HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 22ND DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO. 16304 OF 2025 (GM-RES)

BETWEEN:

TATA STEEL UTILITIES AND
INFRASTRUCTURE SERVICES LTD
(FORMERLY KNOWN AS
JAMSHEDPUR UTILITIES AND
SERVICES COMPANY LIMITED)
A COMPANY INCORPORATED UNDER
THE COMPANIES ACT, 2013
HAVING ITS REGISTERED OFFICE AT
SAKCHI BOULEVARD ROAD
NORTHERN TOWN, BISTUPUR
JAMSHEDPUR 831 001.

ALSO AT
SANITARY LANDFILL SITE
SEWAGE FARM
OOTY NANJANGUD ROAD
DATTA NAGARA, MYSURU 570 025
REPRESENTED BY ITS
MR. SAURABH SHARMA.

...PETITIONER

(BY SRI. MANEESHA KONGOVI., ADVOCATE)

Digitally signed by
NAGARAJA B M
Location: HIGH
COURT OF
KARNATAKA

AND:

1. STATE OF KARNATAKA
   THROUGH ITS PRINCIPAL SECRETARY
   URBAN DEVELOPMENT DEPARTMENT
   VIKAS SOUDHA, BENGALURU 560 001.

2. KARNATAKA URBAN WATER
   SUPPLY AND DRAINAGE BOARD
   HAVING ITS OFFICE AT
   JALA BHAVAN, NO. 6
   1ST PHASE, 1ST STAGE

B.T.M. LAYOUT
BANNERGHATTA MAIN ROAD
BENGALURU 560 029
REPRESENTED BY ITS
MANAGING DIRECTOR.

3. MYSORE CITY CORPORATION
HAVING ITS OFFICE AT
NEW SAYYAJI RAO ROAD
MYSORE -570 024
REPRESENTED BY ITS
COMMISSIONER.

4. CHIEF ENGINEER
MYSORE REVENUE ZONE
KARNATAKA URBAN WATER SUPPLY
AND DRAINAGE BOARD
HAVING HIS OFFICE AT
NO. 927, 2ND FLOOR
6TH MAIN, SARASWATHIPURAM
MYSURU-570 009.

5. EXECUTIVE ENGINEER
MYSORE, JNNURM DIVISION
KARNATAKA URBAN WATER SUPPLY
AND DRAINAGE BOARD
HAVING HIS OFFICE AT
NO. 927, 2ND FLOOR
6TH MAIN, SARASWATHIPURAM
MYSURU-570 009.

…RESPONDENTS

(BY SRI. ADITYA DIWAKAR, AGA FOR R1;
SRI. D R RAVISHANKAR, SENIOR COUNSEL A/W
SRI. VEERESH R BUDIHAL, ADVOCATE FOR R2, R4 & R5;
SMT. GEETHA DEVI M., ADVOCATE FOR R3)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO DIRECT THE RESPONDENT TO PAY THE PETITIONER A SUM OF RS.11,72,00,000/- CRORES (RUPEES ELEVEN CRORES SEVENTY-TWO LAKHS ONLY) WITH INTEREST AT 24% P.A., FROM 15.09.2023 TILL PAYMENT TO THE PETITIONER AND ETC.,

THIS PETITION, COMING ON FOR DICTATING ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The captioned writ petition is filed seeking a writ in the nature of mandamus directing the respondents to release an admitted sum of Rs.11,72,00,000/- along with interest at 24% per annum from 15.09.2023 till realization, and further to consider and act upon the petitioner's representation dated 25.03.2025.

2. The petitioner–Company, having participated in a tender floated on 28.03.2008 for execution of a water supply project in Mysuru under the JNNURM scheme, was declared as the successful bidder. The contract came to be formalized pursuant to the Letter of Acceptance dated 21.10.2008 and agreements executed on 28.11.2008. It is not in dispute that the petitioner has executed the work, albeit with delays and variations in scope, and has handed

over the completed project to respondent No.2, as evidenced by the Work Done Certificate produced at Annexure–B.

3. Disputes having arisen with regard to payments, the petitioner invoked adjudicatory mechanisms under the contract. Awards were passed by the learned Adjudicator, which were challenged by the respondents before the jurisdictional Civil Court and came to be dismissed by common order dated 05.02.2020. A commercial suit filed by the petitioner in terms of Clause 24.3 of the Special Conditions of Contract is stated to be pending adjudication. In an attempt to amicably resolve the disputes, meetings were convened between the parties on multiple dates, culminating in proceedings dated 15.09.2023 (Annexure–G).

