



IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

C.W.P. No. 24043 of 2024
Date of decision: 20.11.2024

Smart Chip Pvt. Ltd.	 Petitioner
Vs.	
State of Punjab and others	 Respondents

CORAM: HON'BLE MR. JUSTICE ARUN PALLI
HON'BLE MR. JUSTICE VIKRAM AGGARWAL

Present: Mr. Rajiv Atma Ram, Senior Advocate and
Mr. Akshay Bhan, Senior Advocate with
Ms. Shefali Bahia, Advocate
for the petitioner.

Mr. Jastej Singh, Deputy Advocate General, Punjab.

VIKRAM AGGARWAL, J

1. The petitioner assails the communication dated 09.09.2024 (Annexure P-14) vide which the respondents asked the Canara Bank to not discharge the performance bank guarantee of Rs.5 crores furnished by the petitioner for the project of introduction of E-Governance in Transport Department, Punjab on PPP basis without getting prior approval from the Office of the State Transport Commissioner, Punjab. Challenge has also been laid to the communication dated 09.09.2024 (Annexure P-15) issued by the respondents vide which the petitioner has been called upon to continue with the Master Service Agreement executed on 15.09.2020.
2. Notice of motion was issued on 19.09.2024 and a short reply by way of affidavit of the Additional State Transport Commissioner, Punjab was filed in the Court on 15.10.2024.



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3. On 18.11.2024, this Court had passed the following order:

“We had heard learned Senior counsel for the petitioner as also the learned State counsel at a considerable length, when during the hearing, Ms. Harjot Kaur, PCS, Additional State Transport Commissioner, Punjab, who is present in person, submitted that in fact the matter was being negotiated by the department with L-2. And he is agreeable to execute the balance work at the agreed rate. It is submitted that at best the entire process to formally assign the subject work to L-2 would take a month. Accordingly, she prays for a day’s time to furnish a specific affidavit, delineating all the relevant details to address the concerns that have been raised by the petitioner.

Adjourned to 20.11.2024.

To be taken up immediately after urgent matters.”

4. Accordingly, in compliance thereof, affidavit of Additional State Transport Commissioner, Punjab, has been filed today in Court, which is taken on record. Copy furnished:

- “2. That the department is in contact with a replacement operator to take over the duties and responsibilities envisaged under the Master Service Agreement (hereinafter referred to as “MSA”), who has expressed willingness to execute the agreement at rates already agreed upon in the said MSA.*
- 3. That the replacement operator has given his formal consent to takeover the process of service delivery from petitioner-company. The process to formally assign the work to the replacement operator would take atleast a month to complete.*
- 4. That with regard to the dues claimed by the petitioner- company, it is humbly submitted that an undisputed amount of Rs.1,95,36,514/-, including the invoices raised for the months from July, 2024 to September, 2024, would be cleared within a month. The remaining dues re subject to calculations and reconciliation of data which would be cleared thereafter.*

In view of the above facts and circumstances, the affidavit may be taken on record and the present petition may kindly be disposed of.”

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5. In the wake of the above, learned Senior counsel for the petitioner submit that nothing substantive survives in the petition. However, they submit that after the payment of the undisputed amount of Rs.1,95,36,514/- which as per the affidavit would be paid within a period of one month, the respondents be directed to clear the remaining dues within a specified period. They further submit that the communication dated 09.09.2024 (Annexure P-14) vide which the Canara Bank has been called upon to not discharge the performance bank guarantee be also recalled. Learned Senior counsel submit that it would be needless to say that for a period of one month from today, the petitioner shall continue to operate.

6. To this, Mr. Jastej Singh, learned Deputy Advocate General, Punjab on instructions from Ms. Harjot Kaur, Additional State Transport Commissioner, Punjab who is present in the Court submits that in accordance with the terms and conditions of the agreement executed between the parties, the communication dated 09.09.2024 (Annexure P-14) shall be deemed to have been withdrawn after the lapse of six months from the date the petitioner stops operations. As regards the payment of the remaining dues apart from Rs.1,95,36,514/-, he submits that the same shall preferably be made within a period of three months.

7. Learned Senior counsel for the petitioner are agreeable to the aforesaid and submit that the writ petition be disposed of in the said terms.

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8. The writ petition is accordingly *disposed of* in terms of the observations made in the preceding paragraphs and the statements given by learned counsel for the parties binding them to the same.

(ARUN PALLI)
JUDGE

(VIKRAM AGGARWAL)
JUDGE

20.11.2024

Prince Chawla/vcgarg

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No