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APHC010141692026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI [3327]
(Special Original Jurisdiction)

MONDAY, THE 12th DAY OF OCTOBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE K SREENIVASA REDDY

WRIT PETITION NO: 8070/2026

Between:

1. GARRISON CONSTRUCTIONS, REP. BY ITS MANAGING DIRECTOR, G. HEMANTH REDDY, S/O. G. BHASKAR REDDY, AGED ABOUT 52 YEARS, OCC CONTRACTOR, R/ 0.7-128 / 2, SRINAGAR COLONY, NEAR VIKUNTAPURAM, TIRUPATI, CHITTOOR DISTRICT.

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, PANCHAYAT RAJ AND RURAL DEVELOPMENT DEPARTMENT, SECRETARIAT BUILDINGS, VELAGAPUDI, AMARAVATHI, GUNTUR DISTRICT. 522 238

2. THE CHIEF ENGINEER, PANCHAYAT RAJ-I, VIJAYAWADA, KRISHNA DISTRICT. DISTRICT 520 002

3. THE SUPERINTENDING ENGINEER, 3. PANCHAYATI RAJ CIRCLE, CHITTOOR DISTRICT 517 001

4. THE EXECUTIVE ENGINEER, PROJECT IMPLEMENTATION UNIT (P.I.U), CHITTOOR, CHITTOOR DISTRICT 517 001

5. THE DEPUTY EXECUTIVE ENGINEER, PROJECT IMPLEMENTATION UNIT, P.R. CHOWDEPALLE, CHITTOOR DISTRICT. 517 257

6. THE STATE OF ANDHRA PRADESH, REP., BY ITS PRINCIPAL SECRETARY, DEPARTMENT OF FINANCE AND PLANNING, SECRETARIAT BUILDINGS, VELAGAPUDI, AMARAVATI, GUNTUR DISTRICT. 522 238

...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 OF MANDAMUS declaring the action of the Respondents herein, in withholding the payment of 2nd and Final Bill, work done an amount of Rs.6,17,12,954/- (M.Book No. 4104-A) even after finalizing the bills payable to the petitioner in relation to the work i.e. Construction of Road from Bonamanda to Durgamkonda in Somala (M) of Punganur Assembly Constituency in Chittoor District as per the Agreement No./2021-22, Dt.07.05.2021 is questioned, as the same is illegal, arbitrary and violative of Articles 14, 16, 19 and 300-A of Constitution of India and consequently direct the respondents to consider for payment of 2nd and Final Bill, work done an amount of Rs.6,17,12,954/- (M.Book No. 4104- A) with an interest @ 24 per annum for the delayed amount to the petitioner in respect of execution of above-mentioned work forthwith 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 DIRECT the respondents to consider for payment of 2nd and Final Bill, work done an amount of Rs.6, 17, 12,954/- (M.Book No. 4104-A) with an interest of 24% per annum for the delayed amount to the petitioner in respect of execution of works under i.e. "Construction of Road from Bonamanda to Durgamkonda in Somala (M) of Punganur Assembly Constituency in Chittoor District as per the Agreement No./2021-22, Dt.07.05.2021" pending disposal of the Writ Petition and pass

Counsel for the Petitioner:

1. SURESH KUMAR REDDY KALAVA

Counsel for the Respondent(S):

1. GP FOR PANCHAYAT RAJ RURAL DEV

2. GP FOR FINANCE PLANNING

THE HON'BLE SRI JUSTICE K.SREENIVASA REDDY

WRIT PETITION No.8070 of 2026

O R D E R

This Writ Petition is filed seeking to declare the action of the respondents in withholding the payment of 2nd and final bill amounting to Rs.6,17,12,954/- even after finalizing the bills payable to the petitioner in relation to the work viz. construction of road from Bonamanda to Durgamkonda in Somala (M) of Punganur Assembly Constituency of Chittoor district, as per Agreement No. /2021-22, dated 07.05.2021 (M.Book No.4104-A) executed by the petitioner, as illegal and arbitrary, and consequently direct the respondents to pay the said amount along with interest @ 24% per annum for the delayed period, to the petitioner for execution of the aforesaid work.

