

**HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT JAMMU**

WP(C) No. 73/2024
CM No. 133/2024
CM No. 7507/2025

M/s Krishna Engineering Works Industrial EstatePetitioner(s)
Digiana, Jammu, through its proprietor
Ajay Kumar S/o Late Sh. Krishan Kumar,
R/o 189-B, Jeevan Nagar, Jammu

Through: Mr. Pawan Choudhary, Advocate

Vs

- 1. UT of J&K through Financial Commissioner, Civil** Respondent(s)
Secretariat Jammu.
2. Commissioner/Secretary to Government,
Jal Shakti Department, Government of J&K,
Civil Secretariat, Jammu.
3. The Chief Engineer, Jal Shakti (PHE) Department,
B C Road, Jammu.
4. The Superintending Engineer, Hydraulic Circle,
Jal Shakti (PHE) Department, B C Road, Jammu.
5. The Executive Engineer, Jal Shakti (PHE) Division,
Akhnoor.

Through: Mrs. Monika Kohli, Sr. AAG

Coram: HON'BLE MR. JUSTICE WASIM SADIQ NARGAL, JUDGE

JUDGMENT(ORAL)
06.02.2026

PRAYER

01. The petitioner through the medium of instant petition has sought the following reliefs:

- i) *Writ of mandamus commanding upon the respondents to release the pending payments/clear the admitted liability of the petitioner to the tune of Rs.7,71,224/-(rupees seven lakhs seventy one thousand two hundred twenty four only) which is an admitted liability by the respondents and also to pay interest at the rate of 18% and compensation over the delayed payments as the respondents have failed to perform their statutory duties for releasing the hard earned money of the petitioner which is causing financial hardship*

to the petitioner.

- ii) *Mandamus commanding the respondents to release the pending payment of Rs.7,71,224/-(rupees seven lakhs seventy one thousand two hundred twenty four only) due to the petitioner in favour of the respondent No.5 along with interest of 18% till the date of its realization with a further direction to the respondent No.5 to release/clear the pending payments of the petitioner along with interest till the date of its realization.*

SUBMISSIONS ON BEHALF OF THE PETITIONER

- 02.** The petitioner who claims to be a proprietorship firm originally belonging to late Krishan Kumar Sharma, which was inherited later-on by his son namely Ajay Kumar, which firm is dealing with the business of electric works, rewinding of all types of booster and submersible motors, stabilizers (manual & servo) transformers, generator sets, panels, pump, repairing (sub pumps & HCP pumps) steel structure and all other electrical and mechanical job contracts. The petitioner firm has successfully completed many government contracts as well as private and autonomous organizations.
- 03.** It is a specific case of the petitioner that for the period w.e.f the year 2015 to 2020, respondent No.5 engaged the petitioner firm for various works and issued job orders for the respective works in favour of the petitioner firm for a total amount of ₹7,71,224/ against which the petitioner after successfully executing the work raised the bills to the respondents for the respective works. It is further case of the petitioner that after receiving the job orders of the work, the petitioner successfully executed and completed the entire work, as per the terms, to the entire satisfaction of the respondents within the stipulated period of time. In spite of the fact that the

petitioner has executed the work well within the time in conformity with the terms and conditions of the job orders, the respondents have not released the payment to the tune of ₹7,71,224/-.

04. The learned counsel for the petitioner further submits that the respondents have admitted the liability of the petitioner which is evident from a bare perusal of the bills which the petitioner have submitted and have been verified by the concerned Assistant Executive Engineer in which the respondents have admitted the liability towards the petitioner to the tune of ₹7,71,224/- and the liability pertaining to e-NIT work for the year 2020 to the tune of ₹34448/- which bills after due verification have been submitted for necessary action to the concerned Executive Engineer, Jal Shakti way back on 20.05.2023.
05. It is the specific case of the petitioner that in spite of the fact that the respondents have admitted the liability towards the petitioner but till date the same has not been released in his favour and feeling aggrieved of the same, the instant petition has been preferred.

