

IN THE HIGH COURT OF ANDHRA PRADESH: AMARAVATI

**WRIT PETITION NOS: 5506, 5608, 5712, 5748, 5781, 8818, 8895, 8978,
9279 and 9730 of 2025**

YELLABOINA MALLAIAH, S/O. BANGARAIAH, AGED ABOUT 63 YEARS,
R/O. RACHAKONDA VILLAGE, PULLALACHERUVU MANDAL,
PRAKASAM DISTRICT, A.P.

... Petitioner

Versus

THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL
SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT,
VELAGAPUDI, GUNTUR DISTRICT AND OTHERS

... Respondents

DATE OF ORDER PRONOUNCED : **22.07.2026**

SUBMITTED FOR APPROVAL:

HONOURABLE SRI JUSTICE SUBBA REDDY SATTI

1. Whether Reporters of Local Newspapers
may be allowed to see the order? : Yes/No
2. Whether the copy of order may be
marked to Law Reporters/Journals? : Yes/No
3. Whether His Lordship wish to
see the fair copy of the order? : Yes/No

SUBBA REDDY SATTI, J

*** HONOURABLE SRI JUSTICE SUBBA REDDY SATTI**

**WRIT PETITION NOS: 5506, 5608, 5712, 5748, 5781, 8818, 8895, 8978,
9279 and 9730 of 2025**

% 22.07.2026

Writ Petition No. 5506 of 2026

YELLABOINA MALLAIAH, S/O. BANGARAI AH, AGED ABOUT 63 YEARS,
R/O. RACHAKONDA VILLAGE, PULLALACHERUVU MANDAL,
PRAKASAM DISTRICT, A.P.

... Petitioner

Versus

THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL
SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT,
VELAGAPUDI, GUNTUR DISTRICT AND OTHERS

... Respondents

! Counsel for Petitioner : Sri Srinivasa Rao Narra,
learned counsel
^ Counsel for Respondents : Government Pleader for Irrigation and
CAD and Government Pleader for
Finance and Planning

< Gist :

> Head Note :

? Cases referred :

- 1) 2015 (7) SCC 728
- 2) (2004) 3 SCC 553
- 3) 2015 (3) ALD 97
- 4) AIR 1992 SC 732
- 5) (2021) 5 ALT 267
- 6) 2022 (1) ALT 777
- 7) AIR 1961 SC 1457
- 8) (2011) 3 SCC 408
- 9) (1989) 1 SCC 101
- 10) (1975) 2 SCC 436
- 11) (1988) 4 SCC 534
- 12) (2011) 7 SCC 639

This Court made the following:

Date of reserved for orders :08.07.2026

Date of pronouncement : 22.07.2026

Date of uploading : 27.07.2026

APHC010104742025



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

[3331]

WEDNESDAY, THE 22nd DAY OF JULY 2026

PRESENT

THE HONOURABLE SRI JUSTICE SUBBA REDDY SATTI

**WRIT PETITION NOS: 5506, 5608, 5712, 5748, 5781, 8818, 8895, 8978,
9279 and 9730 of 2025**

WRIT PETITION NO: 5506/2025

Between:

1. YELLABOINA MALLAIAH, S/O. BANGARAIAH, AGED ABOUT 63 YEARS, R/O. RACHAKONDA VILLAGE, PULLALACHERUVU MANDAL, PRAKASAM DISTRICT, A.P.

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.

2. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.

3. THE DISTRICT COLLECTOR, PRAKASAM DISTRICT, ONGOLE.

4.THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION,
ONGOLE, PRAKASAM DISTRICT.

5.THE EXECUTIVE ENGINEER, SPECIAL DIVISION (IRRIGATION),
MARKAPUR, PRAKASAM DISTRICT

...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 be pleased to issue Writ, Order or Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest @ 6percent per annum on the principal amount of Rs.26,35,672/- from the date when the bills were submitted for payment i.e.. 04.05.2019 to the Petitioner i.e., Rs. 9,08,548.63/- (Rupees Nine Lakhs Eight Thousand Five Hundred and Forty Eight Rupees Sixty Three Raise only) forthwith towards the execution of total 3 works under Neeru-Chettu scheme in Rachakonda Village, Pullalacheruvu Mandal, Prakasam District and pass such

IA NO: 1 OF 2025

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 may be pleased to pass an interim order by directing the Respondents to pay 50% of the interest amount Rs. 9,08,548.63/- i.e., Rs.4,54,274.31/- (Rupees Four Lakhs Fifty Four Thousand Two Hundred and Seventy Four Rupees Thirty One Raise only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass such

Counsel for the Petitioner:

1.SRINIVASA RAO NARRA

Counsel for the Respondent(S):

- 1.GP FOR IRRI AND CAD
- 2.GP FOR FINANCE PLANNING

WRIT PETITION NO: 5608/2025

Between:

- 1.KESANAPALLI VENKATA NARAYANA, S/O. MALLIKARJUNA, AGED ABOUT 47 YEARS, R/O. KOMAROLE VILLAGE, PULLALACHERUVU MANDAL PRAKASAM DISTRICT, A.P.

...PETITIONER

AND

- 1.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
- 2.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
- 3.THE DISTRICT COLLECTOR, PRAKASAM DISTRICT, ONGOLE.
- 4.THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION, ONGOLE, PRAKASAM DISTRICT.
- 5.THE EXECUTIVE ENGINEER, SPECIAL DIVISION (IRRIGATION), MARKAPUR, PRAKASAM DISTRICT.

...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 Writ, Order or Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest @ 6 percent per annum on the principal amount of Rs. 8,69,531/- from the date when the bills were submitted for payment i.e.. 01.01.2019 to the Petitioner i.e., Rs.3,17,319.26/- (Rupees Three Lakhs Seventeen Thousand

Three Hundred and Nineteen Rupees Twenty Six Raise only) forthwith towards the execution of 1 work under Neeru-Chettu scheme in Kundamapalli Village of Pullalacheruvu Mandal, Prakasam District and pass

IA NO: 1 OF 2025

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 pass an interim order by directing the Respondents to pay 50% of the interest amount Rs.3,17,319.26/- i.e., Rs. 1,58,659.63/- (Rupees One Lakh Fifty Eight Thousand Six Hundred and Fifty Nine Rupees Sixty Three Raise only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass

IA NO: 2 OF 2025

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 grant leave to the Respondent No.5 to file Counter Affidavit in W.P.No.5608 of 2025 and to pass

Counsel for the Petitioner:

1. SRINIVASA RAO NARRA

Counsel for the Respondent(S):

1. GP FOR IRRI AND CAD
2. GP FOR FINANCE PLANNING

WRIT PETITION NO: 5712/2025

Between:

1. BAIPUNENI CHINNA VENKATESWARLU, S/O. YOGAIAH, AGED ABOUT 42 YEARS, R/O. KUNDAMPALLI VILLAGE, PULLALACHERUVU MANDAL, PRAKASAM DISTRICT, A.P.

