of the 4th respondent, with a view to ensure that the works executed by the sub-contractors are not hindered, the State of Andhra Pradesh sanctioned a special imprest amount of Rs.170,00,00,000/- to facilitate direct payment to the sub-contractors of the 4th respondent. Thereafter, the petitioner has commenced the works allotted to it as per the instructions of the 2nd respondent and by October, 2018, the petitioner completed all the works entrusted to it under the aforementioned work orders, which fact was also recorded in the Minutes of Meetings dated 29.10.2018 during a review meeting conducted by the respondent authorities. Learned counsel strenuously contended that though the authorities recovered an amount of Rs.302,10,00,000/- from the running account bills of the 4th respondent and further encashed bank guarantees furnished by the 4th respondent, apart from recovering the special imprest amount of Rs.170,00,00,000/-, the respondent authorities paid only Rs.2,00,00,000/- towards vibro-compaction works and Rs.71,26,62,284/- towards jet grouting

works executed by the petitioner, but has withheld an amount of Rs.52,41,49,107/- payable towards Electronic Cone Penetration Tests.

14. Learned counsel, while referring to a letter addressed by the 2nd respondent to the 1st respondent on 29.12.2020 submitted that an amount of Rs.45,90,00,000/- was admitted to be payable to the petitioner towards jet grouting works. Further, when the said letter was challenged by M/s. Ratna Infrastructure Projects Private Limited in W.P. No.701 of 2021 before this Court, initially, this Court was pleased to pass an interim order dated 07.01.2021 directing the 1st respondent not to disburse any amount from the account of the 4th respondent and stayed all further proceedings pursuant to the said letter. However, subsequently, the petitioner herein was impleaded as respondent No.10 in the said writ petition and filed a petition seeking vacating of the stay. Thereafter, by an order dated 17.07.2023, this Court was pleased to modify the earlier order and directed respondent Nos.1 and 2 to consider the claim and process the admitted amount of Rs.45,90,00,000/- in favour of the petitioner within a period of six weeks. Though the petitioner addressed a letter dated 07.08.2023 to respondent Nos.1 to 3, enclosing a copy of the said order and requesting release of the amounts due, the respondent authorities failed to release the admitted dues. Learned counsel for the petitioner sought attention of this Court to a judgment dated 03.07.2024 of this Court in W.P.No.23091 of 2023, which was filed by the petitioner herein against the

respondent Department aggrieved by its action in withholding an amount of Rs.15,64,50,743/- due and payable to the petitioner towards the Vibro Compaction works completed by the petitioner at Polavaram Irrigation Project. By way of the said judgment, this Court has directed the respondent authorities to release the balance amount of Rs.7,82,27,371/- to the petitioner within a period of three (3) months.

15. With regard to the averments made by the 2nd respondent in the counter affidavit and the additional counter affidavit, learned counsel contended that though the petitioner is a subcontractor of the 4th respondent and though it is an undisputed fact that the 1st respondent entered into an agreement in the year 2013 with the 4th respondent, the petitioner was directly instructed by the 1st respondent with regard to progress of work and assured that the petitioner would be paid the amounts for the works executed by it which is also a part of the Minutes of Meeting recorded on 12.06.2017, 11.12.2017, 29.01.2018, 19.02.2018, 09.04.2018, 13.08.2018, 20.08.2018, 29.10.2018 and others. In such a case, it cannot be contended that the respondent authorities do not have any relationship directly with the petitioner.

