



2026:AHC:213748-DB

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 37270 of 2026

M/s Vikas Constructions

.....Petitioner(s)

Versus

State of U.P. and 3 others

.....Respondent(s)

Counsel for Petitioner(s)	: Nitesh Kumar Singh, Rabindra Tiwari
Counsel for Respondent(s)	: C.S.C., Vivek Mishra

RESERVED
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Court No. - 2

HON'BLE J.J. MUNIR, J.
HON'BLE INDRAJEET SHUKLA, J.

(Delivered by Indrajeet Shukla, J.)

1. Heard Mr. Nitesh Kumar Singh, learned counsel for the petitioner, Mr. Sharad Chandra Upadhyay, learned Standing Counsel for the State-respondents and Mr. Vivek Mishra, learned counsel for the respondent no.4 forthwith.
2. The petitioner, being a civil contractor, has approached this Court for the issue of a writ in the nature of mandamus commanding the second respondent to liquidate the unpaid dues in lieu of the construction work executed for the Nagar Panchayat, Chandauli, in the financial years 2018-19 and 2021-22.

Factual Matrix

3. The petitioner, a firm named and styled as M/s Vikas Constructions, claims that a contract for the financial years 2018-19 as well as 2021-22 qua construction work for the Nagar Panchayat, Chandauli was awarded to it. The construction work is stated to have been completed within the time frame but against a bill for the sum of Rs.41,00,127/- raised a sum Rs.12,56,684/- alone was paid. The balance of Rs.28,43,443/- remains outstanding.

4. The petitioner, after submitting the bills, claimed the unpaid dues by means of an application dated 14.07.2025, but same went in vain. Even the reminders sent on 29.08.2025 and, thereafter, on 25.05.2026 proved to be of no consequence.

5. This Court vide order dated 16.09.2026, issued an ad interim mandamus requiring Executive Officer, Nagar Panchayat, Chandauli to clarify by way of his personal affidavit, if the sum of Rs.28,43,443/- claimed by the petitioner towards his dues for the civil contract work executed by him, is admitted by the Nagar Panchayat or not.

6. In response thereof, respondent no.4 filed his own affidavit on 24.09.2024, which has been treated as a counter affidavit for the purposes of adjudication of controversy involved here.

7. It is admitted in the personal affidavit of respondent no.4, the Executive Officer, Nagar Palika, Chandauli, that the first work order was issued on 23.06.2018, against which the work was completed. The details of the bill and the payment made there against, have been set out in paragraph no.6 of the personal affidavit, which reads:

क्र.सं.	बिल का विवरण	धनराशि	भुगतान	चेक सं०/दिनांक
1	2	3	4	5
1	प्रथम रनिंग बिल	2,25,452-00	1,50,000-00	407707/01.06.2019
2	द्वितीय रनिंग बिल	3,48,150-00	1,00,000-00	407773/02.09.2019

		-----	1,50,000-00	407826/24.10.2019
		-----	1,00,000-00	517193/05.03.2020
		-----	73,602-00	PFMS/24.03.2021
3	तृतीय रनिंग बिल	3,84,587-00	1,00,000-00	PFMS/29.06.2021
4	चतुर्थ अंतिम बिल	5,07,993-00	--	
	योग-	14,66,182-00	6,73,602	
	अवशेष धनराशि	7,92,580-00		

8. The chart indicates that for the work carried out against the first work order, the unpaid bill is Rs.7,92,580/-. It is further mentioned in paragraph no.10 of the affidavit that the “respondents have no intention to withhold any legitimate amount payable to the petitioner and, therefore, they are ready to consider the payment of remaining amount of Rs.7,92,580”.