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
2. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
3. THE DISTRICT COLLECTOR, PRAKASAM DISTRICT, ONGOLE.
4. THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION, ONGOLE, PRAKASAM DISTRICT.
5. THE EXECUTIVE ENGINEER, SPECIAL DIVISION (IRRIGATION), MARKAPUR, PRAKASAM DISTRICT

...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 to issue Writ, Order or Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest @ 6 percent per annum on the principal amount of Rs. 1,46,77,776/- from the date when the bills were submitted for payment i.e., 01.01.2019 to the Petitioner i.e., Rs. Rs.53,56,382.91/- (Rupees Fifty Three Lakhs Fifty Six Thousand Three Hundred and Eighty Two Rupees Ninety One Raise only) forthwith towards the execution of total 30 works under Neeru- Chettu scheme in Kavalakuntia, Yendrapalli, Chennampalli, Nerajamula Thanda and Kundampalli Villages of Pullalacheruvu Mandal, Prakasam District and pass such

IA NO: 1 OF 2025

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 may be pleased to pass an interim order by directing the Respondents to pay 50% of the interest amount Rs.53,56,382.91/- i.e., Rs.26,78,191.45/- (Rupees Twenty Six Lakhs Seventy Eight Thousand One Hundred and Ninety One Rupees Forty Five Raise only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass such

IA NO: 1 OF 2026

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 may be pleased to grant leave to the respondent No.5 to file counter affidavit in WP 5712 of 2025 and to pass

Counsel for the Petitioner:

1. SRINIVASA RAO NARRA

Counsel for the Respondent(S):

1. GP FOR IRRI AND CAD
2. GP FOR FINANCE PLANNING

WRIT PETITION NO: 5748/2025

Between:

1. NALAGATI ATMANANDA SATYANARAYANA NAIDU, S/O. ANJANEYULU, AGED ABOUT 47 YEARS, R/O. VENKATADRIPALEM, YERRAGONDAPALEM MANDAL PRAKASAM DISTRICT, A.P.

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
2. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
3. THE DISTRICT COLLECTOR, PRAKASAM DISTRICT, ONGOLE.
4. THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION, ONGOLE, PRAKASAM DISTRICT.
5. THE EXECUTIVE ENGINEER, SPECIAL DIVISION (IRRIGATION), MARKAPUR, PRAKASAM DISTRICT.

...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 to issue Writ, Order or Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest 6PERCENT per annum on the principal amount of Rs. 26,35,564/- from the date when the bills were submitted for payment i.e., 20.03.2019 to the Petitioner i.e., Rs.9,27,574/- (Rupees Nine Lakhs Twenty Seven Thousand Five Hundred and Seventy Four Rupees only) forthwith towards the execution of total 3 works under Neeru-Chettu scheme in Venkatadripalem Village of Yerragondapalem Mandal, Prakasam District and pass

IA NO: 1 OF 2025

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 pass an interim order by directing the Respondents to pay 50% of the interest amount Rs.9,27,574/- i.e.,

Rs.4,63,787/- (Rupees Four Lakhs Sixty Three Thousand Seven Hundred and Eighty Seven Rupees only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass

IA NO: 2 OF 2025

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 may be pleased to grant leave to the Respondent No.5 to file Counter Affidavit in W.P.No.5748 of 2025 and to pass

Counsel for the Petitioner:

- 1.SRINIVASA RAO NARRA

Counsel for the Respondent(S):

- 1.GP FOR IRRI AND CAD
- 2.GP FOR FINANCE PLANNING

WRIT PETITION NO: 5781/2025

Between:

- 1.PAVULURI MANNEIAH, S/O. CHILAKAIAH, AGED ABOUT 45 YEARS, R/O. I.T. VARAM VILLAGE, PULLALACHERUVU MANDAL, PRAKASAM DISTRICT, A.P.

...PETITIONER

AND

- 1.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
- 2.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
- 3.THE DISTRICT COLLECTOR, PRAKASAM DISTRICT, ONGOLE.

4.THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION,
ONGOLE, PRAKASAM DISTRICT.

5.THE EXECUTIVE ENGINEER, SPECIAL DIVISION
(IRRIGATION), MARKAPUR, PRAKASAM DISTRICT.

...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 to issue Writ, Order or Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest 6 PERCENT per annum on the principal amount of Rs.44,55,976/- from the date when the bills were submitted for payment i.e., 04.05.2019 to the Petitioner i.e., Rs. 15,36,029.36/- (Rupees Fifteen Lakhs Thirty Six Thousand and Twenty Nine Rupees Thirty Six Raise only) forthwith towards the execution of total 12 works under Neeru-Chettu scheme in I.T. Varam Village, Pullalacheruvu Mandal, Prakasam District and pass

IA NO: 1 OF 2025

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 pass an interim order by directing the Respondents to pay 50% of the interest amount Rs. 15,36,029.36/- i.e., Rs.7,68,014.68/- (Rupees Seven Lakhs Sixty Eight Thousand and Fourteen Rupees Sixty Eight Raise only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass

Counsel for the Petitioner:

1. SRINIVASA RAO NARRA

Counsel for the Respondent(S):

1. GP FOR IRRI AND CAD

2. GP FOR FINANCE PLANNING

WRIT PETITION NO: 8818/2025

Between:

1. NAKKA VENKATA CHENNAIAH, S/O. CHENNAIAH, AGED ABOUT 49 YEARS, R/O. GOLLAVIDIPI VILLAGE, YERRAGONDAPALAM MANDAL, PRAKASAM DISTRICT, A.P.

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
2. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
3. THE DISTRICT COLLECTOR, PRAKASAM DISTRICT, ONGOLE.
4. THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION, ONGOLE, PRAKASAM DISTRICT.
5. THE EXECUTIVE ENGINEER, SPECIAL DIVISION (IRRIGATION), MARKAPUR, PRAKASAM DISTRICT.

