



W.P.No.37579 of 2024

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.04.2025

CORAM :

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.No.37579 of 2024

Sri Kancherla Veerayya

.. Petitioner

Versus

1. The Secretary to Government,
Department of Civil Supplies and
Consumer Affairs,
Government of Puducherry,
Puducherry.
2. The Managing Partner,
PAPSCO,
(Puducherry Agro Products, Food and Civil
Supplies Corporation Limited),
Tattanchavady,
Puducherry.

.. Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, pleaded to issue a Writ of Mandamus, directing the 2nd respondent to return the EMD amount of Rs.10,00,000/- with reasonable interest to the



W.P.No.37579 of 2024

petitioner's rice mill forthwith on the basis of the petitioner's representation
letter, dated 26.08.2024 and reminder letter, dated 13.11.2024.

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W.P.No.37579 of 2024

For Petitioners : Mr.K.Kesavan

For Respondents : Mr.V.Vasanthakumar,
Additional Government Pleader
(Puducherry), for R1

: Mr.T.M.Naveen, for R2

ORDER

This Writ Petition is filed for a direction directing the respondents to return the EMD amount of Rs.10,00,000/- with reasonable interest to the petitioners rice mill forthwith on the basis of the petitioner's representation, dated 26.08.2024.

2. The grievance of the petitioner is that when the public tender was called for by the second respondent, the petitioner participated in the same. Accordingly, the petitioner became the successful bidder and supplied the rice as per the contract and there is no dispute with reference to the same. The EMD amount was withheld as a security in respect thereof. Even after the petitioner's proper performance of the contract that happened in the year

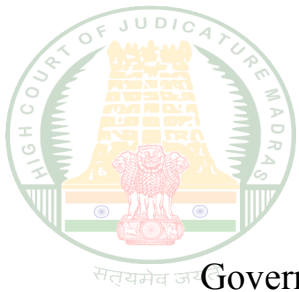


W.P.No.37579 of 2024

2019, even though six years have passed by, till date, the amount is not
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returned to the petitioner.

3. On the last occasion, when the learned Counsel for the petitioner submitted that the second respondent, PAPSCO, is in a dormant stage and no activities are carried out and the proposal for payment of salaries etc., are also being considered by the Government and the Government is also trying to settle the outstanding dues by priority basis, financial difficulty was pleaded on behalf of the respondents.

4. Today, the learned Additional Government Pleader (Puducherry) for the first respondent seeks further time in the matter. The learned Counsel for the petitioner would rely upon the judgment of the Hon'ble Supreme Court of India in ***Union of India and Anr. Vs. M/s.Balaji Enterprises (Pondy) Private Limited and Anr.*** in Special Leave Petition (Civil). Diary No(s).49478 of 2023, dated 26.04.2024. Therefore, he would submit that the



W.P.No.37579 of 2024

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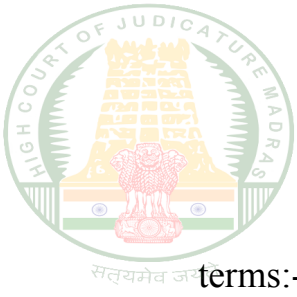
Government as well as the second respondent cannot deny their liability and has to pay the amount due.

5. I have considered the rival submissions that are made.

6. It may be true that there is some financial difficulty for the second respondent. However, already, six years have passed by after the amount became due to the petitioner. The Hon'ble Supreme Court of India also, with reference to the second respondent organisation itself, categorically held in paragraph No.4 of the above said order, as follows:-

"4. Having regard to the fact that respondent No.2 - the Corporation, is a Government entity and is in extended hand of the State to perform various welfare schemes, we are satisfied that the State of Puducherry cannot escape from its responsibility for settling the admitted debt of the Corporation. We would, therefore, advise the State Government to revisit the whole issue and take an appropriate decision to bail out the Corporation from the present crisis. Let some decision be taken in this regard before the next date of hearing."

7. In view thereof, this Writ Petition is allowed on the following



W.P.No.37579 of 2024

terms:-

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(i) The amount due to the petitioner i.e., Rs.10,00,000/-, being the EMD amount, shall be released to the petitioner along with further interest at the rate of 6% per annum, from the date on which the amount became due till the date of payment;

(ii) The same shall be paid within a period of four months from the date of receipt of a web-copy of this order without waiting for a certified copy of this order;

(iii) There shall be no order as to costs.

21.04.2025

Neutral Citation : no

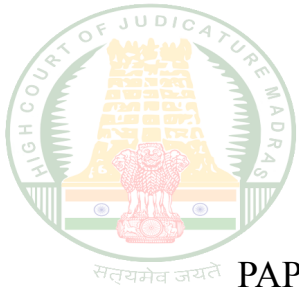
grs

To

1. The Secretary to Government,
Department of Civil Supplies and
Consumer Affairs,
Government of Puducherry,
Puducherry.

2. The Managing Partner,

6/9



W.P.No.37579 of 2024

PAPSCO,
(Puducherry Agro Products, Food and Civil
Supplies Corporation Limited),
Tattanchavady,
Puducherry.



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W.P.No.37579 of 2024

D.BHARATHA CHAKRAVARTHY, J.

grs

W.P.No.37579 of 2024



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W.P.No.37579 of 2024

21.04.2025