

HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT SRINAGAR

WP(C) No. 2016/2022

CM No. 5049/2022

Reserved on: 22.04.2026

Pronounced on: 05.05.2026

Uploaded on: 06.05.2026

*Whether the operative part or
full judgment is pronounced:*

Full

1. Haji Mohammad Akbar Sheikh
S/O Late Haji Abdul Ahad Sheikh,
Age 60 Years
2. Naseer Ahmad Malik
S/O Late Ghulam Mohammad Malik, Age
52 Years
3. Sonallah Malik, S/O Fatah Malik ,
Age 70 Years
All Residents of Trehgam Kupwara

.... Petitioner(s)

Through:- Mr. Sheikh Mushtaq , Adv

VS.

1. Union Territory Of J And K And Kashmir
Through Commissioner Cum Secretary To
Govt. Tourism Department Civil Secretariat
Srinagar
2. Director Rural Development Department,
Kashmir Srinagar
3. District Development Commissioner,
Kupwara
4. Block Development Officer, Trehgam
5. Executive Engineer , Rew Wing Kupwara
6. Assistant Executive engineer, Rew Sub
Division, Trehgam Kupwara
7. Secretary Panchayat / Jr. Engineer ,Grs,
Panchayat Halqa Trehgam.

.....Respondent(s)

Through: Mr. Bikramdeep Singh,
Dy.AG

CORAM: HON'BLE MR. JUSTICE WASIM SADIQ NARGAL, JUDGE
JUDGMENT

BRIEF FACTS

1. Through the medium of the instant writ petition, the petitioners seek issuance of a writ of mandamus commanding the respondents to release the admitted amount of Rs. 24.99 lakhs in favour of the petitioners on account of developmental works executed at Historic Trehgam Spring, Block Trehgam, District Kupwara, under HEG, 13th Finance Commission and MGNREGA during the year 2018, along with such other writ, order or direction as this Court may deem fit and proper in the facts and circumstances of the case.
2. It is the specific case of the petitioners that they, being members of the Elaquai Welfare Committee and inhabitants of the area, were verbally directed by the official respondents, particularly respondent No. 3, to execute the aforesaid works. Acting upon such directions, the petitioners executed the works strictly in accordance with the specifications and to the satisfaction of the respondents and thereafter handed over the same.
3. It is pleaded that although the respondents released an amount of Rs. 20 lakhs, the balance amount of Rs. 24.99 lakhs, constituting the admitted liability, was illegally withheld without any justification. According to the petitioners, several inter-departmental communications issued by the respondents themselves acknowledge the subsisting liability and request its clearance.

4. Reference has been made to communication dated 27.10.2021 issued by the Block Development Officer, Trehgam, requesting the Assistant Commissioner Development, Kupwara, for clearing the liability in respect of the works executed by the petitioners; communication dated 03.02.2022 issued by the office of the District Development Commissioner, Kupwara asking the District Panchayat Officer to explore the possibility of clearance of work-done claims under overall savings of 14th Finance Commission grants to the extent of Rs. 24.99 lakhs; and communication dated 24.02.2022 issued by the District Panchayat Officer, Kupwara, again requesting clearance of the work-done claims.
5. It is further pleaded that the petitioners had raised loans from different financial institutions for execution of the works with the legitimate expectation that payment would be released upon completion. However, due to continued withholding of the admitted amount, the petitioners have suffered severe financial hardship and have been compelled to pay interest on such borrowings. Repeated representations made by the petitioners as well as by the inhabitants of village Trehgam through the Welfare Committee failed to evoke any response, constraining the petitioners to invoke the extraordinary writ jurisdiction of this Court.

Submissions on behalf of the Petitioners

6. Learned counsel Mr. Sheikh Manzoor appearing for the petitioners submitted that the respondents have themselves admitted the execution of works as well as the liability of Rs. 24.99 lakhs and, therefore, no disputed question of fact survives for adjudication by

this Court. It is contended that once the respondents have accepted the completion of the works and have derived benefit therefrom, withholding of payment becomes wholly arbitrary, unreasonable and violative of Articles 14 and 21 of the Constitution of India.

