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APHC010521842024



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

[3327]

FRIDAY, THE 31st DAY OF JULY 2026

PRESENT

THE HONOURABLE SRI JUSTICE K SREENIVASA REDDY

WRIT PETITION NO: 28024/2024

Between:

- 1.MORAM HARINATH REDDY, S/O. NARAYANA REDDY, AGED 52 YEARS, WO. D.NO. 1-83A, CHILEKAM PALLI, CHAKRAYAPETA, YSR KADAPA DISTRICT
- 2.C.HEMASUNDER REDDY,, S/O. C.PULLA REDDY, AGE 51 YEARS. WO. BRINDAVAN TOWERS. ASHOK NAGAR, KURNOOL, KURNOOL DISTRICT

...PETITIONER(S)

A N D

- 1.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, PANCHAYAT RAJ AND RURAL DEVELOPMENT DEPARTMENT SECRETARIAT, AMARAVATI, GUNTUR DISTRICT.
- 2.THE STATE OF ANDHRA PRADESH, REP. BY ITS PRINCIPAL SECRETARY, DEPARTMENT OF FINANCE AND PLANNING, SECRETARIAT BUILDINGS, AMARAVATI, GUNTUR DISTRICT.
- 3.THE COMMISSIONER, ANDHRA PRADESH, PANCHAYAT RAJ AND RURAL DEVELOPMENT TADEPALLI, GUNTUR DISTRICT.
- 4.THE DISTRICT COLLECTOR PANCHAYATH WING, YSR DISTRICT, KADAPA
- 5.THE MANDAL ENGINEERING OFFICER, MPP CHAKRAYAPETA, YSR KADAPA
- 6.THE DEPUTY EXECUTIVE ENGINEER, PRI SUB DIVISION, VEMPALLI, YSR KADAPA DISTRICT

7.CHILEKAMPALLI GRAM PANCHAYAT, REP. BY ITS
SECRETARY, CHILEKAMPALLI, CHAKRAYAPETA
MANDAL, YSR KADAPA 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 an appropriate Writ or Order or direction more particularly one in the nature of Writ of Mandamus declaring the action of the respondents in not releasing the payments for the construction of YSR Digital Library, VO Buildings, at Chilekampalli, Chakrayapeta Mandal, YSR Kadapa District executed by the petitioners for an amount of Rs 38,70,000/- (Rs. 20,50,000/- and 4,20,000/- and 14,00,000/-) is illegal, arbitrary and consequently direct the respondent authorities to release the due amount of Rs 24,61,170/- with 24 percent per annum to the petitioners in respect of the execution of aforementioned works forthwith and pass

IA NO: 1 OF 2024

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 forthwith to pay the total contract bill amounts of an amount of Rs 24,61,170/- with 24 percent per annum to the petitioners in respect of the execution of YSR Digital Library, VO Buildings, at Chilekampalli, Chakrayapeta Mandal, YSR Kadapa District executed by the petitioners for an amount of Rs 38,70,000/- (Rs. 20,50,000/- and 4,20,000/- and 14,00,000/-) pending disposal of the Writ Petition and pass

Counsel for the Petitioner(S):

1. THOTA RAMAKOTESWARA RAO

Counsel for the Respondent(S):

1. GP FOR PANCHAYAT RAJ RURAL DEV
2. Mattegunta.Sudhir, Standing Counsel For
Z.P.Ps, M.P.Ps, Gram Panchayats
3. GP FOR FINANCE PLANNING

The Court made the following:

THE HONOURABLE SRI JUSTICE K SREENIVASA REDDY**WRIT PETITION NO: 28024 OF 2024****ORDER**

Heard learned counsel for the Writ Petitioners, learned Assistant Government Pleader for the Panchayat Raj and Rural Development, representing respondent Nos.1, 3 and 4, learned Assistant Government Pleader for Finance and Planning, representing respondent Nos.2, 5 and 6 and the learned Standing Counsel for Gram Panchayat, representing respondent No.7.

2. This Writ Petition is filed seeking the following relief:

“....to issue an appropriate Writ, Order or direction more particularly one in the nature of Writ of Mandamus, declaring the action of the respondents in not releasing the payments for the construction of YSR Digital Library, VO Buildings at Chilekampalli, Chakrayapeta Mandal, YSR Kadapa District executed by the petitioners for an amount of Rs.38,70,000/- (Rs.20,50,000/- + Rs.4,20,000/- + Rs.14,00,000/-), is illegal and arbitrary and consequently, direct the respondent authorities to release the due amount of Rs.24,61,170/- with 24% per annum to the petitioners in respect of the execution of the aforementioned works forthwith and pass such other order or orders ...”

3. The Writ Petitioners claim to be Civil Contractors by doing contractual works, such as construction of Government Buildings, supply of unskilled labour and material supply. The

respondent authorities issued three works *i.e.* construction of VO Building at Chilekampalli Pedduru Village of Chilakampalli GP of Chakrayapeta Mandal, construction of VO Building at Chilekampalli GP of Chakrayapeta Mandal, and construction of Women Self Group Federation Building YSR Digitabl Library Building at Chilekampalli Village of Chakrayapeta Mandal.

