

**HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT SRINAGAR**

**WP(C) 2205/2024
CM(5909/2024)**

Reserved on: 08.04.2026
Pronounced on: 10.04.2026
Uploaded on: 15.04.2026

**K.S. ENTERPRISES
SULAIMAN COMPLEX, DALGATE,
SRINAGAR THROUGH ITS PROPRIETOR
MOHAMMAD IQBAL SHAHDAD AGED
ABOUT 61 YEARS
S/O MOHAMMAD SHAFI SHAHDAD
R/O BRANE, NISHAT, SRINAGAR.**

...Petitioner(s)

Through: Ms. Syed Ainain Qadri, Advocate.

**1. UNION TERRITORY OF JAMM &
KASHMIR THROUGH SECRETARY TO
GOVERNMENT, SOCIAL WELFARE
DEPARTMENT, J&K GOVERNMENT,
CIVIL SECRETARIAT, JAMMU /
SRINAGAR.**

**2. DIRECTOR, SOCIAL WELFARE
DEPARTMENT, KASHMIR,
SRINAGAR.**

**3. DISTRICT SOCIAL WELFARE
OFFICER, SOCIAL WELFARE
DEPARTMENT, PULWAMA.**

...Respondent(s)

Through: None.

CORAM:

HON'BLE MR. JUSTICE WASIM SADIQ NARGAL, JUDGE.

JUDGEMENT

BRIEF FACTS:

01. The petitioner, a permanent resident of the Union Territory of Jammu & Kashmir, is engaged in the business of supply of goods and is registered on the Government e-Marketplace (GeM) portal. Pursuant to a supply order placed by the office of the District Social Welfare Officer, Pulwama, through GeM, vide Contract No. GEMC-511687785394629 dated 24.06.2023, the petitioner was required to supply two HP Intel Core i7 All-in-One PCs with 23.8-inch display and Windows 11 Professional for a total consideration of ₹1,81,959/- in terms of the specifications and conditions stipulated therein. The petitioner, in compliance with the said agreement, supplied the aforesaid goods to the respondent department and raised Invoice No. GEM-31891352 dated 26.06.2023 for the agreed amount.

02. Upon receipt and acceptance of the supplied goods, the respondents released a part payment of ₹90,000/- in favour of the petitioner, while withholding the balance amount of ₹91,959/-. The petitioner approached the respondents on multiple occasions for release of the remaining amount; however, the same was not paid. The respondents, vide communication dated 28.03.2024 issued by the District Social Welfare Officer, Pulwama, addressed to the Director, Social Welfare, Kashmir, have acknowledged the outstanding liability of ₹91,959/-.

03. Aggrieved of the continued non-payment of the admitted dues despite completion of contractual obligations and repeated requests, the petitioner has filed the present writ petition seeking release of the balance amount along with interest and other consequential reliefs.

SUBMISSIONS ON BEHALF OF THE PETITIONER;

04. Learned counsel for the petitioner submits that the petitioner has acted in accordance with the supply order and supplied the goods/material within time, yet the respondents have failed to release the balance payment without any justification. It is contended that despite repeated requests and reminders, the respondents have not taken any steps to disburse the amount, which reflects a failure in the performance of public duties.

05. It is further submitted that the petitioner has incurred substantial expenditure in execution of the work involving material and workmanship and the respondents cannot be permitted to exploit labour, particularly when the goods supplied by the petitioner have been advantageously utilized by them.

06. Learned counsel contends that the retention of the amount is illegal and against the principles of natural justice. It is further submitted that the petitioner is entitled to compensation keeping in view the economic inflation and other factors incidental to the delayed payments, as the petitioner has suffered severe adversities and prejudice.

07. It is also submitted that the non-payment of the balance amount has caused mental trauma and agony to the petitioner. Accordingly, it is prayed that this Hon'ble Court may issue an appropriate writ directing the respondents to release the balance payment due to the petitioner forthwith.

08. From the material placed on record, it emerges that the respondents themselves, vide communication supra, have acknowledged the outstanding liability. The petitioner contends that the continued withholding of admitted dues has caused financial hardship and prejudice.

09. It is borne out from the record that the respondents had been granted several opportunities to file their reply. Ultimately, by order dated 19.11.2025, this Court granted them a last and final opportunity, clearly stipulating that failure to do so would entail closure of their right to file the same. Despite such indulgence, the respondents have failed to file any reply. Consequently, their right to file the reply stands closed, and the matter is proceeded with on the basis of the uncontroverted pleadings of the petitioner. Even there was no representation on behalf of the respondents despite the fact that the case was called twice.

10. **Heard and considered.**

LEGAL ANALYSIS;

11. This Court finds that the essential facts are not in dispute. The supply of goods, their acceptance by the respondents, and the release of

part payment stand admitted. It is well settled that the State, while acting in its contractual domain, is not absolved of its constitutional obligations.