7. It is further argued that the petitioners executed the works on the specific directions of the respondents and in the legitimate expectation that the amount due would be released immediately upon completion. The respondents, after having enjoyed the benefit of the completed public works, cannot be permitted to deny lawful dues to the petitioners on one pretext or the other.
8. Learned counsel submitted that the plea of non-availability of funds is wholly untenable in law, inasmuch as financial constraints cannot be pleaded by the State to defeat admitted liabilities. It is argued that official communications as well as affidavits filed by the respondents before this Court unequivocally establish that the liability is admitted and subsisting, and therefore the only surviving issue is enforcement of payment.
9. It is also submitted that the prolonged withholding of payment since the year 2018 has caused grave prejudice to the petitioners, who had borrowed money for execution of the work and are now facing serious financial distress. Accordingly, it is prayed that a writ of mandamus be issued directing immediate release of the admitted amount along with time-bound compliance.

Submissions on behalf of the Respondents

10. Per contra, learned counsel Mr. Bikramdeep Singh, appearing for the respondents, while not disputing the execution of the works or

the subsisting liability, submitted that the delay in clearance of the admitted amount is neither intentional nor deliberate. It is submitted that the delay has occurred on account of non-availability of funds, procedural constraints and the requirement of administrative approvals at various levels.

- 11.** Learned counsel placed reliance upon the personal affidavits filed by the District Development Commissioner, Kupwara as well as the Executive Engineer, Rural Engineering Wing, Kupwara, wherein it has been specifically stated that the writ petition pertains to admitted work-done liabilities relating to development works executed at Historic Trehgam Spring during the year 2018.
- 12.** It is further submitted that directions have already been issued by the competent authorities to the Assistant Commissioner Development, Kupwara and Assistant Commissioner Panchayat, Kupwara to explore the possibility of liquidation of the admitted liability from available resources under the overall savings of Finance Commission grants so as to avoid further delay and compliance issues.
- 13.** Learned counsel contended that there has been no willful or deliberate disobedience of the orders passed by this Court and that the respondents are making sincere efforts to arrange the necessary funds and administrative approvals for liquidation of the liability. It is thus urged that reasonable time may be granted to the respondents for clearing the admitted amount in accordance with rules.

LEGAL ANALYSIS

14. Having heard learned counsel for the parties, and perused the material on record.
15. At the outset, it is manifest that the petitioners claim to have executed developmental works at Historic Trehgam Spring, Block Trehgam, District Kupwara, pursuant to the administrative approval accorded vide Order No. 486-DECK of 2018 dated 10.10.2018 under HEG, 13th Finance Commission and MGNREGA. The said assertion has not been specifically denied by the respondents in their pleadings. On the contrary, the material placed on record, including the official communications and the affidavits filed on behalf of the respondents, unequivocally demonstrates that the execution of the works by the petitioners as well as the corresponding liability arising therefrom stands admitted by the official respondents themselves, thereby leaving no room for any dispute with regard to the claim set up by the petitioner in the present writ petition.
16. It is of considerable significance that the respondents, by their own official record and conduct, have unequivocally acknowledged the subsistence of liability in favour of the petitioners,. The official communication dated 27.10.2021 issued by the Block Development Officer, Trehgam, specifically sought clearance of the liability arising out of the works executed by the petitioners. This was followed by communication dated 03.02.2022 issued from the office of the District Development Commissioner, Kupwara, whereby the District Panchayat Officer, Kupwara was directed to

explore the possibility of clearance of work-done claims to the extent of Rs.24.99 lakhs under the overall savings of Finance Commission grants. Yet again, vide communication dated 24.02.2022, the District Panchayat Officer, Kupwara reiterated the request for clearance of the said liability. These inter-departmental communications, leave no manner of doubt that the respondents themselves have accepted not only the execution of the works by the petitioners but also the subsisting liability payable in their favour, and that the only impediment is release of the admitted amount.