9. The respondent has further admitted that the second work order was issued on 23.06.2018 worth Rs.21,06,850/-, and after completion of the aforesaid work, the petitioner submitted bills for payment and part payment was accordingly made, a reference to which finds mentioned in the table appended with paragraph no.12 of the personal affidavit, which reads:

क्र.सं.	बिल का विवरण	धनराशि	भुगतान	चेक सं०/दिनांक
1	2	3	4	5
1	प्रथम रनिंग बिल	5,52,581-00	3,00,000-00	407546/29.09.2018
		---	2,52,581-00	407561/23.10.2018
2	द्वितीय रनिंग बिल	8,12,508-00	2,00,000-00	407606/17.12.2018
		--	2,00,000-00	407634/25.02.2019
		--	3,00,000-00	407661/30.03.2019
		--	1,12,508-00	PFMS/30.09.2020
	योग-	13,65,089-00	13,65,089-00	

10. The chart drawn above indicates that the bill of Rs.13,65,089/- was liquidated but the affidavit filed by respondent no.4 in paragraph no.14 reflects that the third and final Measurement Book, namely M.B. No.1, for an amount of Rs.6,31,890/- the proper bill in prescribed format has not

been presented. Instead, only Form No.26 was filled in, which too was incomplete.

11. The further assertion is that Form No.26 neither bears the signature of the petitioner-contractor nor that the signature of Junior Engineer concerned. The requisite certification of satisfactory completion of work is missing.

12. It has strenuously been urged that, as per the prescribed procedure, after preparation of the Measurement Book, the contractor is required to submit a proper bill in the prescribed manner, and thereafter required to furnish necessary certification by the Junior Engineer concerned, regarding satisfactory completion of the work.

13. It has further been urged that due verification of the work by the Assistant Engineer, Public Works Department has not been done. It is the pre requisites under the law, which are first required to be completed and satisfied and then alone can the petitioner claim the balance of his bill of Rs.6,31,890/-.

14. The completion of work and measurements etc. have not been disputed by respondent no.4, the Executive Engineer, Chandauli, but a dispute is attempted to be by the respondent saying that no proper bill in the prescribed manner was ever raised by the petitioner.

15. The categorical admission with respect to admitted amount made by respondent no.4, the Executive Engineer, PWD, Chandauli in paragraph nos.19 to 22 of the counter affidavit reads:

“19. That the respondents are ready and willing to make payment of the legitimate dues of the petitioner, if found admissible in accordance with the record and law. However, the petitioner is required to comply with the mandatory prescribed procedure for submission of the bill. After submission of a proper bill duly completed, verified and certified by the competent authorities in accordance with law, the admissible amount shall be considered and processed for payment.

20. That the writ petition has been filed without placing the complete factual position before this Hon’ble Court, particularly the material fact that no

proper and valid bill in respect of the amount of Rs.6,31,890/- was ever submitted by the petitioner in accordance with the prescribed procedure. Only Form No.26 and the relevant entries in the Measurement Book were prepared, which by themselves cannot be treated as a duly submitted and verified bill for release of payment.

21. That the total amount of the work orders in question comes to Rs.37,18,731/-. Against the said amount, a total payment of Rs.20,38,691/- has already been made, comprising Rs.13,65,089/- paid against the second work order and Rs.6,73,602/- paid against the first work order.

22. That after adjustment of the aforesaid payment of Rs.20,38,691/- against the total amount of Rs.37,18,731/-, the balance comes to Rs.16,80,040/-. Out of the aforesaid balance, the respondents are in a position to consider the amount of Rs.7,92,580/- against the first work order, whereas the amount of Rs.6,31,890/- relating to the third and final Measurement Book cannot be released unless the petitioner submits a proper and duly verified bill in accordance with the prescribed procedure of law.”

16. The further contention raised at the Bar by learned counsel for respondent no.4 is that the Nagar Panchayat is not intending to withhold any legitimate dues of the petitioner, and the bills, which were duly submitted and processed in accordance with the prescribed procedure had already been liquidated. The remaining bills with regard to the second work order can only be liquidated if the petitioner performs his part of submitting bills in proper format by complying with the necessary formalities of certification by the Junior Engineer and Assistant Engineer.