...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 to issue any writ, order Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest @ 6 percent per annum on the principal amount of Rs.33,20,300/- from the date when the bills were submitted for payment i.e., 11.02.2019 to the Petitioner i.e., Rs.12,11,682/- (Rupees Twelve Lakhs Eleven Thousand Six Hundred and Eighty Two Rupees only) forthwith towards the execution of total 8 works under Neeru-Chettu

scheme in Gollavidipi Village, Yerragondapalem Mandal, Prakasam District and pass

IA NO: 1 OF 2025

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 pass an interim order by directing the Respondents to pay 50% of the interest amount Rs.12,11,682/- i.e., Rs.6,05,841/- (Rupees Six Lakhs Five Thousand Eight Hundred and Forty One Rupees only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass

IA NO: 1 OF 2026

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 this Hon'ble Court may be pleased to grant leave to the Respondent No.5 to file Counter Affidavit in W.P.No.8818 of 2025 and to pass such other order or orders

Counsel for the Petitioner:

- 1.SRINIVASA RAO NARRA

Counsel for the Respondent(S):

- 1.GP FOR IRRI AND CAD
- 2.GP FOR FINANCE PLANNING

WRIT PETITION NO: 8895/2025

Between:

- 1.GUTHA VENKATA NARAYANA, S/O. ADHINARAYANA, AGED ABOUT 45 YEARS, R/O. MEDAPI VILLAGE, TRIPURANTHKAM

MANDAL, PRAKASAM DISTRICT, A.P

...PETITIONER

AND

- 1.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
- 2.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
- 3.THE DISTRICT COLLECTOR, PRAKASAM DISTRICT, ONGOLE.
- 4.THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION, ONGOLE, PRAKASAM DISTRICT.
- 5.THE EXECUTIVE ENGINEER, SPECIAL DIVISION (IRRIGATION), MARKAPUR, PRAKASAM DISTRICT.

...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 to issue any writ, order or Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest @ 6 percentage per annum on the principal amount of Rs.25,60,314/- from the date when the bills were submitted for payment i.e., 13.09.2019 to the Petitioner i.e., Rs.8,44,272.31/- (Rupees Eight Lakhs Forty Four Thousand Two Hundred and Seventy Two Rupees Thirty One Raise only) forthwith towards the execution of total 20 works under Neeru-Chettu scheme in Endirivaripalem Village, Tripuranthakam Mandal, Prakasam District and pass

IA NO: 1 OF 2025

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 pass an interim order by directing the Respondents to pay 50% of the interest amount Rs.8,44,272.31/- i.e., Rs.4,22,136.16/- (Rupees Four Lakhs Twenty Two Thousand One Hundred and Thirty Six Rupees Sixteen Raise only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass

IA NO: 1 OF 2026

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 this Hon'ble Court may be pleased to grant leave to the Respondent No.5 to file Counter Affidavit in W.P.No.8895 of 2025 and to pass such other order or orders

Counsel for the Petitioner:

1.SRINIVASA RAO NARRA

Counsel for the Respondent(S):

- 1.GP FOR IRRI AND CAD
- 2.GP FOR FINANCE PLANNING

WRIT PETITION NO: 8978/2025

Between:

- 1.MYNINE MURALI KRISHNA, S/O. VENKATA RAMAIAH, AGED ABOUT 62 YEARS, R/O. D.NO.12-199, KOLLURU VILLAGE, KOLLURU MANDAL BAPATIA DISTRICT, A.P.

...PETITIONER

AND

- 1.THE STATE OF AP, REP. BY ITS PRINCIPAL SECRETARY,

WATER RESOURCES DEPARTMENT, SECRETARIAT,
VELAGAPUDI, GUNTUR DISTRICT.

2.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL
SECRETARY, FINANCE DEPARTMENT, SECRETARIAT,
VELAGAPUDI, GUNTUR DISTRICT.

3.THE DISTRICT COLLECTOR, GUNTUR DISTRICT, GUNTUR.

4.THE SUPERINTENDING ENGINEER, IRRIGATION CIRCLE,
GUNTUR, GUNTUR DISTRICT.

5.THE EXECUTIVE ENGINEER, K.W. DIVISION, TENALI,
GUNTUR DISTRICT.

6.THE EXECUTIVE ENGINEER, I CAD DEPARTMENT,
DRAINAGE DIVISION CHIRALA, BAPATIA DISTRICT.

7.THE EXECUTIVE ENGINEER, I CAD DEPARTMENT,
DRAINAGE DIVISION REPALLE, BAPATIA DISTRICT.

...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 to issue any writ, order Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest @ 6 PERCENT per annum on the principal amount of Rs.2,09,25,597/- from the date when the bills were submitted for payment i.e., 19.03.2019 to the Petitioner i.e., Rs.75,12,576/- (Rupees Seventy Five Lakhs Twelve Thousand Five Hundred and Seventy Six Rupees only) forthwith towards the execution of total 30 works under Neeru-Chettu scheme in the respective villages of Guntur and Bapatia Districts and pass

IA NO: 1 OF 2025

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 pass an interim order by directing the Respondents to pay

50% of the interest amount Rs.75,12,576/- i.e., Rs.37,56,288/- (Rupees Thirty Seven Lakhs Fifty Six Thousand Two Hundred and Eighty Eight Rupees only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass

Counsel for the Petitioner:

1. SRINIVASA RAO NARRA

Counsel for the Respondent(S):

1. GP FOR IRRI AND CAD
2. GP FOR FINANCE PLANNING

WRIT PETITION NO: 9279/2025

Between:

1. NUVVULA SUNIL CHOWDARY, S/O. CHIRANJEEVI, AGED ABOUT 48 YEARS, R/O. 3-26, GARIKAPADU VILLAGE, KAKUMANU MANDAL, GUNTUR DISTRICT, A.P.

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
2. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
3. THE DISTRICT COLLECTOR, BAPATLA DISTRICT, BAPATLA.

4.THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION,
GUNTUR, GUNTUR DISTRICT.

5.THE EXECUTIVE ENGINEER, DRAINAGE DIVISION, CHIRALA,
BAPATLA DISTRICT.

...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 to issue any writ, order Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest @ 6percent per annum on the principal amount of Rs.3,56,245/- from the date when the bills were submitted for payment i.e., 06.02.2019 to the Petitioner i.e.,Rs.1,30,298/- (Rupees One Lakh ThirtyThousand Two Hundred and Ninety Eight Rupees only) forthwith towards the execution of total 2 works under Neeru-Chettu scheme in the respective villages of Guntur District and pass

IA NO: 1 OF 2025

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 pass an interim order by directing the Respondents to pay 50% of the interest amount Rs. 1,30,298/- i.e., Rs.65,149/- (Rupees Sixty Five Thousand One Hundred and Forty Nine Rupees only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass

Counsel for the Petitioner:

1.SRINIVASA RAO NARRA

Counsel for the Respondent(S):

1.GP FOR IRRI AND CAD

2.GP FOR FINANCE PLANNING

WRIT PETITION NO: 9730/2025

Between:

- 1.VUTLA VENKATESWARLU, S/O. PALA ANKAIAH, AGED ABOUT 62 YEARS, R/O. MITTAPALEM VILLAGE, TRIPURANTHAKAM MANDAL, PRAKASAM DISTRICT, A.P.

