

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

WP(C) 2686/2024

M/S Northern Engineers **... Petitioner(s)**

Through: Mr. Azhar Ul Amin, Sr. Advocate with
Mr. Irfan ahmad, Advocate

Vs.

UT of J&K AND ORS. **...Respondent(s)**

Through: Mr. Faheem Shah, GA
Mr. Waseem Gul, GA

CORAM:
HON’BLE MR. JUSTICE JAVED IQBAL WANI, JUDGE

ORDER
25.02.2026

1. Petitioner in the instant petition filed under Article 226 of the Constitution claims to be an enterprise under “the Micro Small and Medium Enterprises Development Act, 2006” (for short the Act of 2006) and possessed of registration thereunder the said Act, besides being registered with the Department of Industries and Commerce for manufacturing of various steel fabrication items including steel tubular poles used for distribution of electricity.
2. It is stated that the respondent 3 placed two supply orders with respondent 4 on 07.09.2018 and 22.11.2018 for an amount of Rs. 53,36,750/- and Rs. 25,54,800/- respectively for supply of 8 meter long steel tubular poles, consequent to which, respondent 4 placed the order of said poles with the petitioner vide orders dated 08.09.2018 and 24.11.2018 respectively, in furtherance whereof, the

petitioner supplied the said steel tubular poles to the respondent 3 under GR No. 602, 603 & 607 in the month of December 2018, whereafter the, respondent 5 raised the final bills on 20.12.2018 and 09.09.2019, which bills came to be verified, certified and approved by the competent authority and certificates thereof as well were issued on 21.12.2018 in favour of the petitioner, entitling the petitioner to receive the payment of Rs. 66,41,880/- within 45 days of the receipt of the supplied items by the respondents under section 15 of the Act of 2006, however, the said bill remain pending unpaid till 29th March 2023 whereafter a part payment thereof came to be made in favour of the petitioner on 29.03.2023 for an amount of Rs. 29,02, 253/- against the amount of bill of Rs. 66,42,480/- with a balance amount of Rs. 37,40,227/- remaining un-paid to the petitioner.

3. Petitioner states that on account of the delayed payment by the respondents entitled him to the statutory compound interest for the entire amount Rs. 66,41,880/- from the appointed day in terms of the Act of 2006 as also upon the balance amount of Rs. 37,40,227/- till the date of actual payment is made to the petitioner under the Act of 2006, and that since the respondents failed to make the said payments due to the petitioner well within time including the said interests, as such, the petitioner approached this Court through the medium of the instant petition seeking therein the following reliefs:

- a. *“Issue a writ, order or direction including one in the nature of Mandamus commanding the respondents to pay the amount of Rs. 37,40,227/- against the supplies received under GR No.602 and 603 of 12/2018 and GR No. 607 of 1/2018 in pursuance to supply orders vide No. SICOP/MM/18-19/794-95*

dated 08.09.2018 and No. SICOP/MM/18-19/593/1697-99 dated 24.11.2018.

b. Issue a writ, order or direction including the one in the nature of Mandamus directing the respondents to pay the compound interest @ three times the bank rate with monthly rest with effect from the appointed day till its realization in terms of Section 16 of the MSME Act.”

4. **Objections** to the petition have been filed by the respondent 3 alone pursuant to the orders passed by this Court on 01.09.2025, wherein respondent 3 being the intending department having received the supplies from the respondents 4 & 5, has in the reply *inter alia* stated at para 4 & 5 as under:-

“4. That against the claim of Rs. 5109600/- and Rs. 1532880/- aggregating to Rs. 6642480/- the office of Executive Engineer, Electric Division- Kulgam has released an amount of Rs. 2902253/- in favour of General Manager J&K Small Scale Industries Development Corporation Limited (SICOP) Srinagar for its further disbursement to M/S Northern Engineers the payment of which stands admitted by the petitioner in petition himself, thereby leaving an amount of Rs. 3740227/- as liability on account of supply of material under SAUBHAGYA Scheme.

5. That the funds under SAUBHAGYA Scheme have been released only for execution part and not for supply part. As soon as the funds for supply part under SAUBHAGYA Scheme are released, the pending claim of the petitioners will be cleared as priority basis. The respondents may be given some reasonable time to complete the requisite formalities for clearing the liability of the petitioner”.

Heard learned counsel for the parties and perused the record.

5. Mr. Azhar Ul Amin, appearing counsel for the petitioner while making his submissions in line with the case setup in the petition,

invited the attention of this Court to the judgment passed by the Coordinate Bench in case titled as “Union Territory of J&K & Anr. Vs. Aibak Electric Industries being CM(M) No. 287/2023” and would submit that the said judgment squarely covers the case of the petitioner rendering the respondents liable to make the payments due to the petitioner for the supplies made along with the compound interest in terms of Section 16 of Act of 2006.

6. On the contrary Mr. Faheem Shah, appearing counsel for respondent 3 while opposing the submissions of Mr. Amin would submit that the petitioner is not entitled to the grant of relief sought in the petition in general and in particular the grant of compound interest in terms of the Act of 2006, as according to Mr. Shah the petitioner has never invoked the provisions of the Act of 2006 before “the council” under the Act and has directly approached this Court invoking extra ordinary writ jurisdiction.

7. Insofar as the aforesaid plea of Mr. Shah is concerned, the Coordinate Bench in the judgment of **Union Territory of J&K** supra has specifically ruled that the failure on the part of the department to carry out the mandate of sections 15 & 16 of the Act would provide a cause of action to the supplier to directly approach this Court by invoking its extra ordinary writ jurisdiction under Article of the 226 of the Constitution. Thus, in view of the facts in hand and having regard to the aforesaid position of law this bench has no reason to take a view different than what has been taken by the Coordinate Bench in the case supra.

Furthermore, since the application of the Act of 2006 is not specifically denied by the respondents to the case of the petitioner and also that the supplies made by the petitioner are admitted so also the payments due to the petitioner, as such, the petitioner can said to be well within his rights to seek enforcement of his rights qua the delayed payments and interests thereof by invoking extraordinary writ jurisdiction, inasmuch as, for application of the provisions of the Act of 2006.

8. Viewed thus for what has been observed, considered and analyzed hereinabove, the instant petition deserves to be allowed and is accordingly allowed, as a consequence whereof, the respondents in general and respondent 3 in particular is commanded to pay the balance amount of Rs. 37,40,227/- to the petitioner against the supplies received under GR No.602 and 603 of 12/2018 and GR No. 607 of 1/2018 pursuant to supply orders dated 08.09.2018 and 24.11.2018 respectively along with interest in tune with the provisions of section 16 of the Act of 2006 from the date the amount became due to the petitioner till the date of its actual payment.

9. *Disposed of.*

**(JAVED IQBAL WANI)
JUDGE**

SRINAGAR:
25.02.2026
"S.Nuzhat"