



CNR: KAHC010595622026

NC: 2026:KHC:54075-DB
WA No. 2000 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 29TH DAY OF SEPTEMBER, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT APPEAL NO. 2000 OF 2026 (GM-RES)

BETWEEN:

1. M/S ANUSHA CONSTRUCTIONS
NO.27, 2ND CROSS
DODDAKALLASANDRA
GOKUL NAGAR
BENGALURU - 560 062
A PROPRIETARY CONCERN
REP. BY ITS PROPRIETOR
SRI M. VENU MADHAV

...APPELLANT

(BY SRI BAPAT SAMPATH VINAYAKA RAO, ADVOCATE)

AND:

1. UNION OF INDIA
REPRESENTED BY
GENERAL MANAGER
SOUTH WESTERN RAILWAY
GM OFFICE BUILDING
GADAG ROAD
HUBBALLI - 580 021
2. THE DIVISIONAL RAILWAY
MANAGER (WORKS)
SOUTH WESTERN RAILWAY

Digitally
signed by
AMBKA H B
Location:
High Court
of Karnataka



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WORKS BRANCH
BENGALURU - 560 023

3. THE SENIOR DIVISIONAL
ENGINEER/CO-ORD (WORKS)
SOUTH WESTERN RAILWAY
BENGALURU - 560 023
4. THE CENTRAL BUREAU OF INVESTIGATION
ANTI-CORRUPTION BRANCH
NO.36, BELLARY ROAD
GANGANAGAR
BENGALURU - 560 032
REP. BY ITS DY. SUPERINTENDENT OF POLICE
...RESPONDENTS
(SRI UNNIKRISHNAN M., CGSC FOR R1-R3)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE ORDER DATED 12/08/2026 PASSED BY THE LEARNED SINGLE JUDGE IN W.P. NO.29196/2024 (GM-RES) AND ALLOW W.P. NO.29196/2024 AS PRAYED FOR BY QUASHING THE ENDORSEMENT DATED 30/09/2024 ISSUED BY RESPONDENT NO.3 AND DIRECTING RESPONDENT NOS.1 TO 3 TO RELEASE THE SECURITY DEPOSITS, PERFORMANCE GUARANTEES AND FINAL BILL PERTAINING TO THE FOUR CONTRACTS OF THE APPELLANT & ETC.

THIS APPEAL, COMING ON FOR PRELIMINARY HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:



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CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. Mr.Unnikrishnan M, learned CGSC accepts notice for respondent Nos.1 to 3.
2. The appellant has filed the present appeal impugning an order dated 12.08.2026 passed by the learned Single Judge in Writ Petition No.29196/2024 (GM-RES). The appellant had filed the said writ petition impugning an endorsement date 30.09.2024 issued by respondent No.3, whereby the appellant's representation for release of the amounts was rejected.
3. Briefly stated, the relevant facts are that the appellant was awarded certain contracts for execution of certain works. Letters of acceptance in respect to those contracts were issued on 04.01.2018, 08.03.2019, 14.03.2019 and 29.04.2019. The appellant claims that it executed a substantial portion of the works as contracted and raised bills which remain outstanding.



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4. It is alleged that the appellant had bribed certain officials of the Railways. The investigation in this regard was conducted by the Central Bureau of Investigation [**CBI**] and a charge sheet was filed on 11.03.2024 (RC 15(A)/2022) before the Special Court for CBI cases, Bengaluru. The said case is pending trial before the said court. In view of the said case, the respondents had withheld the payments, which according to the appellant are due and payable for the works executed by it.

5. In the given facts, the appellant had filed a writ petition, being W.P No.5962/2024, *inter alia*, praying that directions be issued for release of payments against the invoices raised by the appellant. This court disposed of the said petition by an order dated 28.08.2024 directing the authorities to consider the appellant's representation. Pursuant to the said directions, the appellant also made a representation dated 09.09.2024. The said representation was rejected by an endorsement dated 30.09.2024 [**impugned endorsement**] which was assailed by the appellant in the present writ petition (W.P No.29196/2024).



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6. The learned Single Judge has passed the impugned order declining to entertain the writ petition, *inter alia*, on the ground that disputes relate to contractual agreements between the parties. Admittedly, the agreements include arbitration clauses governing the said contracts. The learned Single Judge also observed that if any of the matters are excepted matters, it is open for the appellant to approach the jurisdictional Civil Court.

7. A plain reading of the impugned endorsement indicates that the authorities declined the appellant's request for release of the funds by referring to Articles 18(1) and 18(2) of the General Conditions of Contract [**GCC**] which are applicable to the contracts in question.

8. Articles 18(1) and 18(2) of the GCC are set out below:

"18.(1) Illegal Gratification: Any bribe, commission, gift or advantage given, promised or offered by or on behalf of the Contractor or his partner or agent or servant or anyone on his behalf, to any officer or employee of the Railway or to any person on his behalf in relation to obtaining or execution of this or any other contract with the Railway shall, in addition to any criminal liability which he may incur, subject Contractor to the rescission of the contract and all other contracts with the Railway and to the payment of any loss or damage resulting from such decision and the Railway shall be entitled to deduct the amounts so payable from the Contractor's bills/Security Deposit



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or any other dues of Contractor with the Government of India.

18.(2) The Contractor shall not lend or borrow from or have or enter into any monetary dealings or transactions either directly or indirectly with any employee of the Railways and if he shall do so, the Railway shall be entitled forthwith to rescind the contract and all other contracts with the Railway. Any question or dispute as to the commission of any such offence or compensation payable to the Railway under this Clause shall be settled by the General Manager of the Railway, in such a manner as he shall consider fit & sufficient and his decision shall be final & conclusive. In the event of rescission of the contract under this Clause, the Contractor will not be paid any compensation whatsoever except payments for the work done upto the date of rescission.”

9. A plain reading of the said articles indicates that the Railway authorities are entitled to deduct certain amounts payable from the contractor's bill or security deposit for recovery of any loss or damage resulting from any decision *inter alia* regarding the rescission of contract. Article 18.2 of the GCC also stipulates that any dispute regarding commission of any such offence or compensation payable to the Railways would be settled by the General Manager of the Railway and his decision would be final and conclusive.



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10. Concededly, at this stage, no decision is being taken by the General Manager in this regard. The appellant also claims that the amount due to it has been withheld by the Railway authorities pursuant to the directions issued by the CBI. However, it is admitted that no specific orders have been issued in this regard.

11. Clearly, if the General Manager takes a decision under Article 18 of the GCC, the appellant would be entitled to avail its remedies in this regard. Further, if the amounts are withheld pursuant to any directions issued by CBI, the appellant would also be entitled to avail of its remedies in regard to those directions. However, it appears that no decisions have been taken as yet. Thus, the appellant is effectively precluded from availing its remedies, at this stage.

12. The learned counsel appearing for the Railways states that the authorities would consider the present case and take a decision afresh. If the Railways decides to invoke Articles 18.1 or 18.2 of the GCC, the decision in this regard would be communicated to the appellant.



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13. In view of the said statement, we do not consider it necessary to pass any further orders. The decision of the learned Single Judge not to entertain the writ petition on the ground that the disputes essentially relate to the contractual agreements and the appellant is not precluded from availing of its appropriate remedies, cannot be faulted.

14. The appeal is disposed of with the aforesaid observations.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(K.S. HEMALEKHA)
JUDGE**

AHB
List No.: 2 SI No.: 14