2. It is stated that Respondent No.1 issued administrative sanction under Panchayat Raj Roads (Plain) Grant 2020-21 for the work viz. construction of road from Bonamanda to Durgamkonda in Somala (M) of Punganur Assembly Constituency of Chittoor district, vide G.O.Rt.No.541, PR & RD (Progs.I) Department, dated 23.09.2020. Respondent No.2 awarded technical sanction therefor. Pursuant to a bid invited by respondent No.3 for the subject work, the petitioner participated in the tender process, and respondent No.3 sent a letter Rc.No. /2021/AEE4/ Panchayat Raj Roads (Plain) Grant 2020-21/Bonamanda to

Durgamkonda, dated 07.05.2021 and handed over the said work to the petitioner as per the Agreement No. /2021-22, dated 07.05.2021.

3. It is stated that the petitioner proceeded with the work awarded to it and executed the same to the utmost satisfaction of the authorities within the time stipulated, and that the same was measured and entered in the Measurement book vide No.4104-A by 5th respondent on 25.10.2023. It is stated that pursuant to the entering in the Measurement Book, 4th respondent has to pass the bills, but respondent-authorities did not pass the bills even after 26 months.

4. It is stated that the Quality Control authorities visited the site, inspected the work done by the petitioner and issued Quality Control Certificates on 17.03.2022 and 20.12.2023, stating that the work executed by the petitioner is satisfactory. Having been satisfied with the execution of the subject work by the petitioner and after measuring the same, the respondents are not releasing the pending 2nd and final bill to a tune of Rs.6,17,12,954/-.

5. It is the grievance of the petitioner that even though the petitioner approached the respondent authorities on multiple occasions requesting for payment of aforesaid pending bill amount, they are not paying the said amount. According to petitioner, having executed the work satisfactorily, within the prescribed time, non-payment of the bill amount is arbitrary and unjustified. It is further stated that the petitioner, being a

contractor, spent huge money for executing the subject work, and the delay in payment is causing severe financial hardship, necessitating the filing of the present Writ Petition seeking appropriate directions for release of the outstanding amount.

6. The Writ Petition was filed in the month of March, 2026. As per Rule 12 (i) (a) of the Writ Proceedings Rules, 1977 of the High Court of Andhra Pradesh, *every respondent in every Writ Petition intending to enter appearance and oppose any Writ Petition on which notice is issued by the High Court, shall enter appearance and file a Counter Affidavit in opposition as soon as may be and in any event one hundred and twenty days from the date of service of notice in the Writ Petition or the Service of Rule nisi on the said Respondent.* Despite adjourning the Writ Petition from time to time for filing counter-affidavits by the respondents, the counter-affidavits have not been filed within the stipulated period of 120 days as per the Writ Proceedings Rules, 1977. The respondents-authorities also did not provide written instructions of the respective authorities.

7. Heard learned counsel for the petitioner, the learned Government Pleader for the Panchayat Raj and Rural Development and the learned Government Pleader for Finance and Planning.

8. The fact remains that *in spite* of granting number of adjournments and even after expiry of the time stipulated under Rule 12 (i) (a) of the Writ Proceedings Rules, 1977 of the

High Court of Andhra Pradesh, the respondent authorities neither secured written instructions nor filed counter-affidavits. Therefore, this Court is constrained to proceed with the Writ Petition basing on the material available on record.

9. A perusal of the material on record goes to show that there is no dispute with regard to the fact that the respondent-authorities assigned the subject contract work viz. construction of road from Bonamanda to Durgamkonda in Somala (M) of Punganur Assembly Constituency of Chittoor district, as per Agreement No. /2021-22, dated 07.05.2021 to the petitioner.