17. In view of the pleadings carried in the affidavit filed by respondent no.4 in paragraph nos.20 and 21 it comes out that the willingness for liquidation of remaining balance with regard to first work order as well as second work order has been expressed.

18. Non-payment of even the admitted dues/contractual dues for an uncertain period amount to arbitrary in action and cannot be countenanced in law. We are cognizant of the judgment of the Supreme Court, in **M/s Utkal Highways Engineer and Contractors v. Chief General Manager, reported in 2025 SCC OnLine SC 1400**, wherein it has been held that High Courts are not precluded from entertaining money claims against the State in the writ jurisdiction, but where non-payment of admitted dues is arbitrary, there is no absolute rule that pure money claims cannot be

decided in the exercise of writ jurisdiction Article 226 of the Constitution of India. The relevant remarks in **M/s Utkal Highways Engineer and Contractors (supra)** read:

“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. Non-payment of admitted dues, inter alia, may be considered an arbitrary action on the part of respondents and for claiming the same, a writ petition may lie. Further, throwing a writ petition on ground of availability of alternative remedy after 10 years, particularly, when parties have exchanged their affidavits, is not the correct course unless there are disputed questions of fact which by their very nature cannot be adjudicated upon without recording formal evidence.”

19. The Supreme Court in **State of U.P. v. Bridge & Roof Co. (India) Ltd., (1996) 6 SCC 22**, has authoritatively held that seriously disputed questions of fact concerning breach of contract and the consequential monetary claims arising therefrom are, ordinarily, not amenable to the writ jurisdiction, and parties ought be relegated to a properly constituted civil suit where evidence can be led by both sides. But, for enforcement of monetary claim which are admitted to the parties and are not being liquidated on pretext of lack of funds or any other lame excuse, resulting in undue enrichment of one party, the remedy under Article 226 of the Constitution of India can be invoked.

20. The same principle was reiterated and applied by the Supreme Court in **Kerala State Electricity Board v. Kurien E. Kalathil, (2000) 6 SCC 293**, wherein it was authoritatively held that “whether any amount is due and if so, how much, and refusal of the appellant to pay it is justified or not, are not the matters which could have been agitated and decided in a writ petition” and that the contractor concerned ought have been relegated to other efficacious remedies.

21. The Supreme Court in **ABL International Ltd. v. Export Credit Guarantee Corporation of India Ltd. (2004) 3 SCC 553**; while surveying the earlier line of authorities including **Bridge & Roof case (supra)** and **Gunwant Kaur v. Municipal Committee, Bhatinda, (1969) 3 SCC 769**; culled out the guiding principles governing the maintainability of a writ

petition arising out of a contractual or quasi-contractual matter, and held, inter-alia, that (a) a writ petition against the State or its instrumentality arising out of a contractual obligation is maintainable in an appropriate case; (b) the mere existence of disputed questions of fact cannot, as a matter of rule, be a ground of refusal to entertain a writ petition; and (c) a writ petition involving a consequential relief of monetary claim is also maintainable. At the same time, the Court was equally categorical in cautioning that where the petition raises questions of fact of a complex nature which, for their determination, require oral evidence to be taken, and on that account the High Court is of the view that the dispute may not appropriately be determined in a writ petition, the High Court would be justified in declining to entertain such a petition. The relevant observations are reproduced hereinbelow:

“From the above discussion of ours, following legal principles emerge as to the maintainability of a writ petition :-

(a) In an appropriate case, a writ petition as against a State or an instrumentality of a State arising out of a contractual obligation is maintainable.

(b) Merely because some disputed questions of facts arise for consideration, same cannot be a ground to refuse to entertain a writ petition in all cases as a matter of rule.

(c) A writ petition involving a consequential relief of monetary claim is also maintainable.”