(b) The total estimated amount for the works entrusted to the Writ Petitioners was Rs.38,70,000/-. The Writ Petitioners executed all the works under the Scheme of Mahatma Gandhi National Rural Employment Guarantee and PADA (Pulivendula Area Development Authority) Programme. The respondent authorities inspected the works and recorded the same in the Measurements Book.

(c) It is the grievance of the Writ Petitioners that they executed the aforesaid works as per the Agreement entered into, with the respondents, and the respondent authorities examined and scrutinized the same, and made entries in the M-Book, but the respondent authorities are not taking steps to release the amounts to the Writ Petitioners. Though the Writ Petitioners approached the respondent authorities on multiple occasions, requesting for payment of pending bills amount, the authorities are not releasing

the amounts due to him. According to the Writ Petitioners, having executed the works satisfactorily, within the prescribed time, non-payment of the bills amount is arbitrary and unjustified, 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.

4. Perused the entire material available on record.

5. 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 contract works, as mentioned supra, to the Writ Petitioners. Grievance of the Writ Petitioners is that though they executed the said contract works within the stipulated time to the satisfaction of the respondent authorities, the respondent authorities are not releasing the payments covered under the bills that were submitted by the Writ Petitioners for the amounts spent by them for executing the works.

6. Admittedly, the respondent authorities did not file counter-affidavit. 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. Therefore, this Court is constrained to proceed with the Writ Petition basing on the material available on record.

7. The issue raised in the present Writ Petition is squarely covered by the Order of this Court in **Rayapureddy Srinivasa Rao and others v. Government of Andhra Pradesh, rep. by its Principal Secretary to Government and others and others¹** and batch in which the Writ Petitions are allowed with the following directions:

(i) The Memo No.1263069/RD.II/A1/2020, dated 05.11.2020 and the Memo No.1388361/RD.II/A1/2020, dated 12.05.2021 issued by the Respondent NO.1 are set aside to the extent of deduction of 21.02% for DCC works and 6.333% for MCC works while making payment to the petitioner.

¹ 2021 SCC Online AP 3084.

(ii) The respondents are directed to clear the bills submitted by the petitioner and to release payment forthwith, in case no payment is made till date.

(iii) In case, any part payment is made as on date, the remaining amount shall be paid to the petitioner forthwith.

(iv) The respondents shall pay interest @ 12% per annum within a period of four (4) weeks from the date of receipt of a copy of this order.

(v) The interest shall be compound from the date of expiry of one month from the date of submission of the bill by the petitioner to till the date of final payment.

8. Against the above said order, several Writ Appeals are filed and in one of the Writ Appeals (*i.e.*) Writ Appeal No.724 of 2021, a Division Bench of this Court has passed an *interim* Order, dated 18.11.2021 as extracted hereunder:

“The direction of the learned Single Judge regarding payment of interest to the respondent No.1 as also setting aside the provision in Memo No.1263069/RD.II/A1/ 2020, dated 05.11.2020 and the Memo No.138861/RD.II/A1/ 2020, dated 12.05.2021 relating to deduction of 21.02% for DCC works and 6.333% for MCC works, while making payment, shall remained stayed.

On a query of the Court, learned Advocate General submitted that the direction of the learned Single Judge as far as payment of the principal amount of the bills raised by the original writ petitioner, in terms of the order of the Division Bench in **Krishna District Grama Panchayathi**

Sarpanchla Sangam (supra), shall be made within four weeks, if already not done.

The matter be listed for hearing in due course.

It is clarified that the appellants shall comply with the rest of the directions issued by the learned Single Judge in the judgment under appeal.”

9. Subsequently, a Division Bench of this Court headed by the Hon'ble the Chief Justice while hearing the Writ Appeal Nos.740 and 741 of 2021, having considered the Order passed in Writ Appeal No.724 of 2021, passed the following Order:

“Considering the facts and circumstances of the case and having regard to the interim order passed by the Coordinate Bench, we direct that the said interim order shall apply for the present Writ Appeals also, however, with a condition that the appellants shall pay the principal amount of the bill raised by the original Writ Petitioners, within a period of four weeks, failing which the present interim order shall stand vacated without reference to the bench.”

10. The learned counsel for the Writ Petitioners requested the Court to clarify the applicability of the Memo No.1263069/RD.II/A1/ 2020, dated 05.11.2020 and the Memo No.138861/RD.II/A1/2020, dated 12.05.2021.

11. The learned Assistant Government Pleader for Panchayat Raj submitted that the said Memos are issued for the

works executed under 'Mahatma Gandhi National Rural Employment Guarantee Scheme'. Therefore, it is made clear that the Memo No.1263069/RD.II/A1/2020, dated 05.11.2020 and the Memo No.1388361/RD.II/A1/2020, dated 12.05.2021 are applicable to the works executed under 'Mahatma Gandhi National Rural Employment Guarantee Scheme' only.

12. Having regard to the facts and circumstances of the case, the respondent authorities are directed to pay the net amount of Rs.38,70,000/- (Rupees Thirty Eight Lakhs Seventy Thousand only) to the Writ Petitioners within a period of Six (06) weeks from the date of receipt of a copy of this order.

13. 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

31st July, 2026.

DNB/DRK

Whether the Order is:

Speaking	✓	Reasoned	
Reportable		Non-reportable	✓