4. Subsequent correspondences assume significance. Vide Annexure–H (28.12.2023), respondents

called upon the petitioner to confirm Clauses 28.1 and 28.2 and to take action under Clause 28.3 for withdrawal of court cases. Vide Annexure–J (12.01.2024), the petitioner unequivocally accepted Clauses 28.1 and 28.2 and expressed conditional willingness to comply with Clause 28.3 upon clarity regarding final settlement. Vide Annexure–K (03.02.2024), respondents insisted upon withdrawal of court cases and indicated that variation proposals require approvals from committees and the Board before final settlement.

5. The petitioner contends that the amount of Rs.11.72 Crores under Clause 28.1 is an admitted liability; Clauses 28.1 and 28.2 constitute a concluded settlement; Clause 28.3 pertains to future contingencies relating to variation and final bill settlement; Withholding admitted dues on the ground of non-compliance with Clause 28.3 is arbitrary and illegal.

6. The respondents contend that Clauses 28.1 to 28.3 form a composite settlement; Payment is contingent upon compliance with Clause 28.3, including withdrawal of cases, audit clearance, and approval of variation proposals; Hence, no mandamus can be issued.

7. Having heard learned counsel on both sides, the following point arise for consideration:

> *"Whether the petitioner is entitled to a writ of mandamus directing release of Rs.11.72 Crores in terms of Clause 28.1 of the proceedings dated 15.09.2023, independent of compliance with Clause 28.3?*

8. It would be apposite for this Court to extract relevant clauses and subsequent communications evidenced at Annexures-H & K. The same read as under:

> *"Clause 28.1: Out of the amount of Rs.18.68 Crores with the Board relating to this project it was accepted to release the withheld payment after deducting the amount of Rs.6.96 Crores, (West Rs.6.82 Crore + East Rs.0.14 Crore) towards uncommissioned DMAs. So, the balance amount of*

Rs.11.72 Crores was agreed to be released to M/s. TATA steel UISL.

Clause 28.2: M/s. TATA steel UISL agreed to drop/not claim/forego an amount of Rs.10.88 Crores which was awarded by the Ld. Adjudicator.

Clause 28.3: Variation and final bill amount to be finalized subject to withdrawal of all pending court cases, dropping of Audit Para's and not litigate in future relating to this project."

(emphasis supplied)

ANNEXURE - H

"No:KWB/EE/MYS/JN-NURM/TEC/AE-1/JUSCO/F

12035 /2023-24.Dt: 28-12-2023

To,

M/s Tata Steel Utilities and Infrastructure Services Limited
(Formerly Jamshedpur Utilities and Services Company Limited)
Sanitary Landfill Site, Sewage Farm,
Ooty - Nanjangud Road
Vidyaranyapuram,
G. S. Ashrama Post,
Mysore-570 025

Gentleman,

Sub:- Providing IMIS, transforming the existing intermittent water supply to continuous pressurized 24X7 water supply including operation and Maintenance in West and East zone at Mysore city under In-NURM

Ref:- 1. Proceedings of the Managing Director, KUWSDB, Bengaluru letter 88/23-24 dtd:26.09.2023
2. E-mail dtd: 26.12.2023.

With reference to the above subject, the copy of the proceedings for meeting held on 15-09-2023 under the Chairmanship of the Managing Director, KUWS & D Board. Bengaluru is enclosed. The proceeding is already mailed by the Chief Engineer, Mysuru. on 2612.2023 to the mail id saurabh.sharma@tatasteel.com, rabindra .singh@tatasteel.com.

Further, in order to take action on the proceedings, it is requested to give your confirmation on point 28.1 & 28.2 and to take action on point 28.3 for withdrawal of Court cases for taking action on Variation and preparing final bill as the action taken report is to be submitted to the Managing Director, KUWS & DB, Bengaluru.

Yours faithfully

Executive Engineer
KUWS & D Board
City Division, (Jn-Nurm)
Mysuru.

