

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

Sr. No.221

**CWP No.16443 of 2019(O&M)
Date of decision 20.05.2022**

M/s OSHO Engineering Pvt. Ltd.Petitioner

Versus

The State of Punjab and othersRespondents

CORAM: HON'BLE MR. JUSTICE RAJ MOHAN SINGH

Present: Mr. Tarun Seth, Advocate
for the petitioner.

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

Mr. Abaishek Arora, Advocate
for respondents No. 4 to 7.

* * *

RAJ MOHAN SINGH J. (Oral)

Petitioner has preferred this writ petition for the issuance of an appropriate writ in the nature mandamus, directing the respondents to pay interest on the delayed payments of the works executed by the petitioner.

Petitioner is a Class-I Government Contractor and was allocated certain works. Petitioner has already executed these work assignments to the satisfaction of the competent authority.

Earlier petitioner filed CWP No.27492 of 2017, seeking release of payments along with interest. The said writ petition was disposed of vide order dated 06.12.2017, thereby directing the competent authority to pass a speaking order within a specified period. It was also directed that if the amount is found due, the same be released after sanction from the Finance Department.

The grievance of the petitioner is that despite the aforesaid directions, the needful was not done and the petitioner had to file a contempt petition bearing COCP No.682 of 2018. During pendency of the contempt petition, payments were released to the petitioner, but after a gap of more than one year. Petitioner has tabulated payments of different bills with reference to gross amount, date of payment and delayed days in making the payments of these bills.

The details given in para No.6 of the writ petition have been contested by respondents No.4 to 7 on the premise that dispute regarding execution of work has to be considered in the light of Clause-24 of the Agreement, which provides for dispute redressal system.

Learned counsel for the petitioner submits that after payment of principal amount, there is no dispute regarding execution of work. The only dispute is in respect of interest component payable on the delayed payment.

Admittedly, the principal amount has been released on different dates and there is no dispute as on date in respect of execution of work.

Perusal of the details given in para No.6 of the writ petition would show that qua the first bills, the delayed days are 63 and 98. The delay being less than 100 days can be ignored for the purpose of granting interest on the delayed payment. Qua 2nd to 5th bills, there is substantial delay in making good the payment from the date of bills. There is delay of 404, 317, 186 and 132 days in payment of 2nd to 5th bills respectively.

Since the principal amount has already been released, therefore, I deem it appropriate to direct respondents No.4 to 7 to pay interest @ 6% for the delayed payment from the date of accrual of the amount till payment of the final bills. Let the needful be done within three months from the date of receipt of certified copy of this order.

Disposed of.

20.05.2022
Prince

(RAJ MOHAN SINGH)
JUDGE

Whether speaking/reasoned
Whether reportable

Yes/No
Yes/No