22. The aforesaid principle has been reiterated by this Court in **M/s Jaiswal Foods through its Proprietor Sudheer Jaiswal v. State of U.P. through Additional Chief Secretary, Department of Basic Education, Government of U.P., Lucknow and others, Writ C No. - 2146 of 2026** wherein, while considering the scope of interference under Article 226 of the Constitution in respect of monetary claims, this Court distinguished between a disputed claim requiring adjudication of facts and an amount which stands admitted by the respondent authorities themselves. The relevant remarks in **M/s Jaiswal Foods (supra)** are reproduced hereinbelow:

“32. While the High Court under Article 226 of the Constitution of India may, in appropriate cases, issue directions for payment of admitted dues, it will not ordinarily convert itself into a Court of first instance for quantification of disputed claims involving examination of bills, work orders, measurement

books, and field verification reports. Where the competent departmental authorities have already undertaken verification at the ground level and have released payment on that basis, the writ Court would be slow to re-appreciate the entire evidence and substitute its own assessment of quantum; such verification can well be tested in a civil suit by leading evidence, and cannot be adjudicated summarily in these writ proceedings. Although the decision in M/s Utkal Highways case (supra) has clarified that the bar against entertaining money claims is not absolute where non-payment of admitted dues is arbitrary, the present case falls in a materially different category, for the quantum itself remains genuinely contested at multiple levels, and the departmental authorities have, in the interregnum, conducted a fresh verification and assert discharge of the verified liability. This Court, in the exercise of its writ jurisdiction, cannot embark upon a roving inquiry into the correctness of every entry in the GeM invoices or the Block-Level verification reports, an exercise squarely within the domain of a civil Court.

33. The petitioner's reliance on the order of this Court passed in Shraddha Printers case (supra) is also of limited assistance. That order was passed in a situation where liability was admitted by the Director and the only impediment was non-availability of budget. In the present case, after the earlier directions of this Court, a fresh verification exercise has been carried out and the respondents assert that the verified dues have been paid and there is no outstanding amount. Thus, the two situations are not identical, and the ratio of Shraddha Printers case (supra), being confined to cases of admitted liability withheld for want of budgetary sanction, cannot be extended to a case such as the present one, where the very quantum of liability remains in serious dispute.

34. The principle that a person deprived of the use of money is entitled to interest, as explained in G.C. Roy (supra) and Dr. Poornima Advani (supra), comes into play only when the quantum of the principal amount is first established as due and payable; the entitlement to interest is parasitic upon, and cannot precede, a firm determination of the principal sum. Whereas, here, the principal amount itself remains disputed and has not crystallized, and where the department claims that the verified amount has already been paid and no amount is payable, the question of awarding interest on a higher, unverified and fluctuating sum does not arise, and cannot be granted merely on the strength of the petitioner's own unilateral computation."

23. The aforesaid principle finds further support from the holding of this Court in **Kanika Construction Vs. State of U.P. and 3 others, Writ-C No. 27869 of 2021, decided on 06.01.2022**, wherein the Court, after considering the law relating to maintainability of a writ petition for enforcement of contractual monetary claims, held that there is no absolute bar to the exercise of jurisdiction under Article 226 of the Constitution in such matters, particularly where the amount due is admitted and no disputed question of fact requiring detailed adjudication arises. The relevant observations are reproduced hereinbelow:

"8. The question whether a writ petition under Article 226 of the Constitution of India is maintainable to enforce a contractual obligation against the State or its instrumentalities, by a aggrieved party, is no longer res integra. The law with

regard to the maintainability of a writ petition in contractual matters is fairly well settled. It has been consistently held that there is no absolute bar to the maintainability of a writ petition in such matters. The discretionary jurisdiction under Article 226 of the Constitution of India may, however, be refused in case of money claims arising out of purely contractual obligations where there are serious disputed questions of fact with regard to the claims sought to be raised.

9. The legal position with regard to entertainability of a writ petition in contractual matters where monetary claims are sought to be raised has been considered in extenso in a recent decision of this court in M/S Bio Tech Systems vs. State of U.P. and Ors. and it was held that in a case where the contract entered into between the State and the person aggrieved is of a non-statutory character and the relationship is governed purely in terms of a contract between the parties, in such situations the contractual obligations are matters of private law and a writ would not lie to enforce a civil liability arising purely out of a contract, and the proper remedy in such cases would be to file a civil suit for claiming damages, injunctions or specific performance or such appropriate reliefs in a civil court.

