IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP No.4405 of 2015
Date of decision:09.04.2015

Era Infra Engineering Ltd.

....Petitioner

Versus

State of Haryana & others

......Respondents

CORAM: HON'BLE MR.JUSTICE S.J.VAZIFDAR, ACTING CHIEF JUSTICE
HON'BLE MR.JUSTICE G.S.SANDHAWALIA

Present: Mr.Sanjiv Bansal, Advocate, for the petitioner.

Ms.Mamta Singla Talwar, AAG, Haryana, for the respondents.

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S.J.Vazifdar, Acting Chief Justice (Oral):

1. Learned counsel for the petitioner undertakes to pay the entire demand together with interest, if any, as per law. The petitioner agrees and undertakes to pay the entire demand and at least, a sum of ₹1.5 crores towards each of the first three instalments, i.e., on 15.04.2015, 15.05.2015 and 15.06.2015 and the balance amount including interest as per law in the last instalment, i.e., on 15.07.2015.

The undertaking is accepted.

2. In view of the undertaking, the petitioner seeks an order quashing the attachment by the respondent-Department of its assets including the bank accounts.

Learned counsel for the petitioner states that an amount of ₹4.78 crores is liable to be paid by M/s Aravali Power Company Pvt. Ltd. and the same has been attached by the respondents. M/s Aravali Power Company Pvt. Ltd. is at liberty to pay the said amount to the petitioner, subject to the petitioner furnishing a guarantee of a nationalized bank, to the satisfaction of the respondents and of the value of the respondents' demand. The bank guarantee shall be kept alive till the entire amount is paid. M/s Aravali Power Company Pvt. Ltd. shall retain the amount due to the petitioner till further orders. It shall release the amount to the petitioner only upon written instructions, to that effect, from the respondents.

3. Mr.Bansal stated that the petitioner's bank stated that they are unable to furnish a guarantee to secure this demand on the ground that they do not have a format of the same.

We find it extremely difficult to believe that any bank would refuse to furnish a bank guarantee only because it does not have a format for the same. All that is required is an unconditional and without demur guarantee, agreeing to pay the respondents the demand, in the event of the petitioner failing to do so. It would be startling to know that a bank, especially a nationalized bank expresses its inability to furnish a guarantee only because it does not have a format for the same, on its record. If any bank responds to the petitioner's application for a bank guarantee by stating that it is not able to provide the same only because it does not have a format, liberty is granted to the petitioner to apply for interim relief in this very writ petition, seeking directions for further disbursal of the amount, which shall be decided on its own merits.

4. In the event of the petitioner furnishing C Forms, the respondents shall consider whether the amounts can be refunded, accordingly. This is a separate issue, altogether.

The writ petition is, accordingly, allowed.

(S.J.Vazifdar)
Acting Chief Justice

(G.S.Sandhawalia)
Judge

09.04.2015
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