



2026:CGHC:14181-DB

NAFR**HIGH COURT OF CHHATTISGARH AT BILASPUR****WPC No. 1323 of 2026**

1 - M/s Gayatri Construction Through Its Proprietor Anurag Jaiswal S/o Late Jawaharlal Jaiswal, Aged About 54 Years, Flat No. 307 Vaishali Pride, Minocha Colony, Mungeli Road, Bilaspur, District Bilaspur Chhattisgarh

... Petitioner(s)**versus**

1 - State Of Chhattisgarh Through The Secretary, Public Health Engineering Department, Mahanadi Bhawan, Mantralaya, Atal Nagar, Mantralaya, Nawa Raipur, District Raipur Chhattisgarh

2 - The Engineering-In-Chief Public Health Engineering Department, Indravati Bhawan, Atal Nagar, Mantralaya, Nawa Raipur, District Raipur Chhattisgarh

3 - The Mission Director, Jal Jivan Mission, Mungeli, District Mungeli Chhattisgarh

4 - The Executive Engineer And Member Secretary District Water Sanitation Mission, Public Health Engineering Department, Division, Mungeli, District Mungeli Chhattisgarh

... Respondent(s)

For Petitioner(s) : Mr. Harish Khuntiya, Advocate

For Respondent(s) : Mr. Shashank Thakur, A.A.G.

Hon'ble Shri Ramesh Sinha, Chief Justice
Hon'ble Shri Ravindra Kumar Agrawal, Judge
Order on Board

Per Ramesh Sinha, Chief Justice

25/03/2026

1. Heard Mr. Harish Khuntiya, learned counsel for the petitioner. Also heard Mr. Shashank Thakur, learned Addl. Advocate General, appearing for the Respondent/State.
2. By this petition under Article 226 of the Constitution of India, the petitioners seek for the following relief(s):

“10.1 That, this Hon'ble Court may kindly be pleased to issue an appropriate writ, thereby directing the respondent authorities to forthwith release the remaining 30% amount in favour of petitioner for completion of tender work, with interest @ 18% per annum from the date of entitlement to its actual payment.

10.2 That, this Hon'ble Court may kindly be pleased to direct the respondent authorities to decide the petitioner's representation for release of unpaid bill amount, within stipulated time.

10.3 To kindly grant any other relief which may be deem fit in the given facts and circumstances of the instant case.”

3. The brief facts of the case are that, the petitioner, a duly registered proprietorship firm, participated in a tender floated by the respondent authorities under the Jal Jeevan Mission Scheme pursuant to NIT No. 431 dated 17.03.2023 for construction and allied works of a Single Village Piped Water Supply Scheme at Village Baigakapa, District Mungeli, with a tender value of Rs. 79.87 lakhs and stipulated completion period of 9 months. Upon successful evaluation, the tender was awarded to the petitioner and Agreement No. 97/01/2023-24 was executed, followed by issuance of work order dated 26.05.2023, pursuant to which the petitioner duly commenced and completed the entire work in accordance with prescribed norms and standards; during execution, the respondents released 70% of the bill amount, however, despite completion of work and repeated representations by the petitioner, the remaining 30% payment has been withheld without any justification or fault on the part of the petitioner, even though the Mission Director vide order dated 24.03.2025 directed release of dues to contractors under the scheme, thereby compelling the petitioner to approach this Hon'ble Court seeking appropriate relief.

4. Learned counsel appearing on behalf of the petitioner, submits that, the act of the respondent authorities are arbitrary, illegal and unjust manner, withholding the legitimate dues of the petitioner despite successful completion of the tender work in accordance with prescribed norms, thereby violating the mandate of Article 14 of the Constitution of India. The petitioner has already received 70% of the bill amount during execution, which itself establishes due satisfaction of work, yet the

remaining 30% has been withheld without any justification or fault on the part of the petitioner, even after repeated representations and despite a specific direction dated 24.03.2025 issued by the Mission Director for release of payment to contractors under the Jal Jeevan Mission. Such inaction has caused grave financial hardship to the petitioner, who completed the work by procuring materials on credit and is liable to pay labourers and suppliers. In support of his submission, the learned counsel for the petitioner relied upon the Judgemnt passed by the Hon'ble Supreme Court in **ABL International Ltd. vs. Export Credit Guarantee Corporation of India Ltd**, that the State and its instrumentalities are bound to act fairly, reasonably and cannot arbitrarily deny legitimate claims arising out of contractual obligations, and writ jurisdiction can be invoked in such cases. Hence, the action of the respondents in withholding payment is wholly unjustified, and the petitioner is entitled to release of the remaining amount along with interest @ 18% per annum from the date it became due till actual payment.

5. On the other hand, learned State counsel opposes the submissions made by the learned counsel for the petitioner and submits that, the dispute herein arises purely out of contractual obligations under a tender agreement, involving disputed questions of fact regarding completion, quality, measurement and verification of work, which cannot be adjudicated in writ jurisdiction under Article 226 of the Constitution. It is a settled principle that writ courts should not ordinarily interfere in contractual matters where efficacious alternative remedies

such as arbitration or civil suit are available, further, the payment of the remaining 30% amount is subject to due verification, certification, and compliance of all contractual conditions, including defect liability and other technical parameters, and mere completion as alleged by the petitioner does not ipso facto entitle him to full payment; moreover, the judgment in **ABL International Ltd (supra)**, itself lays down that writ jurisdiction is discretionary and to be exercised only in exceptional circumstances involving clear arbitrariness, which is absent in the present case, as there is no arbitrary or mala fide action on part of the respondents but only a procedural and contractual compliance requirement. Hence, the present writ petition seeking monetary relief is not maintainable and is liable to be dismissed.

