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IN THE PUNJAB AND HARYANA HIGH COURT AT
CHANDIGARH

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CWP-37006-2019 (O&M).
Date of Decision: 14.05.2024.

M/S AMRIT ELECTRICALS

.. Petitioner

Versus

STATE OF PUNJAB AND OTHERS

... Respondents

CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ.

Present: Mr. Vikas Arora, Advocate,
for the petitioner.

Ms. Niharika Sharma, AAG, Punjab.

Mr. Rohit Aggarwal, Advocate, and
Dr. Malvika Singh, Advocate,
for respondents No.2 and 3.

VINOD S. BHARDWAJ, J. (ORAL)

Prayer in the present writ petition is to direct the respondents to consider the claim of the petitioner and to release the pending payment of Rs. 42,62,007.01/- along with interest @ 18% per annum for the work done of Boring and Installation of 04 nos. of deep tubewells at Kurali Town, District, Mohali.

2 Learned counsel appearing for the petitioner contends that the petitioner was allotted the work of Boring and Installation of 04 nos. of

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deep tubewells at Kurali Town, District, Mohali vide order dated 16.12.2016 (Annexure P-1), for a total project cost of Rs.1,08,70,514/- approximately. He submits that the petitioner firm started the work consequent upon allotment and was released certain running bills upto 30.06.2017. However, the balance payment had not been released to the petitioner despite completion of the work. The bills were submitted wayback in the year 2019. A legal notice dated 08.08.2019 (Annexure P-4) was also served upon the respondents. The respondents No.1 and 2 i.e. the State of Punjab as well as Greater Mohali Administration Development Authority, Mohali, failed to respond to the legal notice, however, respondent no.3 i.e. Divisional Engineer (Public Health-2) GMADA, Mohali, submitted a response on 30.09.2019 wherein he did not dispute the liability to the petitioner and has informed that the Director, Local Government, Punjab, has already been requested to release Rs.30.11 lakhs for making balance payment of 04 nos. of tubewells.

3 A reply had been filed on behalf of the respondents No.2 and 3 wherein it has been averred in para 8 that the authorities of GMADA have requested time and again the Punjab Infrastructure Development Board (PIDB) to release the payment so that the bills of the petitioner can be cleared. It is submitted that as and when the payment is received, the pending undisputed payment to the petitioner shall be released.

4 Having heard the learned counsel for the respective parties, I find that the stand adopted by the respondent State is unjustifiable and unsustainable. The payment of undisputed liability cannot be contingent

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upon the whims of the respondent State to make arrangement of the balance consideration at their sweet will. In fact, an obligation is cast upon the respondent State to ensure timely release of the payment for the works executed by a person/contractor.

5 The present writ petition is accordingly allowed. Respondent No.2-GMADA, is directed to release the payment within a period of 03 months of the receipt of certified copy of this order along with interest @ 6% per annum from the date of filing of the present writ petition till its actual release. In the event, the payment is not made within the period of 03 months the rate of interest shall increase from 6% to 9% per annum. Additionally, costs of Rs.50,000/- is also imposed upon the respondents for harassment and unnecessary litigation that was generated as a result of their failure to perform the statutory and contractual obligations. Let the cost of Rs.50,000/- be deposited with the PGIMER Poor Patients' Welfare Fund, Chandigarh.

May 14, 2024.
raj arora

(VINOD S. BHARDWAJ)
JUDGE

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