...PETITIONER

AND

- 1.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, WATER RESOURCES DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
- 2.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, GUNTUR DISTRICT.
- 3.THE DISTRICT COLLECTOR, PRAKASAM DISTRICT, ONGOLE.
- 4.THE SUPERINTENDING ENGINEER, IRRIGATION DIVISION, ONGOLE, PRAKASAM DISTRICT.
- 5.THE EXECUTIVE ENGINEER, SPECIAL DIVISION (IRRIGATION), MARKAPUR, PRAKASAM DISTRICT.

...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 to issue any writ, order or Direction more particularly one in the nature of writ of Mandamus directing the Respondents to award interest @ 6 percent per annum on the principal amount of Rs.23,78,483/- from the date when the bills were submitted for payment i.e., 29.09.2018 to the Petitioner i.e., Rs.9,20,766.16/- (Rupees Nine Lakhs Twenty Thousand Seven Hundred and Sixty Six Rupees Sixteen Raise only) forthwith towards the execution of total 3 works under Neeru-Chettu scheme in Mittapalem Village, Tripuranthakam Mandal,

Prakasam District and pass

IA NO: 1 OF 2025

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 pass an interim order by directing the Respondents to pay 50% of the interest amount Rs.9,20,766.16/- i.e., Rs.4,60,383.08/- (Rupees Four Lakhs Sixty Thousand Three Hundred and Eighty Three Rupees Eight Paise only) immediately to the Petitioner by crediting the same to his bank account, until disposal of the above writ petition, and pass

IA NO: 1 OF 2026

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 May be pleased to grant leave to the Respondent No.5 to file Counter Affidavit in W.P.No.9730 of 2025 and to pass

Counsel for the Petitioner:

1. SRINIVASA RAO NARRA

Counsel for the Respondent(S):

1. GP FOR IRRI AND CAD
2. GP FOR FINANCE PLANNING

The Court made the following common order:

All these writ petitions were filed to direct the respondents to pay interest @ 6% p.a. on the principal amount due to the delayed payment after execution of the works.

2. Since the issue involved in these writ petitions is similar, this Court is inclined to pass a common order.

3. For better understanding, this Court is preparing a tabular form infra regarding the petitioners' earlier writ petitions and the present writ petitions.

S. No	Present Writ Petition	Earlier Writ Petition	Interest Claimed and Operative Portion of Order
1	5506 of 2025	14315 of 2022 disposed of on 06.07.2022.	It would also be open to the petitioner to agitate his/her/their claim for interest, if any, payable by the respondents, in an appropriate forum.
2	5608 of 2025	7224 of 2022 Interim Order dated 15.06.2022.	The respondents are directed to pay the bill amount to the petitioner within four weeks from now.
3	9730 of 2025	31792 of 2022 disposed of on 08.11.2022	It would also be open to the petitioner to agitate his/her/their claim for interest, if any, payable by the respondents, in an appropriate forum.
4	9279 of 2025	5917 of 2023 disposed of on 20.09.2023	It is needless to mention that the petitioner may raise claim with regard to the interest component before appropriate Forum, if it is so advise.
5	8895 of 2025	15218 of 2022 disposed of on 19.07.2022	It would also be open to the petitioner to agitate his/her/their claim for interest, if any, payable by the respondents, in an appropriate forum.
6	8818 of 2025	14223 of 2022 disposed of on 27.06.2022	It would also be open to the petitioner to agitate his/her/their claim for interest, if any, payable by the respondents, in an appropriate forum.
7	5781 of 2025	17371 of 2022 disposed of on 27.06.2022	It would also be open to the petitioner to agitate his/her/their claim for interest, if any, payable by the respondents, in an appropriate forum.
8	5748 of 2025	9917 of 2022 interim order dated 18.04.2022 and final order 15.02.2024.	To pay final bill within six weeks. Finally, dismissed as infructuous granting liberty to the petitioner to claim differential amount/withheld amount or interest amount, if any, by way of

			initiation of fresh/separate legal proceedings in accordance with law.
9	5712 of 2025	8851 of 2022 interim order dated 07.04.2022 and final order 07.02.2024	To pay final bill within six weeks Finally, dismissed as infructuous granting liberty to the petitioner to claim differential amount/withheld amount or interest amount, if any, by way of initiation of fresh/separate legal proceedings in accordance with law.
10	8978 of 2025	126 of 2022 disposed of 01.12.2023	Dismissed as infructuous. However the petitioner is at liberty to claim interest, if any by way of initiation of separate proceedings.

4. In the respective affidavits, the petitioners contended that they executed the works under the Neeru Chettu Scheme in the respective villages of Chittoor District, in pursuance of the respective agreements. The concerned authorities issued quality check certificates and M-Books. After the completion of the works, the authorities released the amount but failed to pay the 24% interest amount. Hence, the petitioners filed writ petitions, and they were disposed of.

5. In the first round of litigation, the writ petitions were disposed of, giving liberty to agitate the claim of interest, if any, before the appropriate forum. The observation, in each writ petition, was extracted in tabular form. The petitioners based their claim vis-à-vis interest, based on the order of the Division Bench in W.A.No.724 of 2021 dated 12.10.2023. The Division Bench, in those writ appeals, directed to calculate the interest @ 6% p.a. on the amount from the date when the bills were submitted for payment.

6. In the writ affidavits, it was pleaded that by the time of disposal of the writ petitions, writ appeals were pending and hence, no interest was granted. Interest is also granted in W.P.No.2511 of 2022 dated 22.03.2022. After the disposal of the earlier writ petitions, the petitioners got legal notices issued through an advocate claiming interest and thereafter filed the above writ petitions.

7. A counter affidavit was filed on behalf of the 5th respondent. The respective petitioners signed discharge certificates at the time of preparing the final payment of the bill, duly agreeing to the total amount of the bill. The Division Bench of this Court in W.A.No.60 of 2025 dated 11.02.2025 directed the parties to agitate their respective claims and counterclaims before an appropriate forum.

8. In the Articles of Agreement, it was specifically mentioned that the contractor signed a copy of the Andhra Pradesh Standard Specifications and Addenda thereto, to be maintained in the special Division Office in acknowledgement of being bound by all the conditions of the clauses of the standard preliminary specification and all the standard specifications for the items of work described by the standard specification number in Schedule-A, Part-1.

9. The conditions in the Andhra Pradesh Standard Specifications form part of the contract. All claims above Rs.50,000/- in value shall be decided by the civil Court of competent jurisdiction by way of a regular suit and not by arbitration.

10. Learned counsel for the petitioners, while reiterating contentions as per the averments made in the affidavit, would contend that all the petitioners completed the work as per the schedule fixed in the agreement. However, the amount was not released, and hence they filed writ petitions and thereafter contempt cases. The petitioners are rustic people and do not understand the contents of the agreement. After a long lapse of time, the amount was deposited, and hence they are entitled to interest on delayed payment.

