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APHC010423082026

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: 23086/2026

Between:

1. PLR PROJECTS PRIVATE LIMITED, REPRESENTED BY ITS AUTHORIZED SIGNATORY, C. CHANDRA SEKHAR REDDY, S/O LATE VENKATA SUBBA REDDY, AGED ABOUT 57 YEARS, OCC CONTRACTOR, R/O SURVEY NO. 12 (PART). PLOT NO.2-91/12/A/AM/G-L, 5TH FLOOR, ASTRA TOWERS, KOTHAGUDA POST, KONDAPUR, HI TECH CITY, HYDERABAD

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, PANCHAYAT RAJ ENGINEERING DEPARTMENT, SECRETARIAT BUILDINGS, VELAGAPUDI, AMARAVATHI, GUNTUR DISTRICT. (522238)

2. THE PROJECT DIRECTOR AND ENGINEERINCHIEF, PR, ANDHRA PRADESH RURAL ROAD PROJECT (APRRP), PR, VIJAYAWADA, KRISHNA DISTRICT.(520002)

3. THE SUPERINTENDING ENGINEER, PR CIRCLE, CHITTOOR, CHITTOOR DISTRICT. (517001)

4. THE EXECUTIVE ENGINEER, PROJECT IMPLEMENTATION UNIT (P.I.U) DIVISION, CHITTOOR, CHITTOOR DISTRICT. (517001)

5. THE DEPUTY EXECUTIVE ENGINEER, PROJECT IMPLEMENTATION UNIT, P.R, THAMBALLAPALLE, CHITTOOR DISTRICT. (517418)

6. THE STATE OF ANDHRA PRADESH, REP., BY ITS PRINCIPAL SECRETARY, FINANCE DEPARTMENT, SECRETARIAT BUILDINGS, VELAGAPUDI, AMARAVATHI, GUNTUR DISTRICT. (522238)

7. THE DIRECTOR GENERAL V AND E, GENERAL ADMINISTRATION DEPARTMENT, O/O AT 2ND FLOOR, PANDIT NEHRU BUS STAND, VIJAYAWADA, NTR DISTRICT. (520 013)

8. THE REGIONAL VIGILANCE AND ENFORCEMENT OFFICER, TIRUPATI, TIRUPATI DISTRICT. (517 501)

...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 not processin passing and releasing the petitioners 1 P and Part Bill to an amount of Rs. 22,47,60,767/- (M-Book No 4507 A), even after finalizing the bills payable to the petitioner in relation to Lhe works executed by the petitioner i.e., Package No 36/APRRP/PRED/CTR/ Road/008 consists of 93 road works of Chittoor District as per the Agreement No.4/2019-20, Dt.l 1-12-2019 is questioned, as the same is illegal, arbitrary and violative of Articles 14 and 2 1 of The Constitution of India and consequently direct the respondents to verify, pass and release the amounts lawfully due to the petitioner, with an interest @24 percentage 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 pleased to DIRECT the respondents to verify, pass and release the 11th and Part Bill to an amount of Rs. 22,47,60,767/- (M-Book No; 4507-A), with an interest of 24% per annum for the delayed amount to the petitioner in respect of

execuLion of vvorks i.e., 36/APRRP/PRED/CTR/ Road/008 consists of 93 road works of Chittoor District as per the Agreement No.4/2019-20, Dt.l 1-12-2019" 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 GENERAL ADMINISTRATION
3. GP FOR FINANCE PLANNING

THE HON'BLE SRI JUSTICE K.SREENIVASA REDDY

WRIT PETITION No.23086 of 2026

ORDER:

This Writ Petition is filed seeking to declare the action of the respondents in not processing, passing and releasing the petitioner's 11th and Part bill to an amount of Rs.22,47,60,767/- (M.Book No.4507-A) even after finalizing the bills payable to the petitioner in relation to the works executed by the petitioner viz. Package No.36/APRRP/PRED/CTR/ Road/008, consisting of 93 road works in Chittoor district, as per Agreement No.4/2019-20, dated 11.12.2019 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 administrative sanction was issued under APRRP (AIIB) grant for the subject work. Pursuant to a bid invited by respondent No.3 for the subject work, the petitioner participated in the tender process. The bid submitted by the petitioner was accepted and respondent No.2 entered an Agreement No.4/2019-20 dated 11.12.2019 with the petitioner and handed over the said work to the petitioner.

