



CNR: KAHC010602242024

NC: 2026:KHC:42890
WP No. 29196 of 2024

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 12TH DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

WRIT PETITION NO. 29196 OF 2024 (GM-RES)

BETWEEN:

1. M/S ANUSHA CONSTRUCTIONS
NO. 27, 2ND CROSS
DODDAKALLASANDRA
GOKUL NAGAR
BENGALURU - 560 062
A PROPRIETARY CONCERN REP BY
SRI. M. VENU MADHAV
AGED ABOUT 51 YEARS

... PETITIONER

(BY SRI. BAPAT SAMPATH VINAYAKA RAO., ADVOCATE)

AND:

UNION OF INDIA
REP BY

1. THE GENERAL MANAGE
SOUTH WESTERN RAILWAY
GM OFFICE BUILDING
GADAG ROAD
HUBLI - 580 021
2. THE DIVISIONAL RAILWAY MANAGER
(WORKS) SOUTH WESTERN RAILWAY
BENGALURU - 560 023
3. SENIOR DIVISIONAL ENGINEER/CO-ORD
(WORKS) SOUTH WESTERN RAILWAY
BENGALURU - 560 023
4. THE CENTRAL BUREAU OF INVESTIGATION
ANTI CORRUPTION BRANCH

Digitally signed
by SHWETHA
RAGHAVENDRA
Location: HIGH
COURT OF
KARNATAKA



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NO.36, BELLARY ROAD, GANGANAGAR
BANGALORE - 560 032
REP BY:
THE DEPUTY SUPERINTENDENT OF POLICE

... RESPONDENTS

(BY SRI. ARVIND KAMANT, ASGI FOR
R1 TO R3 V/O DATED 17.06.2026;
SRI P. PRASANNA KUMAR, ADVOCATE FOR R4)

THIS W.P. IS FILED UNDER ARTICLE 226 OF THE
CONSTITUTION OF INDIA, PRAYING TO QUASH THE ENDORSEMENT
DTD 30.09.2024 ISSUED BY R-3, VIDE ANNEXURE-M , AS THE SAME
IS ARBITRARY AND ILLEGAL AND ETC.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING IN
'B' GROUP, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

ORAL ORDER

1. The petitioner is before this Court seeking for the
following reliefs:

- a. *Issue a Writ of Certiorari quashing the Endorsement dated 30.09.2024 issued by 3rd Respondent, vide Annexure M, as the same is arbitrary and illegal; and*
- b. *Issue a writ of mandamus or any other appropriate writ, order or direction, directing the Respondents to release security deposits and performance guarantee bonds in respect of contract as per letter of acceptance for 4 contracts vide (1) LOA bearing No.B/W 496/18123 dated 04.01.2018, vide Annexure-A, (2) LOA bearing No.BANGALORE DIVISION-ENGG/4SBC190F22-1-19ITEM2/00 893400000727 dated 08.03.2019, vide Annexure-C; (3) LOA bearing No.BANGALORE DIVISION-ENGG/7SBC190 F15-2-19ITEM1/00893400000987 dated 29.04.2019, Vide Annexure-D and (4) LOA bearing No.BANGALORE DIVISION-*



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ENGG/4SBC19OF22-1-19ITEM3/00893400 000762
dated 14.03.2019, vide Annexure-E.

- c. *Pass such further or other orders as this Hon'ble Court may deem fit and proper in the circumstances of the case and in the interest of justice.*
2. The petitioner had been awarded work by the railways, in pursuance of the tender floated by the railways. Letter of acceptance have been issued on 29.04.2019 it is contented that the respondent had completed most of the works and raised his bills which had not been paid. In that background the petitioner had earlier approached this Court in WP No.5962 of 2024 seeking for mandamus to direct the respondent to consider the bills which had been submitted. This Court vide order dated 28.08.2024 was so directed, in pursuance of which the bills have been considered by respondent and endorsement issued on 30.09.2024 at Annexure-M. It is challenging the said endorsement, that the petitioner is before this Court seeking for the aforesaid reliefs.
3. A perusal of the endorsement/reply dated 30.09.2024 indicates that there is a CBI investigation pending in respect to irregularities in awarding the contract to the petitioner and hence the bills are kept



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pending till finalisation of the investigation, so as to enable recovery, if any, from the contractor.

4. The railways have called upon the CBI enquiring as to when the investigation would be completed, it is stated that the investigation has been completed and a charge sheet has been laid in RC 15(A)/2022 before the Special Judge for CBI Cases at Bengaluru. Wherein the petitioner as also several officers of the railways have been arrayed as accused. It is stated that there is a clear and categorical allegation that Sri.Venu Madhav, proprietor of the petitioner had given undue monetary benefit to the public servants who are involved in the tendering and execution of the work awarded to the petitioner and that the contract had been obtained on the basis of forged documents.
5. In that view of the matter, exercising the power under Clause 18 (1) of the General Conditions of Contract ("**GCC**"), the railways have withheld the payments pending ascertainment of the amounts, if any, due to be recovered from the petitioner.
6. The submission of Sri.Bapat Sampath Vinayaka Rao., learned counsel for the petitioner is that there is no dispute as regard to the amounts which are due, the withholding is only on account of the pendency of



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those proceedings. There is no recovery which has been proposed or notice issued by the railways to the petitioner and as such it is deemed that the bills which have been submitted by the petitioners are accepted by the railways and the entire amount be directed to be paid by quashing the endorsement dated 30.09.2024.

7. This Court is unable to accept the said submission of learned counsel for the petitioner inasmuch as it is not only investigation, but a charge sheet has been laid by the CBI in the aforesaid proceedings substantiating the allegations made against the petitioner. Insofar as the recovery is concerned, the recovery would have to be resorted to only after the proceedings come to a conclusion in those proceedings, inasmuch as a charge sheet has been filed, the trial is yet to be concluded. It is only thereafter that an enquiry into the recovery of amounts and damage caused would have to be resorted to by the railways. The said submission in the considerable opinion of this Court is premature at this stage.
8. As regards the contention that the withholding is on the basis of the instructions issued by CBI and it is deemed that the bills are accepted by the railways,



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this Court is again unable to accept the said submission, since the very processing of the bills has been withheld on account of the pendency of the proceedings, the bills have not been processed let alone been accepted by respondent.

9. In exercise of Writ Jurisdiction under Article 226 and 227, this Court cannot entertain disputed question of fact more so as regards contractual arrangement between the parties. The contract admittedly being governed by an Arbitration Clause, if at all the petitioner is to recover any money is to exercise or invoke the said Arbitration Clause or if any of the issues come within the ambit of excepted matters under the GCC, the petitioner would always be at liberty to approach the jurisdictional civil Court.
10. Reserving the liberty to the petitioner to approach the appropriate forum as applicable, the petition stands ***disposed***.

Sd/-
(**SURAJ GOVINDARAJ**)
JUDGE

SR
List No.: 1 Sl No.: 34