11. Sri Satish, learned Assistant Government Pleader, while reiterating the contentions as per the counter affidavit, relied upon Clause 69 of A.P.S.S and would contend that the petitioners are not entitled to interest on delayed payment. The petitioners received the final bills without protest. Interest was not granted in the first round of litigation; however, liberty was granted to approach the proper forum. He would also submit that the writ petitions are not maintainable, claiming the interest alone.

12. The points for consideration are:

- i. Whether the writ petitions filed seeking interest alone on delayed payment are maintainable.
- ii. Whether the petitioners are entitled to interest in the light of Cl 69 of the APDSS and other clauses in the respective agreements.

13. This court is not reiterating the facts since there is no dispute regarding the agreements and execution of the works. Let this court, in the first instance, examine the scope of the writ petition, vis-à-vis monetary claims in contracts and interest for delayed payment. In fact, the point in relation to

the maintainability of the writ petition, in respect of the undisputed amount, has been settled.

14. In ***Joshi Technologies International v. Union of India***,¹ the Hon'ble Apex Court held that writ jurisdiction is not meant to adjudicate purely contractual monetary entitlements and observed as thus:.

“69. The position thus summarized in the aforesaid principles has to be understood in the context of discussion that preceded which we have pointed out above. As per this, no doubt, there is no absolute bar to the maintainability of the writ petition even in contractual matters or where there are disputed questions of fact or even when monetary claim is raised. At the same time, discretion lies with the High Court which under certain circumstances, can refuse to exercise. It also follows that under the following circumstances, 'normally', the Court would not exercise such a discretion:

69.1. the Court may not examine the issue unless the action has some public law character attached to it.

69.2. Whenever a particular mode of settlement of dispute is provided in the contract, the High Court would refuse to exercise its discretion under Article 226 of the Constitution and relegate the party to the said mode of settlement, particularly when settlement of disputes is to be resorted to through the means of arbitration. (emphasis is mine)

69.3. If there are very serious disputed questions of fact which are of complex nature and require oral evidence for their determination.

69.4. Money claims per se particularly arising out of contractual obligations are normally not to be entertained except in exceptional circumstances. (emphasis is mine)

70. Further legal position which emerges from various judgments of this Court dealing with different situations/aspects relating to the contracts entered into by the State/public Authority with private parties, can be summarized as under:

¹ 2015 (7) SCC 728

70.1. At the stage of entering into a contract, the State acts purely in its executive capacity and is bound by the obligations of fairness.

70.2. State in its executive capacity, even in the contractual field, is under obligation to act fairly and cannot practice some discriminations.

70.3. Even in cases where question is of choice or consideration of competing claims before entering into the field of contract, facts have to be investigated and found before the question of a violation of Article 14 could arise. If those facts are disputed and require assessment of evidence the correctness of which can only be tested satisfactorily by taking detailed evidence, involving examination and cross- examination of witnesses, the case could not be conveniently or satisfactorily decided in proceedings under Article 226 of the Constitution. In such cases court can direct the aggrieved party to resort to alternate remedy of civil suit etc.

70.4. Writ jurisdiction of High Court under Article 226 was not intended to facilitate avoidance of obligation voluntarily incurred.

70.5. Writ petition was not maintainable to avoid contractual obligation. Occurrence of commercial difficulty, inconvenience or hardship in performance of the conditions agreed to in the contract can provide no justification in not complying with the terms of contract which the parties had accepted with open eyes. It cannot ever be that a licensee can work out the license if he finds it profitable to do so: and he can challenge the conditions under which he agreed to take the license, if he finds it commercially inexpedient to conduct his business.

70.6. Ordinarily, where a breach of contract is complained of, the party complaining of such breach may sue for specific performance of the contract, if contract is capable of being specifically performed. Otherwise, the party may sue for damages.

70.7 Writ can be issued where there is executive action unsupported by law or even in respect of a corporation there is denial of equality before law or equal protection of law or if can be shown that action of the public authorities was without giving any hearing and violation of principles of natural justice after holding that action could not have been taken without observing principles of natural justice.

70.8. If the contract between private party and the State/instrumentality and/or agency of State is under the realm of a private law and there is no element of public law, the normal course for the aggrieved party, is to invoke the remedies provided under ordinary civil law rather than approaching the High Court under Article 226 of the Constitutional of India and invoking its extraordinary jurisdiction. (emphasis added)

70.9. The distinction between public law and private law element in the contract with State is getting blurred. However, it has not been totally obliterated and where the matter falls purely in private field of contract. This Court has maintained the position that writ petition is not maintainable. Dichotomy between public law and private law, rights and remedies would depend on the factual matrix of each case and the distinction between public law remedies and private law, field cannot be demarcated with precision. In fact, each case has to be examined, on its facts whether the contractual relations between the parties bear insignia of public element. Once on the facts of a particular case it is found that nature of the activity or controversy involves public law element, then the matter can be examined by the High Court in writ petitions under Article 226 of the Constitution of India to see whether action of the State and/or instrumentality or agency of the State is fair, just and equitable or that relevant factors are taken into consideration and irrelevant factors have not gone into the decision making process or that the decision is not arbitrary.

70.10. Mere reasonable or legitimate expectation of a citizen, in such a situation, may not by itself be a distinct enforceable right, but failure to consider and give due weight to it may render the decision arbitrary, and this is how the requirements of due consideration of a legitimate expectation forms part of the principle of non-arbitrariness.

70.11. The scope of judicial review in respect of disputes falling within the domain of contractual obligations may be more limited and in doubtful cases the parties may be relegated to adjudication of their rights by resort to remedies provided for adjudication of purely contractual disputes.”

15. Similarly, in **ABL International Ltd. v. Export Credit Guarantee Corpn.**,² the Hon'ble Apex Court stated that a writ is maintainable against the State/instrumentality even in contractual matters, but this is

² (2004) 3 SCC 553

discretionary, not a matter of right, and courts routinely decline where the claim requires investigation of disputed facts.

“27. From the above discussion of ours, following legal principles emerge as to the maintainability of a writ petition:

(a) In an appropriate case, a writ petition as against a State or an instrumentality of a State arising out of a contractual obligation is maintainable.

(b) Merely because some disputed questions of facts arise for consideration, same cannot be a ground to refuse to entertain a writ petition in all cases as a matter of rule.

(c) A writ petition involving a consequential relief of monetary claim is also maintainable.

