

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

209/3

CWP No.9444 of 2019

Date of Decision:11.07.2022

Manjit Singh Saini

-Petitioner

Vs

State of Punjab and others

-Respondents

CORAM: HON'BLE MR. JUSTICE RAJ MOHAN SINGH

Present: Mr. R.K. Girdhar, Advocate, for the petitioner.

Mr.C.L.Pawar, Sr.DAG, Punjab.

RAJ MOHAN SINGH, J. (ORAL)

Petitioner has preferred this petition for the issuance of a writ in the nature of mandamus, directing the respondents to pay interest on the delayed payment.

Petitioner is a Government contractor and certain works were allotted to him vide various allotment letters. After completion of works, the bills were raised, but payments were not released by the respondents. Petitioner got served legal notice upon the respondents on 01.05.2018 and thereafter, filed CWP No.13041 of 2018. The said writ petition was disposed of by this Court on 31.07.2018 with a direction to the respondents to take final decision on the legal notice within a period of two months. Owing to inaction on behalf of the respondents, the petitioner had to file COCP No.3483 of 2018, which was

disposed of with a direction to the department to release the due payment within a period of four weeks. Thereafter, petitioner had to made number of representations including a legal notice on 01.03.2019 to respondent No.4 for making payment of interest on the delayed payment.

Learned counsel for the petitioner submits that the payment of the principle amount was ultimately released on 24.01.2019 and there was huge delay in making the payment for which the petitioner is entitled to interest towards delayed payment.

In the reply filed by the respondents, the stand has been taken that there is no provision in the contract agreement with regard to payment of interest, therefore, respondents are not liable to pay interest.

The issue of maintainability of writ petition in the matter of contractual obligation is no more *res integra* in view of ratio laid down in **ABL International Ltd. vs. Export Credit Guarantee Corpn.of India Ltd. (2004) 3 SCC 553**. It is a settled principle of law that the contractual disputes involving public law element are amenable to writ jurisdiction. Even if agreement is silent with regard to interest component or there is a condition to the contrary, interest is payable on the delayed payment, in view of the decision taken by this Court in **CWP No.29726 of 2019 titled M/s Dharminder Kumar, Engineer and Contractors Vs.**

State of Punjab and others and Civil Appeal No.2610 of 2019
titled M/s Surya Constructions Vs. State of Uttar Pradesh
and others decided by the Hon'ble Apex Court on 08.03.2019.

For the reasons recorded herein above, petitioner is held entitled for the interest on delayed payment @ 6% per annum on the date of accrual till final payment of the principle amount. Respondent No.4 is directed to calculate the interest on the principal amount from the due date till the date of making payment. On making such calculations, respondent No.3 shall pay the amount in order to discharge its obligation towards payment of interest.

The needful in the context of paying interest be done within a period of two months from the date of receipt of certified copy of this order.

Petition stands disposed of accordingly.

11.07.2022
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(RAJ MOHAN SINGH)
JUDGE

1. Whether speaking/reasoned : Yes/No
2. Whether reportable : Yes/No