SUBMISSIONS ON BEHALF OF THE RESPONDENTS

06. *Per Contra*, the response stands filed by the respondents by way of compliance report on 17.07.2025 in which the respondents have taken a specific stand that in compliance to the directions passed by this Court in the instant matter on 23.01.2024, the case of the petitioner has been considered and the respondents have passed a speaking order vide No. PHEDA/6866-67 dated 25.11.2024, whereby the claim of the petitioner which lacks codal formalities, such as, e-tendering, accord of

administrative approval, technical sanction which were mandatory before making any payment to the contractor as per the financial Code stood rejected and an order of rejection has also been placed on record along with compliance report, which though has not been challenged but the same has been placed on record during the pendency of the instant writ petition. The aforesaid order of consideration has been passed in pursuance of the order passed by this Court dated 23.01.2024, whereby the respondents were called upon to consider the release of the admitted liability in accordance with law.

LEGAL ANALYSIS

07. Heard learned counsel for the parties at length and perused the record.
08. The persons who execute the work on behalf of the respondents do so with a belief that all the codal formalities would be taken care of by the respondent-Authority and after the execution, they would be given their due payment with alacrity. The respondents, however, after getting the work done are denying the same to the petitioner on the pretext of codal formalities which has no connection with the petitioner.
09. Surprisingly, the same authority had issued job orders for the respective works in favour of the petitioner firm and subsequently once the work was completed by the petitioner well within the time in conformity with the terms and conditions of the job orders, the same authority i.e Executive Engineer (PHE) have taken a plea that there was no formal approval when admittedly there was approval of the competent authority. It appears that the respondents with a view to avoid the payment to the petitioner have

taken the aforesaid plea as a matter of afterthought which is contrary to the record.

10. The legal position regarding the payment of dues for contractual work executed is well-settled by the Hon'ble Supreme Court in several authoritative pronouncements. These judgments collectively underscore the imperative that *“contractual payments must not be unduly delayed or withheld by the State without valid reasons.”*
11. As held by the Hon'ble Supreme Court in *“Ramakrishna Construction Co. v. Union of India”, (2010) 3 SCC 579*, it is a settled proposition that once work has been executed and the liability is admitted, the State cannot arbitrarily withhold payment.
12. Similarly, in *“Surya Constructions v. State of U.P”, (1986) 3 SCC 247*, the Hon'ble Supreme Court observed that “Courts can exercise writ jurisdiction under Article 226 of the Constitution in cases where admitted contractual dues are withheld without justification.”
13. In view of the above, this Court holds that where the delay in releasing payments is attributable to the State, and there is no legal impediment or contractual dispute, the Government must explain the cause of such delay. Each day's delay in the release of payment must be justified. In the absence of such justification, the Government shall be liable to pay interest for the delayed period to the affected contractor/petitioner. Further, the Government shall also be liable to compensate the petitioner for the financial loss and mental distress caused due to such delay. The principle of fairness demands that the State cannot have a 'win-win' situation, where it

delays payment for years and still discharges only the principal amount, without any consequence or accountability.

14. In the similar facts and circumstances, this view finds support from the judgment passed by this Court in case titled “**M/s Saint Solider Engineer and Contractor Pvt Ltd vs Union Territory of J&K & Ors**”, decided on **26.09.2025**, wherein it has been held as under:

“20. It is well settled that execution of work gives rise to a corresponding obligation upon the State to honour its financial commitments. Any administrative approval or availability of funds is a matter to be ensured by the department prior to the allotment of work. After the execution of the contract, no “post facto” objection can be raised to deny or delay payment.

21. This Court is constrained to observe that in numerous cases involving government contracts, despite completion of work in accordance with the terms and conditions of the contract, the payments due to contractors are not released in a timely manner. The delay is often attributed to administrative reasons, such as the need for administrative approval or the alleged paucity of funds or the funds being diverted to other projects to frustrate the claim of the contractors. In the present case as well, despite admitted liability and due completion of work by the petitioner well in time the payment has been unjustifiably withheld for a considerable period of time.”

In the aforesaid judgment, this court has also issued various directions to ensure the effective enforcement of contractual payments and to uphold the principles of fairness and accountability. For ready reference, the same are reproduced as under:

“A. Obligation to Pay Post Completion: *Once the work has been executed strictly in accordance with the terms and conditions set out in the tender and the agreement, the respondents shall be under a clear statutory and contractual obligation to release the due payment without any undue or arbitrary delay.*

B. Rejection of Post-facto Administrative Objections: *After the execution of work, the respondents shall not be permitted to raise objections pertaining to administrative approvals, sanction of funds, or diversion of funds as grounds to withhold or delay*

payment.