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 sanctioned extension of agreement time and last date for recording as on

30.06.2022, and that further extension was sanctioned up to 31.3.2026 for the purpose of uploading M.Book recording in digital in Nidhi portal.

4. It is stated that basing on an alleged complaint given by one Sri MVVSV Prasad, Advocate, the respondent-authorities recommended for vigilance enquiry, and respondents 7 and 8 started the enquiry in the month of April, 2026, without even knowing and enquiring the authenticity of the complaint. It is stated that though 5th respondent entered last recording on 30.06.2022 and entered in the measurement books for the work done on 30.06.2025 wherein it was mentioned that 'submitted to Executive Engineer for pre-audit and pay, it appears 4th respondent did not pass the bills till date.

5. It is stated that after being satisfied with the execution of the works and after measuring the same and entering 11th and part bill amount of Rs.22,47,60,767/- in measurement book vide M.Book No.4507-A, the respondents are not paying the amount covered under the bill on the ground of pendency of vigilance enquiry, and though the petitioner has been requesting the respondent-authorities to release the pending bill amount, the respondents are not releasing the same.

6. 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.

7. Today when the matter is taken up for hearing, the learned Assistant Government Pleader for Panchayat Raj and Rural Development, on written instructions dated 18.8.2026, received from the Executive Engineer, PIU Division, Chittoor - 4th respondent herein, submits that petitioner executed the work and the measurements were also recorded in the M-Book. It is further submitted that the total value of the work done by the petitioner is Rs.22,47,60,767/- and the said amount is payable to the petitioner. It is further submitted that the work was attached with Vigilance & Enforcement enquiry, and finalization of the enquiry report is pending, and so, it is not possible to file counter affidavit at this juncture. The written instructions are placed on record.

8. 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.

9. There is no dispute with regard to the fact that the respondent authorities assigned the subject contract work to the petitioner. 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 M-book, the respondent

authorities are not releasing the payments covered under the bill that was submitted by the petitioner for the amount spent by it, for executing the subject work.

10. A perusal of the material on record goes to show that even according to the respondents, there is no dispute with regard to execution of the subject contract work by the petitioner, and the petitioner's entitlement for the net amount. On this aspect, it is pertinent to refer to a decision of the Hon'ble Apex Court in *M/s. Utkal Highways Engineers and Contractors v. Chief General Manager & Ors.*[1], wherein 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 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."

[1] 2025 SCC OnLine SC 1400.

11. 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."

12. 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

[2] AIR 2020 Supreme Court 3969.
[3] 2021 SCC OnLine J&K 814.

> 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."

Since, in the case on hand, the amount payable is admitted and undisputed, non-payment thereof amounts to arbitrary action on the part of the respondents, and hence, the Writ Petition is maintainable.

13. The only contention of the learned Assistant Government Pleader is that a Vigilance Inquiry was initiated basing on the complaint received with regard to some irregularities that occurred in execution of the subject work, and that the Director General (Vigilance and Enforcement), Vijayawada-7th respondent is conducting inquiry and the Inquiry Report is awaited. According to the respondents, since Vigilance Inquiry is contemplated and report is awaited, the amount payable to the petitioner has been kept pending. According to the learned Assistant Government Pleader, counter affidavit could not be filed since all the files have been circulated to the Vigilance Department for the purpose of enquiry.

14. In the era of digitalization, the contention of the learned Assistant Government Pleader that entire file has been sent to the Vigilance Department and for that reason, they are unable to file counter affidavit, is untenable and the same cannot by itself furnish any justification for withholding the legitimate dues of the writ petitioner. On the contrary, it lends support to the contention of the learned counsel for the petitioner that the payment due to the petitioner has been withheld on account of political rivalry.

