

HONOURABLE SRI JUSTICE P.NAVEEN RAO

WRIT PLETITION No.6546 of 2015

Date: 22.06.2015

Between :

Sree Rama Sai Constructions, H.No.7-1-397/149-10B,
Hyderabad, rep.by G.Raja, Managing Partner,

..... Petitioner

And

State of Andhra Pradesh, rep.by the Principal Secretary
to Government, Municipal Administration, Secretariat,
Hyderabad and others.

..... Respondents

This Court made the following order:

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WRIT PETITION No.6546 of 2015

ORDER:

Petitioner firm was awarded three contracts on 18.03.2011 for execution of civil works in Vijayawada Municipal Corporation limits, which are approximately for the value of Rs.50 lakhs. According to the agreement, the work entrusted to the petitioner should be completed within a period of six months. Alleging that the contractor failed to execute the work and even after five months only small portion of the work entrusted to him was executed, by proceedings dated 06.08.2011, the contract of the petitioner was terminated and the work was entrusted to another contractor.

2. The grievance of the petitioner is that after termination of contract, certain amounts payable to him were not released even after four years. According to the petitioner, he submitted several representations, but no response was given to him. Earlier petitioner filed W.P.No.33202 of 2012. This Court by order dated 19.10.2012 held that pending proceedings would not disable the employer from taking necessary action for payment of admitted amounts. Subsequent to the above orders of this Court, an amount of Rs.30,41,000/- was released on 19.09.2013. Petitioner claims that he is entitled to receive an amount of Rs.9.56 lakh more. In addition the amount of Rs.3.66 lakhs recovered from running account bills and bank guarantees worth Rs.12.72 lakh are yet to be released.

3. Learned counsel for the petitioner submits that as per clause 60(C) of Andhra Pradesh Detailed Standard Specifications (A.P.D.S.S.), if the contractor failed to execute the work and if the work is entrusted to another contractor, the employer is entitled to recoup the loss caused to the employer from the contractor on account of entrustment of the same work to any other contractor if the amount of work executed by another contractor is higher than the agreed amount by the original contractor. Thus, if clause 60(C) is applied, whatever amount liable to be paid by the petitioner, he is willing to pay. Since the amount is already lying with the respondents, it is open to them to

adjust the amount of any such loss is caused. The only grievance of the petitioner is that inordinate delay in finalising the issue is causing undue hardship to the petitioner.

4. The basic facts are not in dispute. In para-13 of the counter affidavit filed by the 2nd respondent, the deponent stated that closing of accounts of three works are not possible because the left over works are under progress. After completion of these works, balance amounts which are admissible would be released under Clause 60(C) of APDSS.

5. In view of the same, writ petition is disposed of leaving it open to the respondents to work out the amounts chargeable in accordance with clause 60(C) of the agreement after completion of the works now entrusted to another contractor. Amounts so quantified can be recouped from any amounts lying with the respondents. After the works are completed, appropriate action should be taken by the respondents in this regard as expeditiously as possible, preferably within six weeks thereafter and if there is balance amounts payable after invoking clause 60(C) and if there is no other dispute on the issue of due amounts, the same shall be released to the petitioner. There shall be no order as to costs.

Miscellaneous petitions if any pending in the writ petition shall stand closed.

JUSTICE P.NAVEEN RAO

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