



**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: 7529/2025

Between:

1. CH SUBRAMANYAM REDDY, AGE 50 YEARS, H.NO.12-311, SULLURPET, NELLORE DISTRICT, ANDHRA PRADESH.

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP BY ITS PRINCIPAL SECRETARY, MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT DEPARTMENT SECRETARIAT BUILDING, VELAGAPUDI, AMARAVATHI, GUNTUR.

2. PROJECT DIRECTOR, AP STATE HOUSING CORPORATION, THIRUPATHI DISTRICT.

3. EXECUTIVE ENGINEER, A.P. STATE HOUSING CORPORATION LTD., TIRUPATI DIVISION, THIRUPATHI DISTRICT.

4. MANAGING DIRECTOR, AP STATE HOUSING CORPORATION, VIJAYAWADA.

5. THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY DEPARTMENT OF FINANCE PLANNING, SECRETARIAT BUILDINGS, VELAGAPUDI, AMARAVATHI, GUNTUR 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 order or orders, direction or directions. Writ or Writs particularly one in the nature Writ of Mandamus or any appropriate writ declare the action of the respondents in not refunding the deposited amounts as deposited at the time of contract, as security to undertake the works, even completing the observation period amounting to. Rs.9,07,868/- to the petitioner with interest, till the date of refund from the date of completion of respective observation periods, as illegal, arbitrary violation of principles of natural justice and violative of Article 14, 19(i)(g), 21 of the Constitution of India, consequently direct the respondents to release and repay the deposited amounts for the above works immediately with interest of 12 percent and to 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 direct the respondents to release the amount of Rs.9,07,868/- towards payment of deposited amounts for the contract works under taken by the petitioner long back, pending of 2025 and to pass

Counsel for the Petitioner:

- 1.DEVASRI ROSHAN KANCHARLA

Counsel for the Respondent(S):

- 1.MALLIKHARJUNA MOORTHY K (SC FOR A.P HOUSING CORPORATION LIMITED)
- 2.GP MUNICIPAL ADMN AND URBAN DEV AP
- 3.GP FOR FINANCE PLANNING

The Court made the following:

THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM**WRIT PETITION NO: 7529 of 2025****ORDER:-**

The instant writ petition has been filed by the petitioners under Article 226 of Constitution of India seeking the following main prayer:

“....to issue order or orders, direction or directions. Writ or Writs particularly one in the nature Writ of Mandamus or any appropriate writ declare the action of the respondents in not refunding the deposited amounts as deposited at the time of contract, as security to undertake the works, even completing the observation period amounting to. Rs.9,07,868/- to the petitioner with interest, till the date of refund from the date of completion of respective observation periods, as illegal, arbitrary violation of principles of natural justice and violative of Article 14, 19(i)(g), 21 of the Constitution of India, consequently direct the respondents to release and repay the deposited amounts for the above works immediately with interest of 12 percent and to 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 and Sri K.Mallikarjuna Moorthy, learned Standing Counsel for A.P. Housing Corporation appearing for respondents.

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 06.03.2026 issued by the concerned authority of the Corporation and submits that three months' time may be granted for paying the admitted amount of Rs.9,07,868/- 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. Recently the Hon'ble Supreme Court of India held in ***Utkal Highways Engineers and Contractor Vs Chief General Manager and Others***¹, in vivid terms categorically in the following manner.

“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.....”

¹ (2025) SCC Online SC 1400

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-fulfillment 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 of this Court 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 three (03) 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.

JUSTICE MAHESWARA RAO KUNCHEAM

Date: 23.04.2026
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THE HON'BLE SRI JUSTICE MAHESWARA RAO KUNCHEAM

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