10. Grievance of the petitioner is that though it executed the said contract work within the stipulated time to the satisfaction of the respondent authorities and the same was measured and entered in Measurement Book vide M.Book No.4104-A by 5th respondent on 25.10.2023, and that the Quality Control authorities visited the site, inspected the work done by the petitioner and issued Quality Control Certificates on 17.03.2022 and 20.12.2023, stating that the work executed by the petitioner is satisfactory, the respondents are not releasing the pending 2nd and final bill to a tune of Rs.6,17,12,954/- spent by it, for executing the subject work.

11. A perusal of the material on record goes to show that Quality Control authorities inspected the work executed by the petitioner and came to the conclusion that the work executed by the petitioner is satisfactory. A perusal of the

Quality Control Certificates dated 17.03.2022 and 20.12.2023 issued by the authorities goes to show the recoveries as nil. The respondent-authorities cannot withhold the legitimate payments due to the contractors who admittedly and genuinely executed the works entrusted to them. Once the works have been duly executed and the amounts have become payable, the respondent-authorities are under an obligation to take a decision on the claims in accordance with law. The State and its instrumentalities cannot withhold legitimate payments on extraneous considerations. Administrative inaction cannot be allowed to defeat a legitimate claim, particularly when the respondents do not dispute the execution of the works or demonstrate any lawful impediment to the release of the admitted dues.

12. In a case for a direction to pay the admitted and undisputed amount, Writ Petition is maintainable. In *M/s. Utkal Highways Engineers and Contractors v. Chief General Manager & Ors.*[1], it was held as under: (Paragraph No.8)

> "Be that as it may, the High Court has not dealt with the merits of the Writ Petition. Moreover, it is not an inviolable rule that no money claim can be adjudicated upon in exercise of Writ jurisdiction. Non-payment of admitted dues, *inter alia*, may be considered an arbitrary action on the part of respondents and for claiming the same, a Writ Petition may lie. Further, throwing a Writ Petition on

[1] 2025 SCC OnLine SC 1400.

> ground of availability of alternative remedy after 10 years, particularly, when parties have exchanged their affidavits, is not the correct course unless there are disputed questions of fact which by their very nature cannot be adjudicated upon without recording formal evidence."

13. On this aspect, it is also pertinent to refer to a decision of the Hon'ble Apex Court in *Hari Krishna Mandir Trust v. State of Maharashtra and Others*[2] wherein it is held as under: (paragraph Nos.100 and 101)

> "100. The High Courts' exercising their jurisdiction under Article 226 of the Constitution of India, not only have the power to issue a Writ of Mandamus or in the nature of Mandamus, but are duty-bound to exercise such power, where the Government or a public authority has failed to exercise or has wrongly exercised discretion conferred upon it by a statute, or a rule, or a policy decision of the Government or has exercised such discretion mala fide, or on irrelevant consideration.
>
> 101. In all such cases, the High Court must issue a Writ of Mandamus and give directions to compel performance in an appropriate and lawful manner of the discretion conferred upon the Government or a public authority."

[2] AIR 2020 Supreme Court 3969.

14. Further, in *Kashmir Wood Products v. Verinag Development Authority and Others*[3], the High Court of Jammu & Kashmir held as under: (paragraph No.8)

> "8. It is astonishing to note that despite there being no dispute as regards the claim of the petitioners, the respondents have sit over the matter for the last more than six years and they have not released the payment in favour of the petitioner. If the requisite funds were not available with the respondents, they had no business to allot the work to the petitioner and if *in spite* of financial constraints, the respondents have made the petitioner to execute the work out of his own funds, it is their bounden duty to reimburse the petitioner at the earliest, that too with interest."