(emphasis supplied)

ANNEXURE - K

No:KWB/EE/MYS/IN-NURM/TEC/AE-17JUSCO/F-620/2304 /2023-24.Dt: 03-02-2024

To,

M/s Tata Steel Utilities and Infrastructure

Services Limited
(Formerly Jamshedpur Utilities and Services Company Limited)
Sanitary Landfill Site, Sewage Farm,
Ooty - Nanjangud Road
Vidyaranyapuram,
G. S. Ashrama Post, Mysore-570 025

Gentleman,

Sub:- Providing IMIS, transforming the existing intermittent water supply to continuous pressurized 24X7 water supply including operation and Maintenance in West and East zone at Mysore city under In-NURM

Ref:- 1. Proceedings of the Managing Director, KUWSDB, Bengaluru letter 88/23-24 dtd:26.09.2023
2. M/s.Tata Steel UISL letter No:04 dtd:12.01.2024

***

With reference to the above subject, for the final settlement of the projects, it was agreed in ref (2) to expedite the process of settlement & withdrawal of court cases on finalization of Settlement Deed. Accordingly, for the rehabilitation works the tentative final bill works out to Rs.4.25 Cr for West zone and Rs.2.20 Cr for East zone (including variation amount).

The variation proposal has to be placed before the various committees and is to be placed before the Board meeting for approval. The action for approval of variation proposal will be taken only after producing the required documents for withdrawal of court cases and final bill will be made after settlement of RAO and PAC Audit Paras.

This is for your information.

Yours faithfully

Executive Engineer
KUWS & D Board
City Division, (In-Nurm)
Mysuru"

9. On reading above extracts, what emerges is that in an attempt to amicably resolve the disputes, meetings were convened between the parties on multiple dates, culminating in proceedings dated 15.09.2023 (Annexure–G).

10. Upon anxious consideration of the material on record, this Court finds that Clause 28.1 unequivocally records a decision to release Rs.11.72 Crores after agreed deductions. Clause 28.2 records reciprocal concession by the petitioner in foregoing Rs.10.88 Crores. These two clauses, read conjointly, constitute reciprocal obligations culminating in a concluded settlement.

11. This position is fortified by Annexure–H, wherein respondents themselves called upon the petitioner

to confirm Clauses 28.1 and 28.2 independently, thereby treating them as standalone actionable components.

12. The petitioner, vide Annexure–J, has unequivocally accepted both clauses. Thus, consensus ad idem stands established.

13. Clause 28.3 pertains to finalization of variation and final bill; Withdrawal of pending litigation; Dropping of audit paras. This clause, by its very language, governs future and contingent adjustments, not the admitted liability crystallized under Clause 28.1.

14. It is trite that contingent obligations cannot be used to defeat an admitted and crystallized liability, particularly in contractual settlements involving public authorities.

15. The subsequent communications (Annexures H and K) reveal that initially, respondents treated Clauses

28.1 and 28.2 as actionable; Later, an attempt is made to artificially link Clause 28.1 with Clause 28.3.

16. This shifting stand clearly indicates an afterthought, devised to defer payment of admitted dues. It is well settled that where liability is undisputed and admitted, a writ of mandamus is maintainable even in contractual matters, particularly when the State or its instrumentalities act arbitrarily.

17. The respondents, being public authorities, are bound by standards of fairness, non-arbitrariness, and accountability under Article 14. Withholding admitted dues on untenable grounds is violative of these principles.

18. A harmonious reading of Clauses 28.1 to 28.3 leads to the irresistible conclusion that Clauses 28.1 and 28.2 conclude the dispute partially by crystallizing an admitted payment; Clause 28.3 governs residual disputes and future adjustments.

19. Therefore, the clauses are severable and independently enforceable, and cannot be read in a manner that defeats the admitted entitlement.

20. This Court is of the considered view that the petitioner has established a clear legal right to receive Rs.11.72 Crores in terms of Clause 28.1, and the respondents are under a corresponding legal obligation to release the said amount.

21. The action of the respondents in withholding payment by linking it to Clause 28.3 is arbitrary, unsustainable, and contrary to the settlement itself.

22. For the foregoing reasons, this Court proceeds to pass the following:

ORDER

(i) The writ petition is ***allowed***.

(ii) A writ in the nature of mandamus is issued directing the respondents to release the

sum of Rs.11,72,00,000/- (Rupees Eleven Crores Seventy-Two Lakhs only) to the petitioner in terms of Clause 28.1 of the proceedings dated 15.09.2023 (Annexure–G).

(iii) The said payment shall be released within a period of eight (8) weeks from the date of receipt of a certified copy of this order.

(iv) Insofar as the claim for interest at 24% per annum is concerned, liberty is reserved to the petitioner to agitate the same in appropriate proceedings.

(v) It is made clear that disputes falling under Clause 28.3 shall be independently worked out by the parties in accordance with law and the terms of settlement, without being impeded by this order.

SD/-
(SACHIN SHANKAR MAGADUM)
JUDGE

CA
List No.: 1 Sl No.: 103