15. In regard to pendency of Vigilance Inquiry, it is also pertinent to refer to a decision rendered by Coordinate Bench of this Court, in *Katta Chinna Kotaiah v. the State of Andhra Pradesh*[4] wherein, this Court held as under:

> "The Apex Court and this Court in catena of decisions held that when there is non-payment of the undisputed bills, the same is violative of Articles 14 and 16 of the Constitution of India. The counsel for the petitioner rightly placed reliance on the decision of the Apex Court in M/s. Surya Constructions v. State of Uttar Pradesh and others [(2019) 16 SCC 794], following the judgment in ABL International Ltd. v. Export Credit Guarantee Corporation of India Ltd. [2004 (3) SCC 553]. In view of the Apex Court judgment, the contention of the learned Government Pleader that the Writ Petition is not maintainable before this Court could not be countenanced. The bills of the petitioner dated 13.03.2019 are admitted by the respondents and

[4] MANU/AP/0721/2022.

> forwarded for payment after due measurements and obtaining quality control and the Vigilance report. Hence, the authorities are stopped from stating that the bills are submitted without executing the works. On the mere ground of pendency of Vigilance report, payment cannot be stopped. Accordingly, there shall be a direction to the respondents to pay the bill amount of Rs.8,08,828/- to the petitioner within a period of six weeks from the date of receipt of copy of this order."

In the case on hand, the only ground for not releasing the amount to the petitioner is that the authorities are awaiting Vigilance Inquiry Report. As held in the aforesaid decision, mere pending receipt of the Vigilance Inquiry Report is not a ground to withhold the payments. Pendency of a file before the Vigilance Department, without any incidence, cannot be a ground to indefinitely postpone or deny the payment for the works duly executed.

16. There cannot be any dispute that the vigilance inquiry is independent of the statutory and administrative functions of the executing Departments relating to the scrutiny, processing, and release of payments, and that the vigilance authorities are not competent to issue directions restraining the competent authorities from considering the claim of the contractors who executed the works or advise them to await completion of the vigilance inquiry before taking an appropriate decision in accordance with applicable Rules. It is also not disputed that the findings, if any, of the Vigilance

and Enforcement Department, are only advisory and recommendatory in nature, and are placed before the competent authorities for such action as may be deemed appropriate in accordance with law. In the event any irregularity warranting recovery is noticed subsequently, it is always open to the competent authorities to initiate appropriate action in accordance with law.

17. The respondent-authorities cannot withhold the legitimate payments due to the contractors who admittedly and genuinely executed the works entrusted to them. Even assuming that there are political differences or *inter se* disputes between the parties, the same cannot be permitted to operate to the prejudice of the contractors, who have 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.

18. The Hon'ble Apex Court in *Surya Constructions v. State of Uttar Pradesh and Others*[5] 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 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."

[5] (2019) 16 SCC 794.

19. Learned counsel for the 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,

20. 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 contracts in question were 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 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. In the aforesaid circumstances, in the considered opinion of this Court, mere pending receipt of the Vigilance Inquiry Report is not a ground for withholding the amounts for the works which are admittedly executed by the petitioner.

21. Having regard to the aforesaid facts and circumstances of the case, since the respondents admitted the amount payable to the petitioner, the respondent-authorities are directed to pay the admitted net amount of Rs.22,47,60,767/- to the petitioner within a period of four months from the date of receipt of a copy of this Order.

It is made clear that in the event of any irregularity noticed in the Vigilance Inquiry Report, warranting recovery, it is open to the authority concerned to initiate appropriate action in accordance with law. The petitioner shall execute an indemnity bond to the above effect that if it is found that the writ petitioner has not executed the subject contract work, it would repay the amount so paid.

22. 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.23086 of 2026

12.10.2026

DRK