16. Learned counsel further contended that though the imprest amount to a tune of Rs.170,00,00,000/- sanctioned by the State of Andhra Pradesh has purportedly been closed, the same does not preclude the respondent

authorities from releasing the amount payable to the petitioner despite recovering an amount of Rs.302,10,00,000/- from the running account bills of the 4th respondent and encashing all the bank guarantees furnished by the 4th respondent. When the 2nd respondent, vide letter dated 29.12.2020 recommended for payment of Rs.45,90,00,000/- to the petitioner towards the jet grouting work out of a designated amount of Rs.95,83,20,000/- which has to be adjusted proportionately among other sub-contractors, the respondent authorities, on one pretext or the other, have been postponing payment of such admitted amounts. Though the agreement dated 02.03.2013 entered between Water Resources Department and the 4th respondent was terminated by the Government vide proceedings dated 30.10.2019 it cannot be stated that the petitioner need not be paid the amount for completion of Electronic Cone Penetration Tests for an Earth-cum-Rock Fill dam base. Having permitted the petitioner to complete the works in the Polavaram Irrigation Project, the respondent authorities are liable to pay the petitioner for the work completed by it for Electronic Cone Penetration Tests for an Earth-cum-Rock Fill dam base. Stating thus, learned counsel sought for a direction to the respondent authorities to pay the amounts payable to the petitioner.

17. On the other hand, learned Government Pleader for Irrigation reiterated the contents of the counter affidavit and as well as the additional counter affidavit filed by the 2nd respondent. He further contends that when the

Engineer, Procurement and Construction agreement was between the Water Resources Department and the 4th respondent on 02.03.2013, the petitioner being a subcontractor of the 4th respondent and having no direct relationship with the Water Resources Department cannot claim that the department is liable to pay the amounts as claimed by the petitioner. Further, when the agreement dated 02.03.2013 entered between the Water Resources Department and the 4th respondent itself is not in existence and was terminated way back in the year 2019 vide termination proceedings dated 30.10.2019 due to slow work progress, paying the amounts to the petitioner for the work completed by it as per the agreement entered with the 4th respondent would not arise. Thus, learned Government Pleader for Irrigation requested this Court to dismiss the writ petition.

18. Perused the entire material available on record.

19. It is an undisputed fact that the petitioner is a leading specialist in the business of ground improvement works and plays a crucial role in all construction projects. In the year 2013, the Water Resources Department entered into an Engineer, Procurement and Construction agreement with the 4th respondent to carryout various constructions in the Polavaram Irrigation Project. In the year 2017, under three different work orders (as mentioned supra), the 4th respondent subcontracted the petitioner herein for execution of

few specific works and subsequently, to ensure that the work being executed by the sub-contractors of the 4th respondent shall not be hindered on account of issues pertaining to cash flow, vide Minutes of Meeting dated 13.03.2017, the State of Andhra Pradesh sanctioned a special imprest amount.

20. On 12.06.2017, a virtual review meeting was conducted for Polavaram Irrigation Project and on a perusal of its Minutes, it can be seen at Sl.No.5 that the 1st respondent herein has directly instructed the petitioner herein to commence the work immediately and that day-to-day schedule has to be presented before the Hon'ble Chief Minister in the review meetings. As per the said instructions, the petitioner commenced the work and by October, 2018, the petitioner has completed all the works entrusted to it. Till date, the Water Resources Department has paid Rs.2,00,00,000/- and Rs.71,26,62,284/- only for the two works completed as per the work orders dated 11.07.2017, 27.09.2017 and 03.02.2018, but, the petitioner was not paid the amount payable to it for completing the work of Electronic Cone Penetration Tests for an Earth-cum-Rock Fill dam base, on the ground that the rates submitted by the Water Resources Department were not approved by the Board of Chief Engineers.

