



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

[3504]

THURSDAY, THE TWENTY THIRD DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM

WRIT PETITION NO: 7264/2024

Between:

1. B PHATTABHI REDDY, S/O RAGHAVA REDDY, AGED ABOUT 59 YEARS, OCC CONTRACTOR, R/O PUTRELA, VISSENNAPETA MANDAL N.T.R. DISTRICT.

...PETITIONER

AND

1. THE STATE OF AP, REP. BY ITS PRINCIPAL SECRETARY, HOUSING DEPARTMENT SECRETARIAT, VELAGAPUDI, AMARAVATI, GUNTUR DISTRICT.
2. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY FINANCE DEPARTMENT, SECRETARIAT, VELAGAPUDI, AMARAVATI, GUNTUR DISTRICT.
3. THE A P STATE HOUSING CORPORATION LTD, 2ND FLOOR, SP RIVER VIEW BUILDING, TADEPALLI, AMARAVATI, REP. BY ITS MANAGING DIRECTOR.
4. THE DISTRICT COLLECTOR, VIJAYAWADA, N.T.R. DISTRICT., PREVIOUSLY KRISHNA DISTRICT.
5. THE SUPERINTENDING ENGINEER, PANCHAYAT RAJ CIRCLE, VIJAYAWADA, N.T.R DISTRICT.
6. THE PROJECT DIRECTOR, MGNREGS, GOLLAPUDI, VIJAYAWADA, N.T.R. DISTRICT., PREVIOUSLY KRISHNA DISTRICT.
7. THE ADDITIONAL PROGRAM OFFICER, MGNREGS, VISSANNAPETA, VISSANNAPETA MANDAL, N.T. R DISTRICT, PREVIOUSLY KRISHNA DISTRICT.
8. THE MANDAL PARISHAD DEVELOPMENT OFFICER,

VISSANNAPETA, VISSANNAPETA MANDAL, N.T. R DISTRICT,
PREVIOUSLY KRISHNA DISTRICT.

9. THE PROJECT DIRECTOR, A.P. STATE HOUSING CORPORATION
LTD, VIJAYAWADA, N.T.R DISTRICT.

10. THE DISTRICT HEADHOUSING, VIJAYAWADA, N.T.R. 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 a Writ, Order, or Direction more particularly one in the nature of WRIT OF MANDAMUS any other appropriate writ or direction declaring the action of the respondents in not releasing the payments of Rs. 23,91,773/- for the works of Formation of Approach Roads, Culverts, Shifting of Electrical lines and Filling of Low-lying Lands in YSR Jagananna layout colonies of Vissannapeta Mandal, N.T.R District as illegal, arbitrary and violative of Art 14 and 21 of Constitution of India and consequently direct the respondent authorities to release the proposed balance amount of Rs. 23,91,773/-forthwith for the above said works executed by the petitioner with interest and pass

Counsel for the Petitioner:

1. PAMARTHI KAMESWARA RAO

Counsel for the Respondent(S):

1. GP FOR FINANCE PLANNING

2. Yarraguntla.Koteswara Rao, Standing Counsel For Zilla Praja
Parishads, Mandal Praja Parishads and Gra

3. Y KOTESWARA RAO

4. MALLIKHARJUNA MOORTHY K (SC FOR A.P HOUSING
CORPORATION LIMITED)

5. GP FOR HOUSING

The Court made the following:

HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM**WRIT PETITION NO.7264/2024****ORDER:**

This Writ Petition under Article 226 of the Constitution of India is filed seeking the following main relief:

“declaring the action of the respondents in not releasing the payments of Rs. 23,91,773/- for the works of Formation of Approach Roads, Culverts, Shifting of Electrical lines and Filling of Low-lying Lands in YSR Jagananna layout colonies of Vissannapeta Mandal, N.T.R District as illegal, arbitrary and violative of Art 14 and 21 of Constitution of India and consequently direct the respondent authorities to release the proposed balance amount of Rs. 23,91,773/-forthwith for the above said works executed by the petitioner with interest and pass”