- 17.** The aforesaid position stands further fortified by the affidavits filed by the District Development Commissioner, Kupwara and the Executive Engineer, Rural Engineering Wing, Kupwara, wherein it has been categorically stated that the present writ petition pertains to “*non-clearance of admitted work-done liabilities.*” Such a clear and unequivocal admission on the part of the public authorities leaves no scope for doubt regarding the existence of liability in favour of petitioners.
- 18.** Once it is established that the liability is admitted, the matter no longer involves any disputed questions of fact . In such a situation, this Court, in exercise of its jurisdiction under Article 226 of the Constitution, is fully empowered to intervene and ensure that the admitted dues are released in a fair and timely manner.
- 19.** The Hon’ble Supreme Court in *State of U.P. v. Sudhir Kumar Singh and Others* reported as (2021) 19 SCC 706 has held that:

“26. It may be added that every case in which a citizen/person knocks at the doors of the writ court for breach of his or its fundamental rights is a matter which contains a “public law element”, as opposed to a case which is concerned only with breach of contract and damages flowing therefrom. Whenever a plea of breach of natural justice is made against the State, the said plea, if found sustainable, sounds in constitutional law as arbitrary State action, which attracts the provisions of Article 14 of the Constitution of India -

20. The grievance projected by the petitioners is not a mere contractual dispute for recovery of money, but pertains to arbitrary withholding of an admitted liability by State authorities. Such action, when tested on the touchstone of Article 14 of the Constitution of India, clearly falls within the domain of public law and is amenable to judicial review under Article 226. The admitted position on record demonstrates that despite acknowledgment of liability, the respondents have failed to release the dues without any justifiable cause. This conduct, in the considered view of this Court, is arbitrary and unreasonable, thereby attracting the constitutional mandate of fairness under Article 14.
21. This Court, in **WP(C) 3061/2023 titled Mohd Ashraf vs UT of J&K decided on 25.02.2026** has observed as under:

“This Court is of the considered view that the duty of the State to pay for work executed and enjoyed is a constitutional obligation flowing from Article 14, and delay in seeking enforcement of such right cannot absolve the State from its responsibility. Article 14 of the

Constitution of India guarantees equality before the law and equal protection of laws. The jurisprudence under Article 14 has evolved far beyond formal equality; it now encompasses the principle that State action, whether legislative, executive, or contractual, must not be arbitrary, unreasonable, or unfair. The Government, when entering into contracts or dealing with contractors, does not shed its constitutional obligations. Unlike a private party, the State is bound to act as a model litigant. Once the liability is admitted, such as when work is duly executed, measured, and certified, the withholding of the payment without justification amounts to arbitrary action and thus falls foul of Article 14.”

22. Applying the aforesaid principle to the present case, this Court is of considered opinion, once the State has taken benefit of the work and admits the liability, it is under a constitutional obligation to ensure timely payment. Failure to do so renders its action arbitrary and unfair, thereby attracting the vice of Article 14 of the Constitution.
23. Withholding of the admitted amount in the present case is not merely a breach of obligation but constitutes arbitrary State action, which cannot be sustained in law. This Court, therefore, in exercise of its jurisdiction under Article 226 of the Constitution of India, proceeds to grant relief.
24. The next issue which falls for consideration is the justification put forth by the respondents for withholding the admitted dues. The respondents have sought to explain the delay on the grounds of non-availability of funds, procedural constraints and requirement of administrative approvals.

25. It is well settled that, once the liability stands admitted, the respondents are under a legal obligation to discharge the same within a reasonable time. The plea of financial constraint or pendency of administrative approvals cannot be permitted to defeat an accrued and acknowledged right in favour of the petitioners.
26. In this regard, this Court in **M/s Saint Solider Engineer and Contractor Pvt. Ltd vs Union Territory of J&K & Ors, reported as 2025 SCC OnLine J&K 972**, wherein it has been held as under:

“20. It is well settled that execution of work gives rise to a corresponding obligation upon the State to honour its financial commitments. Any administrative approval or availability of funds is a matter to be ensured by the department prior to the allotment of work. After the execution of the contract, no “post facto” objection can be raised to deny or delay payment.

