



CWP-1897-2022 (O&M)

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IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

(101)

CWP-1897-2022 (O&M)

Date of decision:- 11.11.2025

Subhash Chand

...Petitioner

Versus

State of Haryana and others

...Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Ivneet Singh Pabla, Advocate, for the petitioner.

Mr. Ravish Kaushik, Additional Advocate General, Haryana.

...

SUVIR SEHGAL, J. (Oral)

CM-4303-CWP-2022

For the reasons given in the application, it is allowed.

Documents, Annexures P-7 to P-11, are taken on record.

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1. On 25.03.2022, this Court passed the following order:-

“Learned counsel for the petitioner contends that petitioner has successfully completed the work of rehabilitation of Sarsaud distry from RD No.26494 to RD 59500 tail. On 04.10.2017, the completion of work was within the stipulated period. The respondent-department on successful completion of work assigned released the final payment of Rs.2,76,00,000/- to the petitioner vide voucher No.17 dated 08.05.2018. The defect liability period for the work done by the petitioner was for one year from the date of completion of work. The defect liability period also expired on 04.10.2018. During the currency of defect liability period, the work done by the petitioner



was tested by way of taking numerous samples. Test reports of all the samples came to be as per parameters set down by the Department. After more than three years of expiry of defect liability period, the Department has initiated recovery proceedings in respect of Rs.8,30,700/- on the basis of some vigilance inquiry and test report.

Learned counsel for the petitioner submits that once the Department had itself conducted numerous tests in respect of the quality of material used in the construction work and no incriminating test report could be found, the recovery in pursuance of raid conducted by the vigilance cannot be imposed particularly beyond the period of limitation of three years.

Notice of motion was issued on 03.02.2022 and notice regarding stay was also issued.

For further consideration, adjourned to 05.08.2022.

In the meanwhile, recovery proceedings against the petitioner shall be kept in abeyance.”

2. During the pendency of the petition, on a direction was passed by this Court, State has placed on record a copy of Contract Agreement dated 05.10.2016, Annexure R-1. A perusal of the contract agreement shows that Clause 23 of conditions of contract provides for a Disputes Redressal System and there is no provision for appointment of an arbitrator to resolve the dispute between the parties. On the previous date, State counsel was asked to get instructions. Upon instructions from Mr. Ajay Sihag, S.D.O., he submits that the Department is not agreeable to reference of dispute to an arbitrator.

3. As the amount is being disputed by the respondents, counsel for the petitioner has been confronted with maintainability of writ petition. Counsel states that a Dispute Redressal System has been laid down in the Contract Agreement, Annexure R-1, and petitioner may be referred to the authorities specified thereunder. He has expressed an apprehension that in case petitioner approaches the authorities specified therein, his claim is likely to be rejected on

the ground of limitation.



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4. This Court finds force in the submission made by the petitioner and intends to pass appropriate orders.
5. As there is a specific provision in the Contract Agreement relating to Dispute Redressal System, petitioner may approach the competent authority as provided in Clause 23, *ibid*. In case, petitioner approaches the competent authority on or before 31.12.2025, claim raised by him shall not be rejected on the ground of limitation. It is further clarified that recovery of the amount under the impugned order, which has been ordered to be kept in abeyance by this Court vide order dated 25.03.2022, shall not be effected from the petitioner till the conclusion of proceedings before the competent authority or appellate authority, as provided under Clause 23 of the conditions of contract. In case, petitioner does not file a claim petition on or before 31.12.2025, respondents shall be at liberty to proceed in accordance with law.
6. With the above observation, writ petition is disposed of.

(SUVIR SEHGAL)
JUDGE

11.11.2025
Pardeep

Whether Speaking/Reasoned	Yes
Whether Reportable	Yes/No