10. While stating the aforementioned broad proposition of law in M/S Bio Tech Systems (supra), it was also added that it cannot be held in absolute terms that a writ petition is not maintainable in all contractual matters seeking enforcement of obligations on part of the State or its authorities. The limitation in exercising powers under Article 226 in contractual matters is essentially a self-imposed restriction. A case where the amount is admitted and there is no disputed question of fact requiring adjudication of detailed evidence and interpretation of the terms of the contract, may be an exception to the aforementioned general principle.

11. In a given set of facts, where the State or its instrumentalities are parties to a contract, they would be under an obligation in law to act fairly, justly and reasonably, which is the requirement under Article 14 of the Constitution of India. In such a situation where the instrumentalities of the State act unfairly, unjustifiably, unreasonably or arbitrarily in discharge of contractual obligations, the same would be held to be violative of the constitutional guarantee embedded in Article 14 and the aggrieved party cannot be precluded from invoking the writ jurisdiction under Article 226 of the Constitution of India nor the court would be denuded of its power of granting proper reliefs.

12. While considering the question with regard to maintainability of a writ petition in such matters, it was held in ABL International Ltd. And Another vs. Export Credit Guarantee Corporation of India Ltd. And Others that in appropriate cases, not only a writ petition against a State or instrumentality of State arising out of contractual obligation would be maintainable but the consequential relief of monetary claim would also be entertainable.

13. In the case at hand, it is evident that there is no dispute relating to the amount due and payable to the petitioner. The instructions received by the learned Standing Counsel clearly indicate that the balance amount has not been paid for the reason that necessary funds have not been made available by the State Government so far.”

24. Be the case as it may, the amount of Rs.7,92,580/- against the first work order is an absolute admission, thus, the same shall be paid, whereas the remaining amount of Rs.6,31,890/- with regard to second work order shall also be paid by respondent no.4 subject to completion of the necessary formalities as indicated in the personal affidavit of respondent no.4, note of which has been taken by this Court and is mentioned in this order. The petitioner shall complete the necessary formalities within two weeks from today and will raise a fresh bill with regard to second work order.

25. The principle laid down by the Supreme Court in **Dr. Poornima Advani and another v. Government of NCT of Delhi, (2025) 7 SCC 269**, is also attracted qua admission of interest on the monetary claim of which a person is deprived for a considerable period, and to which he is legitimately entitled. He has a right to be compensated by the award of appropriate interest. Section 34 of civil procedure code recognizes payment of interest on money due. In **Dr. Poornima Advani (supra)** it was held:

“17. Thus, when a person is deprived of the use of his money to which he is legitimately entitled, he has a right to be compensated for the deprivation which may be called interest or compensation. Interest is paid for the deprivation of the use of money in general terms which has returned or compensation for the use or retention by a person of a sum of money belonging to other.”

26. The contractual dues in the instant case are fair and categorical regarding which there is an admission in the personal affidavit of respondent no. 4. There is no dispute with regard to work having been done and the respondent being under an obligation to liquidate the outstanding dues. Thus, non-interference would lead to undue enrichment of the respondents at the cost of petitioner's legitimate claim.

27. The bill with respect to the second work order shall be raised within a fortnight from today. The entire admitted amount/dues shall be paid to the petitioner with promptitude i.e., within next four weeks without any delay. The petitioner shall also be entitled to simple interest at the rate of

6% per annum upon the entire admitted dues from the date same fall due till the actual realization/payment is made.

28. The instant writ petition is **allowed**. No order as to costs.

29. The Registrar (Compliance), shall communicate this order to respondent no. 4 through the Chief Judicial Magistrate, Chandauli within a week.

(Indrajeet Shukla,J.) (J.J. Munir,J.)

October 8, 2026
S.P.