2. The sum and substance of the writ petition is that the petitioner challenged the inaction of the respondents in not releasing the amounts even after completion of the entire works entrusted to him.
3. Heard learned counsel for the petitioner, learned Assistant Government Pleader for Finance & Planning and Sri K. Mallikarjuna Moorthy, learned Standing Counsel for the respondent Corporation.
4. Learned counsel for the petitioner, while reiterating the averments made in the writ affidavit, submits that in view of the non-release of the admitted amounts, the petitioner is facing multifarious problems, physically and fiscally. Hence, he submits that the release of the amounts is just and essential.

5. On the other hand, learned Standing Counsel for the respondent Corporation, places a copy of the written instructions dated 01.04.2026 issued by the concerned authority of the Corporation and submits that proposals have been sent to the Government for the release of the budget. He submits that time may be granted for paying the admitted amount of Rs.23,91,773/- to the petitioner.

6. Since it is not in dispute that the petitioner completed the works and has yet to receive payment, this Court finds the respondents' failure to pay is unjustified. However, taking into consideration of the ground realities to settle the admitted amounts, the respondents are granted rational time to settle the dues.

7. It is relevant to note the case of ***Kapila Hingorani Vs. State of Bihar***¹, wherein, the Hon'ble Supreme Court at para 34 held as follows:

“.....The State may not be liable in relation to the day to day functioning of the Companies, but its liability would arise on its failure to perform the constitutional duties and functions by the public sector undertakings, as in relation thereto the State's constitutional obligations The State acts in a fiduciary capacity. The failure on the part of the State in a case of this nature must also be viewed from the angle that the statutory authorities have failed and/or neglected to enforce the social welfare legislations enacted in this behalf e.g. Payment of Wages Act. Minimum Wages Act etc Such welfare activities as adumbrated in Part IV of the Constitution of India indisputably would cast a duty upon the State being a welfare State and its statutory authorities to do all things which they are statutorily obligated to perform.....”

¹ (2003) 6 SCC 1

8. It is apt to note that a mere financial incapacity/poor financial conditions, as stated by the respondent Corporation, for non-releasing of amounts after utilising the services of the petitioner, cannot be a ground.

9. In view of the above stated legal position, the respondent Corporation, being the instrumentality of the 'State' within the meaning of Article 12 of the Constitution of India, is bound to release the amount for the undisputed works done by the petitioner, without any further delay. A mere financial incapacity or paucity of funds cannot be a valid defence for non-fulfilment of such statutory obligations, more particularly, when the works executed by the petitioner are admitted by the respondent Corporation.

10. So far as the interest portion is concerned, the Hon'ble Division Bench in the case of ***Managing Director & Ors. Vs. Sree Balaji Constructions & Ors.*** (Writ Appeal No.60 of 2025) held that the award of interest on delayed payments was unsustainable in the absence of specific terms and conditions of the relevant agreement between the parties, but in the instant case, the learned counsel for the petitioner has not touched on the said point. However, the Hon'ble Division Bench in similar circumstances made it clear that the parties are at liberty to pursue their claims before an appropriate forum in accordance with the Law.

11. In the light of the above legal position, coupled with the fact that the liability for the undisputed works was admitted by the respondents, the writ petition is disposed of with a direction to the respondents to release the amount payable to the petitioner, within a period of five (5) months, from the date of receipt of copy of this order. It is needless to say that the petitioner is at liberty to approach the appropriate civil court with regard to interest, if so advised.

There shall be no order as to costs. Miscellaneous petitions pending, if any, shall stand closed.

Date: 23.04.2026
GVK

MAHESWARA RAO KUNCHEAM, J

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THE HON'BLE SRI JUSTICE MAHESWARA RAO KUNCHEAM

WRIT PETITION No.7264 of 2024

Date: 23.04.2026

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