28. However, while entertaining an objection as to the maintainability of a writ petition under Article 226 of the Constitution of India, the court should bear in mind the fact that the power to issue prerogative writs under Article 226 of the Constitution is plenary in nature and is not limited by any other provisions of the Constitution. The High Court having regard to the facts of the case, has a discretion to entertain or not to entertain a writ petition. The Court has imposed upon itself certain restrictions in the exercise of this power. (See Whirlpool Corpn. v. Registrar of Trade Marks [(1998) 8 SCC 1] .) And this plenary right of the High Court to issue a prerogative writ will not normally be exercised by the Court to the exclusion of other available remedies unless such action of the State or its instrumentality is arbitrary and unreasonable so as to violate the constitutional mandate of Article 14 or for other valid and legitimate reasons, for which the Court thinks it necessary to exercise the said jurisdiction.”

16. Thus, in view of the expressions of the Hon'ble Apex Court, the petitioners must demonstrate that there are no disputes regarding the monetary claim vis-à-vis the terms of the contract and their entitlement to the amount payable as also the interest. In fact, as noted supra, in the first round of litigation, writ petitions were entertained, and a direction was given

to the authorities to release the amount. However, in respect of interest, the Court directed the petitioner to approach the appropriate forum.

17. Does the court have jurisdiction, while exercising jurisdiction under Article 226 of the Constitution of India, to grant interest alone when the agreement contains clauses of an alternative remedy?

18. As noted supra, the agreements entered into between the respective petitioners and the department contain a clause regarding dispute settlement. The agreement further indicates that the Andhra Pradesh Standard Specification is made part of the agreement. Cl. 69 of APSS and other relevant clauses in the agreements vis-à-vis the interest claimed by the petitioners.

Clause 69 of APDSS is reproduced as under:

“69. Interest on money due to the contractor:-(a) No omission by the Executive Engineer or the Sub-Divisional Officer to pay the amount due upon certificates shall vitiate or make void the contract, nor shall the contractor be entitled to interest upon any guarantee fund or payments in arrear, nor upon any balance which may, on the final settlement of his accounts, be found to be due to him.

(b) Whenever the withheld amount reaches Rs. 1,000 or a multiple thereof, the contractor may, at his option, deposit with Executive Engineer Rs. 1,000 or a multiple thereof, in any of the forms of interest bearing securities recognized for the purpose by the Andhra Pradesh Public Works Accounts Code and subject to the provisions therein contained, in which case in the equivalent withheld amount shall be paid to him forthwith. The contractor will be permitted to exercise the option in this clause, subject only to the condition that the rate of progress contained in the Articles of Agreement is properly maintained.”

Clauses 8 and 3, in the respective agreements, are reproduced as under:

“8. Dispute settlement:

If any dispute arises between the two parties, relating to any aspects of the agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation. If the dispute is not settled through such consultation, the matter may be referred for settlement to the Superintending Engineer, Irrigation Circle, Guntur. Signed and delivered by Chairmen Project Committee, KWD, Tenali for and on behalf of the committee.”

...

“3. ADJUDICATION OR DISPUTES:

Except as otherwise provided in the contract, any disputes and differences arising out of or relating to the contract shall be referred to adjudication as follows:

1. (1) Settlement of all claims up to Rs.50.000/- in value and below by way of Arbitration to be referred as follows:

- a. Claims upto Rs. 10,000/- value - Superintending Engineer, Irrigation Circle, Ongole*
- b. Claims above Rs. 10.000/- and up to Rs.50.000/- in value - Chief Engineer Concerned*

The arbitration proceedings will be conducted in accordance with provisions of the Arbitration Act, 1940 as amended from time to time. The arbitrator shall invariably give reasons in the award.

(ii) Settlement of all claims above Rs. 50,000/- in value:

All claims above Rs.50,000/- in value shall be decided by the Civil Court of competent jurisdiction by way of a regular suit and not by arbitration.

A reference for adjudication under this Clause shall be made by either party to the contract within six months from the date of intimating the Contractor of the preparation of final bill or his having accepted payment.

...
....

4. The said conditions shall be read and construed as forming part of agreement and the parties hereto will respectively abide by and submit themselves to the conditions and stipulations and perform the agreements on their parts, respectively.

5. Upon the Terms and Conditions of this agreement being fulfilled and performed to the satisfaction of the Executive Engineer, the security deposited by the Contractor as herein before recited or such portion thereof as he may be entitled to under the said condition shall be returned to the Contractor.”

19. Thus, as seen from the clause extracted supra, form part of the agreement, in case of a dispute, one must approach the Arbitrator or the Civil Court. In this context, let this court examine the true intent of the order dated 06.07.2022 in WP No. 14315 of 2022 (since the orders in other writ petitions are similar in nature). The learned single judges left it open to the petitioner to agitate his/her claim for interest, if any payable, **in an appropriate forum**, when the writ petitioners also prayed for the grant of interest along with the amount payable. All the writ petitions, as seen from the orders, were disposed of, even before a counter affidavit was filed. The operative portion of the order in each writ petition was extracted in the third column of the tabular form supra. Thus, in the first round of the litigation, the High Court declined to grant interest, though sought, but gave liberty to the petitioners to approach the appropriate authority.

20. **This anomaly leads to a question of whether a second writ petition is maintainable seeking relief vis-à-vis interest.**

21. Since the point framed now and the other point supra are interconnected, this court is dealing with them simultaneously. Of course,

there are no restrictions or fetters in granting interest while exercising the jurisdiction under Article 226 of the Constitution of India. Much depends upon the facts of each case.

22. In **J. Devendra Reddy v Kakatiya University**³ a single judge of the composite high court held that withholding of the amount payable to the petitioner for the contract works constitutes patent arbitrariness on the part of the respondents and directed the respondents to pay the amount due to the petitioner along with interest @ 12% per annum.

23. The learned single judge of the composite high court relied upon the judgment of the Apex Court in **Secretary, Irrigation Department, Government of Orissa and others v G. C. Roy**⁴ wherein it was held that:

"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".

24. Relying upon those judgements, a learned single judge of this Court in **S. Srinivas vs. State of Andhra Pradesh**⁵ held that the petitioner is entitled to the interest @ 12% p.a., from the date of expiry of one month from the date of submission of the bill till the date of payment.

25. However, a Division Bench of this Court in Writ Appeal Nos. 461 of 2022 and batch dated 02.12.2022, between the **State of Andhra Pradesh Vs Vyshno Constructions**,⁶ the appeals were filed against the grant of

³ 2015 (3) ALD 97

⁴ AIR 1992 SC 732

⁵ (2021) 5 ALT 267

⁶ 2022 (1) ALT 777

interest, allowed the appeals, and set aside the order of the learned single judge in respect of the grant of interest.