21. The 2nd respondent, in a letter dated 29.12.2020 addressed to the Special Chief Secretary to Government, Water Resources Department,

discussed to settle the accounts of the 4th respondent. The entire case of the petitioner rests on the said letter dated 29.12.2020 as observed earlier. A perusal of the said letter would go to show that the Superintending Engineer made a request to obtain orders of the Government for filing appropriate claim in National Company Law Tribunal for securing the penal amount of Rs.269,29,00,000/- to be levied against the 4th respondent. The Superintending Engineer reported that after recovering departmental liabilities amounting to Rs.711.63 crores from the assets of the 4th respondent worth Rs.742.97 crores, an amount of Rs.31.34 crores would be available with the Department. In addition to the said amount, it was stated that Rs.99.06 crores have to be adjusted and in total, the department will be holding Rs.130.40 crores of the 4th respondent which was proposed to be adjusted in the following manner:

“As frequent reminders are received from the German Embassy and ministry of commerce and industry, GOI to the Government of Andhra Pradesh to finalize the accounts of M/s. Bauer. An amount of Rs.56.51 Crs shall be paid directly to M/s. Bauer – L&T (JV) which is due from M/s. Transstroy JSC EC UES (JV) from the balance amount of Rs.130.40 Crs of M/s. Transstroy JSC EC UES (JV) assets available with the Department.

After completion of payment to M/s. Bauer- L&T (JV) dues of Rs.56.51 Crs there will be a balance amount of Rs.73.89 Crs (130.40-56.51) of M/s Transstroy JSC EC UES (JV) assets available

with the Department. Small vendors and suppliers are also significantly contributed in the work of Polavaram Irrigation Project, an amount of Rs.23.958 Crs (List enclosed – Annexure – II) Shall be paid directly from the balance amount of Rs.73.89 Crs.

After payment of dues of Small vendors and suppliers from the assets of M/s. Transstroy JSC EC UES (JV) available with the Department, there will be a balance amount of Rs.49.932 Crs (73.89 – 23.958) will be available with the Department.

The balance amount Rs.49.932 Crs will be available as assets of M/s. Transstroy JSC EC UES (JV) with the Department. In addition an amount of Rs.45.90 Crs will add to the assets of M/s. Transstroy JSC EC UES (JV) after finalization of rate analysis of Jet grouting. Hence a total amount of Rs.95.832 Crs (49.932+45.90) shall be adjusted proportionately between M/s. Thriveni Earth Movers Pvt Ltd, M/s. Geovale Services and M/s. Keller India Ltd.

Orders required from the competent authority for finalization of accoutns of M/s. Transstroy JSC EC UES (JV), and to resolve the issue of payments to M/s. Bauer – L&T (JV) and such other vendors/contractors.

Further it is to submit that M/s Bauer and M/s Keller India Limited are expert agencies in ground improvement works and they are executing the works in Polavaram head works like Stone columns, vibro compaction and deep soil mixing still they are contributing the project and regularization of payment to them will help in smooth progress of works without financial constraints to these firms.”

22. It can be seen from the above extracted portion of the letter addressed by the 2nd respondent that the role of the petitioner herein in ground improvement works in Polavaram Irrigation Project was recognized and out of the remaining amount available with the department, the 2nd respondent recommended the Government to pay Rs.45,90,00,000/- crores to the petitioner herein. Admittedly, the Engineer, Procurement and Construction agreement dated 02.03.2013 executed between the Water Resources Department and the 4th respondent came to an end in the year 2019 vide Lr.No.CE/PIPHWunit/Polavaram/DCE/-II/OT-1/AEE-1/529m, dated 30.10.2019 and the aforementioned letter of the 2nd respondent was addressed in the year 2020. In such a case, the arguments of learned Government Pleader for Irrigation that the Government need not pay any amount to the petitioner as the 2013 agreement itself was terminated in the year 2019, cannot be sustained. Even after termination of the agreement between the department and the 4th respondent in the year 2019, the 2nd respondent recommended the Government to make payments to the petitioner, as extracted above, in the year 2020, by which it can be inferred that the respondent authorities have admitted/recognized that the petitioner has completed the work allocated to it.