12. The action of the respondents in withholding the admitted dues, despite having availed the benefit of the goods supplied, is manifestly arbitrary, unreasonable and violative of Article 14 of the Constitution of India. A situation where a party, having fully discharged its contractual obligations, is compelled to approach the Court for recovery of admitted dues cannot be countenanced. The retention of money without justification amounts to unjust enrichment and is contrary to settled principles of fairness and equity.

13. In **WP(C) 3061/2023, Mohd. Ashraf vs. UT of J&K**, decided on 25.02.2026, this Court observed:

“The duty of the State to pay for work executed and enjoyed is a constitutional obligation flowing from Article 14. The Government, even in contractual matters, is bound to act fairly and reasonably. Once liability is admitted, withholding payment without justification amounts to arbitrary action.”

14. The aforesaid principle squarely applies to the present case. The State cannot take advantage of its dominant position to delay payment of admitted dues and thereafter seek to justify such delay on technical or procedural grounds. If reliance is placed on procedural safeguards against a citizen, the State must equally be accountable for its own lapses. Each day's delay in releasing admitted dues must be supported by a cogent explanation; in its absence, the delay is plainly unjustified.

15. This view also finds support in **M/s Saint Solider Engineer and Contractor Pvt. Ltd. vs. UT of J&K & Ors.**, decided on 26.09.2025, wherein it was held that once work is executed, the State is under a corresponding obligation to honour its financial commitments, and issues such as administrative approval or availability of funds cannot be raised subsequently to defeat legitimate claims. The Court observed 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.”

16. Similarly, in **M/s Tech Build & Associate vs. UT of J&K & Ors.** WP(C) No. 2513/2022, decided on 09.05.2025, it was held that the respondents cannot avoid liability on the ground of absence of administrative approval when the responsibility to obtain such approval lay upon them. The Court held as under:

“The execution of works stands admitted by the respondents, and the relevant details have also been provided by them. The respondents cannot avoid their liability to pay by taking refuge in the absence of technical sanction and administrative approval, especially when the responsibility for obtaining such approvals rested solely with them. Despite this, the respondents are denying the claim on the ground of lack of administrative approval. This plea is not available to them, as it was within their domain to ensure the requisite approvals were obtained. They cannot now raise this plea at this stage to defeat the legitimate claim of the petitioner.”

CONCLUSION;

17. In the light of above discussion, it can very safely be concluded that where the liability of the State is admitted and arises out of a concluded contract, its discharge assumes the character of a public duty. In such circumstances, a writ of mandamus is maintainable to enforce such obligation, particularly where the withholding of payment is arbitrary and devoid of any lawful justification.

18. The respondents, having accepted and utilized the goods supplied by the petitioner without any objection, cannot lawfully withhold the corresponding payment. Such retention of admitted dues amounts to unjust enrichment and is contrary to the settled principles of equity and fairness governing State action.

19. Where the claim is admitted and remains uncontroverted, the Court would be justified in issuing appropriate directions for its enforcement rather than relegating the petitioner to alternate remedies, which would only serve to delay the realization of a legitimate and undisputed claim.

20. In the present case, the liability stands admitted and there is no justification forthcoming for withholding the balance amount. The conduct of the respondents, therefore, cannot be sustained in law.

21. Accordingly, the writ petition is allowed. The respondents are directed to consider the case of the petitioner for release the admitted balance amount of ₹91,959/- in favour of the petitioner within a period of four weeks from the date a copy of this judgment along with writ petition and annexures are served upon them.

22. Before parting, this Court expresses its disapproval of the casual approach adopted by the respondents in failing to file their reply despite last opportunity and in withholding admitted dues without lawful cause. Such conduct is unbecoming of a State instrumentality and must be eschewed. The consequences of delayed payments are far from routine, especially for small-scale units that operate on tight financial margins. These units depend on timely payments to keep their day-to-day affairs running. When dues are withheld without justification, it disrupts their entire functioning and places them under serious financial strain and pushes them towards debt and uncertainty. The impact is not limited to the contractor alone but extends to workers and others who depend on such enterprises. In such a situation, it would be unfair to allow the State to take the benefit of work already executed while withholding the corresponding payment. Such a course cannot be justified.

23. This Court also finds it necessary to stress the importance of administrative responsibility in such matters. Before allotting any work, the authorities must ensure that adequate funds are available. Issuing

work orders without securing the financial backing reflects a lack of proper planning and accountability. When this basic requirement is ignored, the burden ultimately falls on the contractor, who is left waiting indefinitely for payment. This is not a practice that can be approved. The authorities must act with due care and responsibility, and steps need to be taken to avoid such situations in future.

(WASIM SADIQ NARGAL)
JUDGE

SRINAGAR:
10-04-2026
“Mubashir”

Whether the Judgment is Reportable: Yes/No

Whether the Judgment is Speaking: Yes/No