26. The division bench considered the judgments of the Hon'ble Apex Court and went on to hold that when a clause barring interest is agreed between the parties, it is not open for them to claim interest against such a clause. It is apposite to extract paras 16-17 & 19-20 as under:

***“16.** In Garg Builders (supra), the Hon'ble Supreme Court held that if the contract prohibits pr-reference and pendente lite interest, arbitrator cannot award interest for the said period. In the said case, clause barring interest is very clear and categorical. It uses the expression “any moneys due to the contractor” by the employer which includes the amount awarded by the arbitrator. It further held that when there is an express statutory permission for the parties to contract out of receiving interest and they have done so without any vitiation of free consent, it is not open for the arbitrator to grant pendente lite interest nor such clause of the contract is ultra vires in terms of Section 28 of the Indian Contract Act, 1872.*

***17.** In Sayeed Ahmed and Company v. State of Uttar Pradesh, reported in (2009) 12 SCC 26, the Hon'ble Supreme Court held that a provision has been made under Section 31(7)(a) of the Arbitration and Conciliation Act, 1996 in relation to the power of the arbitrator to award interest. As per this Section, if the contract bars payment of interest, arbitrator cannot award interest from the date of cause of action till the date of award.*

...

***19.** In the case in hand, writ petitioners have referred to the Constitution Bench judgment in G.C. Roy (supra). The contention as was raised before the Hon'ble Supreme Court in G.C. Roy (supra) was raised in Garg Builders (supra). Negating the contention, the Hon'ble Supreme Court observed that judgment in G.C. Roy (supra) was with reference to the 1940 Act, where there was no provision which prohibited the arbitrator from awarding interest for the pre-reference, pendente lite or post-award period, whereas the 1996 Act contains a specific provision which says that if the agreement prohibits award of interest, the arbitrator cannot award interest for the relevant period.*

***20.** The Interest Act, 1978 is a law to consolidate and amend the law relating to the allowance of interest in certain cases. However, even under*

the said enactment, particularly, under Section 3(3)(a)(ii), exceptions are carved out and the bar to payment of interest by contract is accepted. We may profitably refer to Garg Builders (supra), wherein the Hon'ble Supreme Court has referred to the provisions of the Interest Act, 1978, to observe thus in paragraph 9:

“.....however, Section 3(3) of the Interest Act carves out an exception and recognizes the right of the parties to contract out of the payment of interest arising out of any debt or damages and sanctifies contracts which bars the payment of interest arising out of debt or damages.”

27. Eventually, the Division Bench held that when the agreement contains a dispute resolution clause, the petitioners cannot approach this Court without invoking the said clause; the award of interest, even where it is made admissible under the contract, depends on a host of factors, most of which are contentious between the parties. The Division Bench further observed that different considerations would apply for awarding interest under the various enactments like the Interest Act, 1978, CPC etc. Rates of interest are also subject to fluctuations/market conditions etc., and are matters of pleading and proof.

28. Thus, it is always advisable to leave such relief to be considered by the appropriate forum when the agreement contains an arbitration and/or a clause for filing a civil suit. Even in this batch of writ petitions, the agreements specifically bar payment of interest, which can be evidenced by CI 69 APSS and other clauses stipulating other fora. The writ petitioners, with eyes wide open after understanding the terms of the agreement, entered into the agreements. In the considered opinion of this court, the interest cannot be awarded de hors and contrary to the clauses referred to supra in the Agreements. Indeed, these are clearly disputed questions of fact which cannot be decided in these writ proceedings.

29. The other incidental question is whether the present batch of writ petitions is barred by the Principle of Constructive Res Judicata?

30. It is by now well settled that the principle of constructive res judicata embodied in Explanation IV to Section 11 CPC, applies with full rigour to successive proceedings under Article 226 of the Constitution and is not confined to civil suits alone. In **Daryao v. State of U.P.**,⁷ a Constitution Bench of the Hon'ble Apex Court held that the binding character of judgments pronounced by courts of competent jurisdiction is itself an essential part of the rule of law, and that if writ petitions were allowed to be re-agitated without regard to the principle of finality, it would be detrimental to the rule of law. The relevant paras 9&11 are reproduced as under:

“9. ... This rule postulates that if a plea could have been taken by a party in a proceeding between him and his opponent, he would not be permitted to take that plea against the same party in a subsequent proceeding which is based on the same cause of action; but basically, even this view is founded on the same considerations of public policy, because if the doctrine of constructive res judicata is not applied to writ proceedings, it would be open to the party to take one proceeding after another and urge new grounds every time; and that plainly is inconsistent with considerations of public policy to which we have just referred.

...

11. As we have already mentioned, though the courts dealing with the questions of the infringement of fundamental rights must consistently endeavour to sustain the said rights and should strike down their unconstitutional invasion, it would not be right to ignore the principle of res judicata altogether in dealing with writ petitions filed by citizens alleging the contravention of their fundamental rights. Considerations of public policy cannot be ignored in such cases, and the basic doctrine that judgments pronounced by this Court are binding

⁷ AIR 1961 SC 1457

and must be regarded as final between the parties in respect of matters covered by them, must receive due consideration.”

31. Similarly in **M. Nagabhushana v. State of Karnataka**,⁸ the Hon’ble Apex Court reiterated this position and observed as under:

“21. Following all these principles a Constitution Bench of this Court in Direct Recruit Class II Engg. Officers’ Assn. v. State of Maharashtra [(1990) 2 SCC 715 : 1990 SCC (L&S) 339 : (1990) 13 ATC 348] laid down the following principle: (SCC p. 741, para 35)

“35. ... an adjudication is conclusive and final not only as to the actual matter determined but as to every other matter which the parties might and ought to have litigated and have had decided as incidental to or essentially connected with subject-matter of the litigation and every matter coming into the legitimate purview of the original action both in respect of the matters of claim and defence. Thus, the principle of constructive res judicata underlying Explanation IV of Section 11 of the Code of Civil Procedure was applied to writ case. We, accordingly hold that the writ case is fit to be dismissed on the ground of res judicata.”

22. In view of such authoritative pronouncement of the Constitution Bench of this Court, there can be no doubt that the principles of constructive res judicata, as explained in Explanation IV to Section 11 CPC, are also applicable to writ petitions.”

32. Applying this principle to the facts at hand, the petitioners, having claimed interest apart from principal amount, were not granted such relief; they are barred from filing the present batch of writ petitions claiming interest alone. The learned single judges did not grant interest to the petitioners in that proceeding; instead, the writ was disposed of, leaving it “open to the petitioner to agitate his/her/their claim for interest... in an appropriate forum.”

⁸ (2011) 3 SCC 408

33. If that direction, properly construed, amounts to a refusal, albeit indirect and qualified, of the relief of interest in the writ jurisdiction, but to approach an appropriate forum. The petitioners neither questioned that order by way of intra-court appeal nor did they avail of the “appropriate forum” so indicated. Instead, after some time, the petitioners have chosen to re-agitate the claim for interest by way of fresh, independent writ petitions, invoking a subsequent Division Bench order to which they were not parties, and more so, that order does not apply to the facts of this case.