23. It has to be noted that the 2nd respondent, in the letter dated 29.12.2020, though has recommended that the petitioner shall be paid an amount of Rs.45.90 crores, subjected the same to 'finalization of rate analysis

for Jet Grouting'. On 27.08.2019, the Board of Chief Engineers rejected the rate analysis submitted by the 2nd respondent and directed the 3rd respondent to decide on the payment to be made to the petitioner in accordance with basic parameters and the payment schedule incorporated in the Engineer, Procurement and Construction agreement dated 02.03.2013. As per the said decision of the Board of Chief Engineers, an amount of Rs.45,90,00,000/- is payable by the 1st respondent towards the jet grouting work. Even after finalization of the rate analysis for Jet Grouting by the Board of Chief Engineers on 27.08.2019, the Water Resources Department has continued to revise the rates by way of various letters dated 03.12.2021, 06.01.2022 and 06.05.2022.

24. The letter dated 29.12.2020 addressed by the 2nd respondent was challenged by 'M/s Ratna Infrastructure Projects Private Limited' in W.P.No.701 of 2021 before this Court, wherein, initially this Court was pleased to pass an interim order on 07.01.2021 directing the 1st respondent not to disburse any amount from the account of the 4th respondent and stayed all further proceedings pursuant to the letter dated 29.12.2020 addressed by the 2nd respondent. In the said writ petition, the petitioner got impleaded as respondent No.10 and filed a vacate stay petition. Thereafter, this Court, vide interim order dated 17.07.2023, modified the earlier interim order dated 07.01.2021 as under:

“For the reasons stated in the affidavit, as well as in the vacate Petition along With the proceedings issued by Respondent No.3 to Respondent No.1 dated 29.12.2020, there is a prima facie case in favour of Respondent No.10. Accordingly, an interim direction already passed dated 07.01.2021 as referred above has been modified, directing Respondent No.3 and Respondent No.1 to consider the claim and process the admitted/approved amount of Rs.45.90 Crores in favour of Respondent No.10 within a period of six weeks from the date of receipt of copy of this order.”

25. It can also be seen that in W.P.No.23091 of 2023, filed by the very same petitioner before this Court seeking direction to the respondents to release the amount payable to the petitioner towards the completion of vibro compaction works, this Court, having observed that the Water Resources Department is the beneficiary out of the subject contract work executed by the petitioner, directed the respondents to pay an amount of Rs.7,82,27,371/- within three months. In compliance to the said order, the respondents have already paid the amounts payable to the petitioner for the vibro compaction works completed by it.

26. In view of the same It cannot be contended that merely because the agreement entered between the Water Resources Department and the 4th respondent was terminated in the year 2019, the Water Resources Department is absolved of its obligation to make payment for the works that were admittedly completed by the petitioner in the year 2018 itself, which is prior to termination of the abovementioned agreement. Having enjoyed the

benefit of the works executed by the petitioner, denial of payment for the same by the Water Resources Department would be wholly arbitrary, unjust, and unsustainable in law. Further, the contention of learned Government Pleader for Irrigation that no contractual relationship exists between the petitioner and the department on the ground that the 2013 agreement was executed only between the 4th respondent and the Water Resources Department is untenable.

27. The material available on record would clearly show that the petitioner executed the works under the supervision of the Water Resources Department, and significantly, received direct instructions from the Government authorities (Minutes of Meeting, dated 12.06.2017) for the commencement and execution of the works. In such circumstances, it cannot be argued that the petitioner had no direct nexus with the Water Resources Department. Furthermore, the fact that the work executed by the petitioner was duly acknowledged by the Water Resources Department in the letter dated 20.12.2020, strengthens the claim of the petitioner. In view of the above, the petitioner is clearly entitled to receive payment of Rs.45,90,00,000/- and this Court does not find the arguments put forth by the learned Government Pleader for irrigation to be effective.

28. In the result, this writ petition is disposed of and the respondents are directed to pay the amount of Rs.45,90,00,000/- to the petitioner within a period of eight (8) months from the date of receipt of a copy of this order. There shall be no order as to costs.

Consequently, Miscellaneous Petitions, if any, pending in this Petition shall stand closed.

JUSTICE V.SUJATHA

.01.2026
Gss