15. The Hon'ble Apex Court in *Surya Constructions v. State of Uttar Pradesh and Others*[4] held as under: (paragraph Nos.3 and 4)

> "3. It is clear, therefore, from the aforesaid Order dated 22.03.2014 that there is no dispute as to the amount that has to be paid to the appellant. Despite this, when the appellant knocked at the doors of the High Court in a Writ Petition being Writ Civil No.25216 of 2014, the *impugned* judgment dated 02.05.2014 [Surya Construction v. State of U.P., 2014 SCC OnLine All 6071] dismissed the Writ Petition stating that disputed questions of fact arise and that the amount due arises out of a contract. We are afraid the High court was wholly incorrect inasmuch as there

[3] 2021 SCC OnLine J&K 814.
[4] (2019) 16 SCC 794.

was no disputed question of fact. On the contrary, the amount payable to the appellant is wholly undisputed. Equally, it is well settled that where the State behaves arbitrarily, even in the realm of contract, the High Court could interfere under Article 226 of the Constitution of India (ABL International Ltd. v. Export Credit Guarantee Corpn. Of India Ltd. [ABL International Ltd. v. Export Credit Guarantee Corpn. of India Ltd., (2004) 3 SCC 553]).

4. This being the case and the work having been completed long back in 2009, we direct Uttar Pradesh Jal Nigam to make the necessary payment within a period of four weeks from today. Given the long period of delay, interest @ 6% p.s. may also be awarded."

16. Learned counsel for the writ petitioner relied on a decision of a Co-ordinate Bench of this Court dated 04.07.2025 in W.P.No.12525 of 2024, wherein it is held thus: (paragraphs 7 and 8)

"7. This Court after hearing the respective counsel is of the considered opinion that as there is no dispute to the execution of the works and the amounts due to the petitioner, as apparent from Paragraph No.5 of the Counter Affidavit, the petitioners in that scenario **cannot be called upon to wait peremptorily** for conclusion of vigilance enquiry to receive their rightful amounts. At the same time, this Court cannot foreclose the vigilance enquiry.

8. Therefore, a balance has to be maintained vis-à-vis the ongoing vigilance enquiry and petitioners, whose execution of works and amounts due are not in dispute.

Therefore, it would be appropriate to dispose of the Writ Petition with the following directions:

(i) The petitioner shall submit a security bond undertaking to reimburse the amount to the Respondent-Corporation, if any on account of deficiency in the work or excess payment is made by the Respondent-Corporation pursuant to the ongoing vigilance enquiry;

(ii) On furnishing of security bond, the Respondent authorities are directed to pay the amounts due to the Petitioner within a period of six (6) months from today…"

The aforesaid order has been followed by another learned single Judge of this Court, in the Common Order dated 10.04.2026 in Writ Petition Nos. 1916 of 2026, 2111 of 2026 and 2116 of 2026,

17. When an instrumentality of the State acts contrary to the public good and public interest, unfairly, unjustly and unreasonably, in its contractual, constitutional or statutory obligations, it really acts contrary to the constitutional guarantee under Article 14 of the Constitution of India. It is not the case of the respondents that the contract in question was obtained either by fraud or misrepresentation. Therefore, there is no other reason for the respondent authorities in not releasing the amounts in favour of the writ petitioner. Apart from this, when State or State instrumentalities act in an arbitrary manner or fail to act within time, the Writ Court does have jurisdiction to entertain the matter.

18. Having regard to the aforesaid facts and circumstances of the case, the respondent authorities are directed to verify and pay the admitted amount for the subject work executed by the petitioner, within a period of four months from the date of receipt of a copy of this Order. It is made clear that the petitioner shall execute an indemnity bond to the effect that in case, if it is found that the petitioner has not executed the subject work, it would repay the amount so paid.

19. Accordingly, the Writ Petition is disposed of. There shall be no order as to costs of the Writ Petition.

As a sequel thereto, the miscellaneous applications, if any, pending in this Writ Petition, shall stand closed.

JUSTICE K. SREENIVASA REDDY

12..10.2026.
DRK

THE HON'BLE SRI JUSTICE K.SREENIVASA REDDY

WRIT PETITION No.8070 of 2026

12.10.2026

DRK