21. This Court is constrained to observe that in numerous cases involving government contracts, despite completion of work in accordance with the terms and conditions of the contract, the payments due to contractors are not released in a timely manner. The delay is often attributed to administrative reasons, such as the need for administrative approval or the alleged paucity of funds or the funds being diverted to other projects to frustrate the claim of the contractors. In the present case as well, despite admitted liability and due completion of work by the petitioner well in time the payment has been unjustifiably withheld for a considerable period of time.

27. In the present matter, the respondents, after having permitted execution of the works and having admittedly derived benefit

therefrom, cannot now be heard to contend that payment cannot be released on account of administrative constraints or non-availability of funds.

28. It is well-settled principle of law that the State cannot withhold legitimate and admitted dues on the plea of paucity of funds, such a defence being wholly untenable. Further, partial discharge of liability does not absolve the respondents of their obligation to clear the remaining amount. Once the liability stands admitted, it is incumbent upon the respondents to liquidate the same, and part payment thereof cannot be a justification for withholding the amount due.
29. In the considered opinion of this Court, the obligation to arrange funds and obtain necessary approvals lies squarely upon the State authorities prior to entrusting the work. Once the work is executed and the liability stands admitted, any delay in release of payment on such grounds is wholly unjustified.
30. Accordingly, this Court holds that the action of the respondents in withholding the payment is arbitrary and contrary to settled principles of law, and cannot be sustained.
31. The petitioners have further pleaded that they had raised loans for execution of the works and are burdened with repayment obligations along with interest liabilities. The prolonged non-release of the admitted amount has exposed them to serious financial hardship.

32. In the considered view of this Court, such a situation cannot be countenanced, particularly when the liability itself stands admitted by the respondents. The petitioners, having undertaken and completed public works at the instance of the State, cannot be left to suffer financial hardships on account of inaction or delay on the part of the authorities. The consequences of such delay have a direct bearing on the livelihood and economic stability of the petitioners.
33. The State, being a *welfare State governed by the rule of law*, is under a constitutional obligation to act in a fair, reasonable and responsible manner. It is expected to act in a manner which safeguards, rather than jeopardizes, the economic security of its citizen.
34. The plea of the respondents that the matter is under consideration or that steps are being taken to arrange funds does not advance their case. Once the liability is admitted, the same cannot be kept in abeyance indefinitely on the ground of internal administrative processes. Such internal procedures cannot override the legal rights which have already crystallized in favour of the petitioners.
35. **Further, this Court in M/s Lumber India Corporation v. UT of J&K WP(C) No. 733/2023, decided on 10.04.2026**, wherein it was once again emphasized that the State cannot withhold admitted dues for works executed and enjoyed, on the pretext of administrative constraints or paucity of funds, and that such action would be arbitrary and violative of Article 14 of the Constitution of India. For the facility of reference same is reproduced as under:

“It must be emphasized that once the State has availed the benefit of work executed, it is under a corresponding obligation both legal and constitutional to ensure timely payment. Any failure in this regard strikes at the core of Article 14 of the Constitution of India, which mandates fairness, reasonableness and non-arbitrariness in State action.

In these circumstances, this Court deems it appropriate not only to grant relief to the petitioner but also to reiterate, that the State must put in place an effective mechanism to ensure that admitted dues are released without compelling parties to seek judicial redress.”