34. Moreover, the order in W.A.No.724 of 2021 & Batch dated 12.10.2023 was passed with the consent of the parties. Para 5 of the order reads as under:

“With the consent of the counsel for the writ petitioners as also the learned Advocate General, the following order is being passed: ...”

35. **What is the Legal Character of a consent order?**

36. It is well settled that an order recorded on the consent of parties, without an independent adjudication on the contest of the rival contentions, does not constitute a binding precedent or ratio decidendi capable of being invoked by strangers to that *lis* as a matter of right.

37. As held by the Hon’ble Apex Court in **Municipal Corporation of Delhi vs Gurnam Kaur**,⁹ a consent order or an order passed on withdrawal/settlement does not amount to an adjudication of the rights of parties on merits, and cannot find a cause of action or a legitimate expectation in third parties.

⁹ (1989) 1 SCC 101

“10. It is axiomatic that when a direction or order is made by consent of the parties, the court does not adjudicate upon the rights of the parties nor does it lay down any principle. Quotability as “law” applies to the principle of a case, its ratio decidendi. The only thing in a judge’s decision binding as an authority upon a subsequent judge is the principle upon which the case was decided. Statements which are not part of the ratio decidendi are distinguished as obiter dicta and are not authoritative. The task of finding the principle is fraught with difficulty because without an investigation into the facts, as in the present case, it could not be assumed whether a similar direction must or ought to be made as a measure of social justice.”

38. The petitioners herein are admittedly not parties to W.A.No.724 of 2021 & batch. They cannot, therefore, appropriate the benefit of a consent order inter partes to find an independent cause of action before this Court in writ jurisdiction.

39. The effect of an Arbitration Clause in the agreement.

40. A three-Judge Bench ruling in **Titagarh Paper Mills Ltd. v. Orissa SEB**,¹⁰ held that disputes founded on the terms of a contract or claims arising from contractual obligations are properly triable before a civil court or an arbitrator, and are not amenable to adjudication in writ jurisdiction, particularly where they turn on disputed questions of fact. Para 9 of the judgment is extracted as under:

“Clause (23) of the agreement provides that any dispute or difference relating to a question, thing or matter arising under the agreement shall be referred to the arbitration of a single arbitrator. Questions such as: whether the Board had power under clause (13) of the agreement to levy any coal surcharge at all when no such power was conferred on it by the Act, whether the action of the Board in levying the coal surcharge on the appellant under clause (13) of

¹⁰ (1975) 2 SCC 436

the agreement was arbitrary and unreasonable or whether it was based on extraneous and irrelevant considerations and whether, on the facts and circumstances of the case, the Board was justified under clause (13) of the agreement to levy the coal surcharge on the appellant, are plainly questions arising under the agreement and they are covered by the arbitration provision contained in clause (23) of the agreement. All the contentions raised by the appellant against the claim to justify the levy of the coal surcharge by reference to clause (13) of the agreement would, therefore, seem to be covered by the arbitration agreement and there is no reason why the appellant should not pursue the remedy of arbitration which it has solemnly accepted under clause (23) of the agreement and instead invoke the extraordinary jurisdiction of the High Court under Article 226 of the Constitution to determine questions which really form the subject-matter of the arbitration agreement.”

41. The petitioner's claim for interest is a pure claim of compensation for delayed payment under an executed works agreement, which is squarely triable before a civil court or an arbitrator and does not have the character of an enforceable fundamental right or a case of jurisdictional error warranting invocation of Article 226.

42. The Importance of Pleadings in Writ Petitions

43. Let this Court examine the importance of pleadings in the writ petition. It is well settled that pleadings play an important role in adjudicating Writs. Unless the affidavit contains all the pleadings, including legal aspects, even in genuine cases, it is difficult for the Court to appreciate and adjudicate the issue judiciously.

44. However, in none of the writ affidavits petitioners plead about the respective agreement and its conditions. After filing the counter affidavits

and the contention in the counter affidavit regarding the maintainability of the writ petition, the petitioners failed to file the copies of the agreements. Copies of the agreements passed during the arguments were not disputed by the learned counsel for the petitioner. As noted supra, the agreement contains an arbitration clause as well as a mention that the Andhra Pradesh Detailed Standard Specification would apply to the contract. The petitioners, in all fairness, should have pleaded all these factual aspects in the affidavits by filing the necessary documents. Except for mentioning the order in the earlier writ petition, the order in the Writ Appeal, and other writ petitions, wherein interest was granted and a legal notice, nothing was pleaded.

45. In fact, the Apex Court pointed out the importance of pleadings in a writ affidavit, in **Bharat Singh v. State of Haryana**,¹¹ and observed thus:

“13. where a point which is ostensibly a point of law is required to be substantiated by facts, the party raising the point, if he is the writ petitioner, must plead and prove such facts by evidence which must appear from the writ petition and if he is the respondent, from the counter affidavit. If the facts are not pleaded or the evidence in support of such facts is not annexed to the writ petition or to the counter affidavit as the case may be, the Court will not entertain the point. There is a distinction between a pleading under the Civil procedure code and a writ petition of a counter affidavit. While in a pleading, that a point or a written statement, the facts and no evidence are required to be pleaded, in a writ petition or in the counter affidavit not only the facts but also the evidence in proof of such facts have to be pleaded and annexed to it.”

46. Similarly, in **Narmada Bachao Andolan v. State of M.P.**,¹² the Hon'ble Apex Court observed the importance of pleadings and grant of relief as follows:

¹¹ (1988) 4 SCC 534

“9. ... pleading in particulars are required to enable the court to decide the rights of parties in the trial. Thus, the pleadings are more to help the court in narrowing the controversy involved and to inform the parties concerned to the questions in issue, so that the parties may adduce appropriate evidence on said issue. It is settled legal proposition that “as a rule relief not founded on the pleadings should not be granted”. Therefore, a decision of a case cannot be based on grounds outside the pleadings of parties.”

47. The object and purpose of pleadings and issues is to ensure that the litigants come to trial with all issues clearly defined and to prevent cases from being expanded or grounds being shifted during trial. If any factual or legal issues, despite having merit, have not been raised by the parties, the court should not decide the same, as the opposing counsel does not have a fair opportunity to answer the line of reasoning adopted in that regard. Such a judgment may be violative of principles of natural justice.

48. Thus, the discussion made supra, in the considered opinion of this Court, the writ petitions, claiming interest alone, are not maintainable. The writ petitions are barred by constructive res judicata. The order of the Division Bench in **Vyshno Constructions** squarely applies to the facts of these cases and binds this Court. There are no merits in the writ petitions, and they are liable to be dismissed.

49. Accordingly, dismissed. No costs.

As a sequel, all the pending miscellaneous applications shall stand closed.

JUSTICE SUBBA REDDY SATTI

¹² (2011) 7 SCC 639

IKN