6. We have learned counsel for the parties, perused the material annexed with the petition.

7. The Hon'ble Supreme Court in the case of **Tata Motors Limited v The Brihan Mumbai Electric Supply & Transport Undertaking (Best) and Others** passed in Civil Appeal No. 3897 of 2023 vide judgment dated 19.05.2023 held as follows :

“48. This Court being the guardian of fundamental rights is duty-bound to interfere when there is arbitrariness, irrationality, mala fides and bias. However, this Court has cautioned time and again that courts should exercise a lot of restraint while exercising their powers of judicial review in contractual or commercial matters. This Court is

*normally loathe to interfere in contractual matters unless a clear-cut case of arbitrariness or mala fides or bias or irrationality is made out. One must remember that today many public sector undertakings compete with the private industry. The contracts entered into between private parties are not subject to scrutiny under writ jurisdiction. No doubt, the bodies which are State within the meaning of Article 12 of the Constitution are bound to act fairly and are amenable to the writ jurisdiction of superior court*The Hon'ble Supreme Court in the case of **Tata Motors Limited v The Brihan Mumbai Electric Supply & Transport Undertaking (Best) and Others** passed in Civil Appeal No. 3897 of 2023 vide judgment dated 19.05.2023 held as follows :

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*parties are not subject to scrutiny under writ jurisdiction. No doubt, the bodies which are State within the meaning of Article 12 of the Constitution are bound to act fairly and are amenable to the writ jurisdiction of superior courts but this discretionary power must be exercised with a great deal of restraint and caution. The courts must realise their limitations and the havoc which needless interference in commercial matters can cause. In contracts involving technical issues the courts should be even more reluctant because most of us in Judges' robes do not have the necessary expertise to adjudicate upon technical issues beyond our domain. The courts should not use a magnifying glass while scanning the tenders and make every small mistake appear like a big blunder. In fact, the courts must give "fair play in the joints" to the government and public sector undertakings in matters of contract. Courts must also not interfere where such interference will cause unnecessary loss to the public exchequer. (See: **Silppi Constructions Contractors v. Union of India, (2020) 16 SCC 489**)*

52. Ordinarily, a writ court should refrain itself from imposing its decision over the decision of the employer as to whether or not to accept the bid of a tenderer unless something very gross or palpable is pointed out. The court ordinarily should not interfere in matters relating to tender

*or contract. To set at naught the entire tender process at the stage when the contract is well underway, would not be in public interest. Initiating a fresh tender process at this stage may consume lot of time and also loss to the public exchequer to the tune of crores of rupees. The financial burden/implications on the public exchequer that the State may have to meet with if the Court directs issue of a fresh tender notice, should be one of the guiding factors that the Court should keep in mind. This is evident from a three-Judge Bench decision of this Court in **Association of Registration Plates v. Union of India and Others**, reported in (2005) 1 SCC 679.*

53. *The law relating to award of contract by the State and public sector corporations was reviewed in **Air India Ltd. v. Cochin International Airport Ltd.**, reported in (2000) 2 SCC 617 and it was held that the award of a contract, whether by a private party or by a State, is essentially a commercial transaction. It can choose its own method to arrive at a decision and it is free to grant any relaxation for bona fide reasons, if the tender conditions permit such a relaxation. It was further held that the State, its corporations, instrumentalities and agencies have the public duty to be fair to all concerned. Even when some defect is found in the decision-making process, the court must exercise its discretionary powers under Article 226*

with great caution and should exercise it only in furtherance of public interest and not merely on the making out of a legal point. The court should always keep the larger public interest in mind in order to decide whether its intervention is called for or not. Only when it comes to a conclusion that overwhelming public interest requires interference, the court should interfere.

54. As observed by this Court in **Jagdish Mandal v. State of Orissa and Others**, reported in (2007) 14 SCC 517, that while invoking power of judicial review in matters as to tenders or award of contracts, certain special features should be borne in mind that evaluations of tenders and awarding of contracts are essentially commercial functions and principles of equity and natural justice stay at a distance in such matters. If the decision relating to award of contract is bona fide and is in public interest, courts will not interfere by exercising powers of judicial review even if a procedural aberration or error in assessment or prejudice to a tenderer, is made out. Power of judicial review will not be invoked to protect private interest at the cost of public interest, or to decide contractual disputes.”

8. Upon perusal of the judgment passed by the Hon'ble Supreme Court in **Tata Motors Limited** (Supra), as the Apex Court has categorically held that judicial review in contractual and tender matters

must be exercised with great restraint and only in cases where clear arbitrariness, mala fides, bias or irrationality is demonstrated, in the present case, no such exceptional circumstance is made out, and the dispute raised by the petitioner pertains purely to non-release of alleged contractual dues, which involves factual determination regarding completion of work, compliance of contractual conditions, measurements and verification, and therefore falls within the domain of a civil dispute. The scope of judicial review in contractual and tender matters is limited and the Court ordinarily does not interfere unless the decision-making process is found to be arbitrary, irrational or contrary to law, which is not established in the present case. Hence, in light of the settled legal position, the present petition seeking release of payment under a contract is misconceived, devoid of merit, and liable to be dismissed, leaving the petitioner to avail appropriate alternative remedies available under law.

9. Therefore, the present petition being devoid of merits deserves to be and is hereby dismissed.

Sd/-

(Ravindra Kumar Agrawal)
Judge

Sd/-

(Ramesh Sinha)
Chief Justice