36. In the considered opinion of this Court, once the State derives benefit from the work executed at its instance, a corresponding duty arises to discharge the financial liability in a timely manner. Failure to do so not only amounts to breach of obligation but also renders the action of the respondents arbitrary and unreasonable, thereby violative of Article 14.
37. This Court is of the view that parties should not be compelled to approach the Court for release of admitted due. Despite clear acknowledgment of liability, the petitioners have been constrained to invoke the writ jurisdiction of this Court.
38. Recently, this Court has reiterated the aforesaid position in **Bhat Traders VS UT of J&K WP(C) No. 3445/2023, decided on 16.04.2026** wherein it was once again emphasized that the State cannot withhold admitted dues for works executed and enjoyed, on the pretext of administrative constraints or paucity of funds, and that such action would be arbitrary and violative of Article 14 of the

Constitution of India. For the facility of reference same is reproduced as under:

“In view of the aforesaid discussion, this Court is of the considered opinion that the action of the respondents in withholding the admitted dues of the petitioner is arbitrary, unreasonable and violative of Article 14 of the Constitution of India. The preliminary objections raised by the respondents, both with regard to maintainability as well as on merits, do not withstand judicial scrutiny and are accordingly rejected. The material on record clearly establishes that the petitioner has executed the works, the respondents have derived benefit therefrom, and the liability stands acknowledged. In such circumstances, the continued withholding of payment is wholly unjustified and cannot be sustained in law. This Court cannot lose sight of the fact that the State and its instrumentalities are expected to act as model litigant and uphold the highest standards of fairness. Permitting the respondents to deny admitted dues on the pretext of internal procedural lapses or paucity of funds would strike at the very root of the rule of law.”

39. In the considered opinion of this Court, once the State has derived benefit from the works executed at its instance, a corresponding obligation arises to discharge the financial liability within a reasonable time. Any failure to do so, particularly in view of the admitted liability, not only constitutes a breach of obligation but also renders the action of the respondents arbitrary and unreasonable.
40. This Court is also of the considered view that the conduct of the respondents amounts to unjust enrichment. The respondents have

utilized the works executed by the petitioners for public benefit, yet have failed to compensate them. Retention of such benefit without payment is impermissible and contrary to settled principles of equity and justice.

41. This court finds that the present case is a clear instance of arbitrary withholding of admitted dues by the State authorities. The respondents, by their own admissions, have acknowledged the liability, yet have failed to discharge the same on untenable grounds.

CONCLUSION

42. In view of the aforesaid and for the reasons recorded hereinabove, this Court is of the considered opinion that the petitioners have established a clear, subsisting and enforceable right to the amount claimed, which stands duly acknowledged by the respondents themselves. The continued withholding of the admitted dues, despite such acknowledgment, is wholly unjustified and cannot be sustained in law.
43. The action of the respondents, tested on the touchstone of fairness, reasonableness and non-arbitrariness, is manifestly arbitrary and violative of Article 14 and 21 of the Constitution of India. The explanations sought to be advanced on the grounds of administrative constraints and non-availability of funds do not constitute a valid defence and cannot be permitted to defeat the accrued rights of the petitioners.

44. This Court cannot lose sight of the fact that the petitioners, having executed public works at the instance of the State, have been constrained to approach this Court for release of their admitted dues. Such a situation not only causes undue hardship to the petitioners but also undermines the obligation of the State to act as a fair and responsible authority.
45. In a system governed by the rule of law, the State is expected to honour its commitments with promptitude and fairness. Delay in discharge of admitted liabilities erodes public confidence and strikes at the very foundation of administrative accountability.
46. Accordingly, this Court holds that the withholding of the admitted amount by the respondents is arbitrary, unreasonable and legally unsustainable, warranting interference in exercise of writ jurisdiction.
47. In the light of what has been discussed hereinabove and also in view of the settled position of law laid down by this Court, the instant writ petition is allowed and the respondents are directed to consider the case of the petitioner for the release of the admitted liability in favour of the petitioner to the tune of ₹24.99 lakhs within a period of four (04) weeks from the date a copy of this order along with writ petition and annexures are made available to respondents. It is made clear, failing such compliance within the stipulated period, the petitioner shall be entitled to interest @ 6% per annum on the aforesaid amount from the date the said amount

was due and not paid by respondent. The writ petition is disposed of, along with all connected application.

(Wasim Sadiq Nargal)
Judge

Srinagar:

05.05.2026
Shamim/PS

Whether the order is speaking : *No/Yes*
Whether approved for reporting : *No/Yes*