

IN THE HIGH COURT FOR THE STATES OF PUNJAB AND
HARYANA AT CHANDIGARH

CWP No.2937 of 2018
Date of Decision: 09.02.2018

Smart Chip Private Limited

. . . . Petitioner

Vs.

State of Punjab and others

. . . .Respondents

CORAM: - HON'BLE MR. JUSTICE RAKESH KUMAR JAIN

Present: Mr.Akshay Bhan, Sr. Advocate, with
Mr.Gurmohan Singh Bedi, Advocate, and
Mr.Anirudh Wadhwa, Advocate,
for the petitioner.

Mr.H.S. Sitta, AAG, Punjab.

RAKESH KUMAR JAIN, J. (ORAL)

It is submitted that the petitioner-company had entered into an agreement for introduction of e-Governance in the Department of Transport, Punjab on a Build, Own, Operate & Transfer (BOOT) basis for a period of five years on 27.9.2011. As per the agreement, the scope of work of the petitioner was as under: -

*“1. Site Preparation & Maintenance of the
offices of Department of Transport with
reference to this project only (20 DTOs, 4
RTAs, 54 SDMs and 1 STC office) including
networking, furniture, electrical fitting, etc.
The detailed scope has been mentioned in
Section 1.6.1 of this agreement;*

2. *Provisioning for hardware, system software, smart card infrastructure, smart cards and other necessary infrastructure or software, as per the Sections 1.6.2 and 1.6.3 of this Agreement;*
3. *Installation and Upgradation of the Software Applications - VAHAN and SARATHI, Challan Management System, Tax management system, Portal, MIS generation tool, SLA monitoring tool and any other software applications as per the section 1.6.4 of this Agreement;*
4. *Training of all the department personnel on the software deployed under this project (including VAHAN and SARATHI) as per Section 1.6.5 of this Agreement;*
5. *Operation & Maintenance (O&M) for the various services (as per the details provided in Section 1.6.12 of this Agreement) provided by the Department of Transport to citizens.*
6. *Data Entry and Digitization of the legacy records pertaining to driving licenses, registration certificates of vehicles, permit and tax ledgers as per details provided in Section 1.6.7 of this Agreement.*

7. *Regular replication of the databases placed at various locations to central database at Data centre.*
8. *Generation of necessary MIS reports as per the requirements of the department. A tentative list of some of these reports have been provided in Annexure 3 & 15 of RFP Vol.-1.*
9. *Liaising with PAWAN operator for ensuring connectivity between field offices of Department of Transport and Data Centre/State Data Centre.*
10. *Liaising with the CSC/SUWIDHA operator/other agencies as appointed by the department of Transport for ensuring timely delivery of services.”*

After the expiry of 1st five years, the contract has been renewed for another five years on 1.6.2015.

The petitioner became anxious when it came across a news published in The Tribune dated 2.2.2018 with the title “Overcharging : Govt. shunts out two vendors issuing RCs, driving licences”.

It was averred in the said news that “*Chief Minister annulled the contract of two private vendors, engaged during the previous Government.*” Since the aforesaid news was detriment to the interest of the petitioner, which has been allegedly faithfully performing its part of the contract, therefore, it has approached this Court seeking an injunction

against respondents No.1 to 3 from taking any kind of action prejudicial to its interest in relation to the agreement dated 27.9.2011.

This case came up for preliminary hearing on 8.2.2018. On that day H.S. Sitta, AAG, Punjab was asked to enquire and apprise this Court as to whether the news published in The Tribune on 02.02.2018 is correct? Today, Karan Singh, Secretary, RTA has appeared on behalf of the STC and has mentioned to H.S. Sitta, AAG, Punjab that the news dated 2.2.2018 is not correct because the agreement/contract between the parties dated 27.9.2011 extended on 1.6.2015 has not been annulled so far, however, it is submitted that the process regarding its annulment is under consideration.

Learned counsel for the petitioner has submitted that in these circumstances, the presumption which can be drawn is that the contract between the parties is still subsisting and therefore, the petitioner may be allowed to work and in this regard he has prayed for the issuance of an appropriate direction by this Court to respondents No.1 to 3 to allow the petitioner to continue to work in terms of the provisions of the agreement dated 27.9.2011 extended on 1.6.2015 so that it may not have to suffer in future for any kind of alleged breach of contract.

After hearing learned counsel for the parties and taking into consideration the facts and circumstances emanated from the pleadings and the proceedings in the Court, the present petition is hereby disposed of with a direction to respondents No.1 to 3 not to take any kind of action detrimental to the interest of the petitioner in relation to the agreement dated 27.9.2011 extended on 1.6.2015 till it is annulled. It is needless to mention that since the agreement dated 27.9.2011 extended on 1.6.2015 is now

subsisting therefore, both the parties are obliged to perform their respective part of contract.

Disposed of.

09.02.2018
Vivek

(RAKESH KUMAR JAIN)
JUDGE

Whether speaking/reasoned

Yes/No

Whether reportable

Yes/No