- C. Payment of Interest on Delayed Amounts:** *In cases, where the delay in payment is not attributable to the contractors, the respondents shall be liable to pay interest on the outstanding amount at the prevailing rates in nationalized banks, calculated from the date the payment fell due until the actual date of payment.*
- D. Personal Accountability for Malafide Conduct:** *Where delay or withholding of payment arises from negligence, omission, or mala fide conduct on the part of any officer or official, the accrued interest shall be recovered from the salary or emoluments of such officer, thereby fixing personal accountability and deterring arbitrary exercise of power.*
- E. Constitutional and Welfare Considerations:** *A welfare State cannot legitimately plead “paucity of funds” when payments for works already executed and utilized are withheld. The principle of economic justice obliges the State to ensure that contractors, having fulfilled their part of the bargain, are not subjected to financial distress on account of arbitrary or habitual withholding of dues. In cases of habitual or willful withholding, apart from interest, the Court may impose exemplary costs against the erring department, to be deposited with the State Legal Services Authority for utilisation towards public welfare purposes.”*

15. Reliance has also been placed on the judgment passed by this Court in WP(C) No. 2513/2022 titled “**M/s Tech Build & Associate vs UT of J&K & Ors**”, **decided on 09.05.2025**, wherein it has been held as under:.

“The execution of works stands admitted by the respondents, and the relevant details have also been provided by them. The respondents cannot avoid their liability to pay by taking refuge in the absence of technical sanction and administrative approval, especially when the responsibility for obtaining such approvals rested solely with them. Despite this, the respondents are denying the claim on the ground of lack of administrative approval. This plea is not available to them, as it was within their domain to ensure the requisite approvals were obtained. They cannot now raise this plea at this stage to defeat the legitimate claim of the petitioner.

16. It is a well established principle that when a contractor completes a work, the State incurs a direct obligation to fulfill its financial commitments. Ensuring administrative approval are preliminary obligations of the

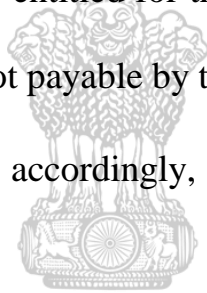
department that must be finalized prior to commencement of the work. Consequently, once the work is executed the State cannot rely on “post facto” administrative excuses or internal delays to deny or withhold legitimate payments.

17. This Court is in agreement with the arguments advanced by learned counsel for the petitioner that the respondents have admitted the liability of the petitioner which is evident from a perusal of the relevant record which has been placed on record along with the instant writ petition. The respondents having after admitted the liability, are estopped under law from questioning the contract at this belated stage, i.e., after execution of the work, on grounds such as lack of e-tendering, accord of administrative approval, and grant of technical sanction.
18. In the instant matter, the petitioner executed the work pursuant to its allotment by the respondents, which fact has already been admitted by the respondents while verifying the bills through the competent authority, whereby the respondents have acknowledged the liability of the petitioner to the tune of ₹7,71,224/-. Thus, the stand taken by the respondents that it is disputed question of fact and cannot be gone into while exercising writ jurisdiction, is liable to be rejected and is not applicable to the facts and circumstances of the present case, more particularly, when the respondents have admitted the liability of the petitioner. The order of rejection, though not challenged, having been passed in pursuance of the interim order of this Court, cannot sustain the test of law in light of the law laid down by this Court in the case mentioned *supra*. Therefore, the action of the respondents

in issuing the aforesaid order of consideration in terms of the interim order amounts to defeating the rights of the petitioner without any justifiable cause.

CONCLUSION

19. In the light of the what has been discussed above and also in the light of the law laid down by this Court, the instant writ petition is *allowed* and the respondents are directed to release the admitted liability to the tune of ₹7,71,224/- in favour of the petitioner within a period of four weeks from the date, a copy of this order as well as copy of the instant writ petition along with the annexures are made available to the said respondent, failing which the petitioner will be entitled for the interest @6% from the date the said amount was due and not payable by the respondents.
20. The instant writ petition is, accordingly, *disposed of* along with connected application(s).



(WASIM SADIQ NARGAL)
JUDGE

JAMMU
06.02.2026
Vijay

Whether the order is speaking: Yes/No
Whether the order is reportable: Yes/No