

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

107

CWP-721-2025

Date of Decision : March 18, 2025

LAKSHIT CONSTRUCTIONS PVT LTD

-PETITIONER

V/S

HARYANA POLICE HOUSING CORPORATION LTD AND ORS

-RESPONDENTS

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. D.R. Bansal, Advocate
for the petitioner.

Mr. Deepak Sabherwal, Advocate
for the respondents No.1 to 6.

Mr. Bhupender Singh, D.A.G., Haryana.

KULDEEP TIWARI, J. (ORAL)

1. The prayer wrapped in the instant writ petition appertains to issuance of directions upon the competent respondent(s), amongst the respondents, to implement the award (Annexure P-16), as passed by the Standing Empowered Committee, and, which was communicated to the petitioner vide letter dated 14.06.2024 (Annexure P-17).

2. Succinctly stated; the petitioner was allotted five works, namely, (i) Construction of 24 Nos. T-III Houses in Police Line, Nuh, Mewat; (ii) Construction of 96 Nos. Type-II Houses in Police Line, Nuh, Mewat; (iii) Construction of 96 Nos. T-II Houses in Police Line, Palwal; (iv) Construction of 12 Nos. T-I, 12 Nos. Type-IV, 4 Nos. Type-V and 1 No. Type-VIII Houses in Police Line, Palwal; and (v) Construction of 12

Nos. T-1, 12 Nos. Type-IV, 4 Nos. Type-V and 1 No. Type-VIII Houses in Police Line, Nuh, Mewat. In this regard, separate agreements were executed between the petitioner and the respondent(s)-Corporation. After completion of the work and acceptance of payment of the final bill, the petitioner raised dispute in respect of the works (supra) and this dispute was adjudicated by the Standing Empowered Committee, which was constituted as per the requirement of the Dispute Mechanism-Clause 24 contained in the agreements (supra). The Standing Empowered Committee although partially allowed the claim of the petitioner through drawing the award (supra), however, the awarded amount was not disbursed to the petitioner, which caused pain to it and triggered it to institute the instant writ petition.

3. During the course of hearing on 19.02.2025, the learned counsel for the petitioner, by making huge dependence upon Clause 24 of Section 5 of the Contract Agreement, which deals with Dispute Redressal System, submitted that, as per the terms of the contract agreement, the respondent(s)-Corporation is bound to forthwith disburse the awarded amount to the petitioner. Therefore, this Court passed a specific direction upon the respondent No.2 to inform this Court as to what are the legal impediment for enforcing the award (supra).

4. In deference to the direction (supra), today the learned counsel for the respondents No.1 to 6 has filed the affidavit of O.P. Singh, IPS, Managing Director, Haryana Police Housing Corporation Ltd., Sector 6, Panchkula, which is taken on record. This affidavit reveals that, the decision of the Standing Empowered Committee has not been

accepted by the respondent(s)-Corporation, rather in view of the terms of the contract agreement, the latter has preferred a civil suit against the said decision, wherein, notice has already been issued to the petitioner.

5. Opposing the narrations made in the affidavit (supra), the learned counsel for the petitioner submits that, since the awarded amount is, in fact, below five percent of the initial contract price, hence, as per the hereinafter extracted Clause 24.5 of Section 5 of the Contract Agreement, the respondent(s)-Corporation is not bestowed with any right or authority to challenge the decision/award of the Standing Empowered Committee.

“24. Dispute Redressal System

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24.5 The decision of the Standing Empowered Committee will be binding on the Employer for payment of claims up to five percent of the Initial Contract Price. The Contractor can accept and receive payment after signing as "in full and final settlement of all claims". If he does not accept the decision, he is not barred from approaching the courts. Similarly, if the Employer does not accept the decision of the Standing Empowered Committee above the limit of five percent of the Initial Contract Price, he will be free to approach the courts applicable under the law.”

6. To substantiate his claim that the amount awarded by the Standing Empowered Committee in respect of four, out of the five allotted works (supra), is less than five percent of the initial contract price, he draws attention of this Court towards the table enclosed in the letter (Annexure P-18), as written by the petitioner on 19.12.2024 to the respondent No.2.

7. This Court has heard the submissions made by the learned counsel for the petitioner, however, does not find any merit in his submissions. The reason for drawing this inference stems from the

hereunder extracted table, which is enclosed in Annexure R-1 attached with the affidavit (supra) furnished by the learned counsel for the respondents No.1 to 6.

S. No.	Name of Work	Initial Contract Price (ICP)	Award by the SEC excluding interest	Award by SEC including interest	Whether the amount of award is above 5% of the ICP
1.	Construction of 96 Nos. T-II Houses in Police Lines, Palwal	1111.22 Lakhs	26,11,853/-	46,53,393/-	No
2.	Construction of 12 Nos. T-I, 12 Nos. T-IV, 4 Nos. T-V and One T-VIII Houses in Police Lines, Palwal	468.72 Lakhs	21,77,095/-	38,11,971/-	Yes
3.	Construction of 96 Nos. T-II Houses in Police Lines, Nuh, District Mewat	1112.52 Lakhs	41,31,407/-	70,52,866/-	Yes
4.	Construction of 12 Nos. T-1, 12 Nos. T-IV, 4 Nos. Type-V and One T-VIII Houses in Police Lines, Nuh, District Mewat	468.72 Lakhs	27,16,558/-	44,24,640/-	Yes
5.	Construction of 24 Nos. T-III Houses in Police Lines, Nuh, District Mewat	327.28 Lakhs	3,95,309/-	6,68,675/-	No

8. The hereinabove extracted table reflects that, out of the total five works allotted to the petitioner, the amount awarded in respect of three works is more than five percent of the initial contract price, and, in respect of the remaining two works, it is below five percent. Moreover, it is narrated in Annexure R-1 that, apart from the decision made in respect of the three works (supra), the decision made in respect of the remaining

two works (supra) is also amenable for being challenged inasmuch as the Standing Empowered Committee ignored the fact that, the rates quoted by the petitioner were inclusive of all taxes, hence in the event of any increase in VAT, the same was to be borne by the petitioner only. Not only this, non challenging the decision made in respect of the two works (supra) would affect their case before the civil court qua other three contracts.

9. Be that as it may, since the respondent(s)-Corporation has already instituted civil suit against the decision/award made by the Standing Empowered Committee and notice has also been issued therein to the petitioner, therefore, this Court refrains from passing any direction upon the respondent(s) to implement the decision/award (supra), validity whereof is *sub judice* before the civil court concerned. However, the petitioner is at liberty to file response before the civil court by taking all the pleas, as raised before this Court.

10. **Disposed of accordingly.**

March 18, 2025
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(KULDEEP TIWARI)
JUDGE

Whether speaking/reasoned	:	Yes/No
Whether Reportable	:	Yes/No