Serial No. 1
Reg. List

IN THE HIGH COURT OF JAMMU & KASHMIR AND LADAKH AT SRINAGAR.

WP(C) 2198/2022
CM(5539/2022

M/S RIGHTWAY CONSTRUCTIONS COMPANY

….. Petitioner(s)

Through: -

Mr. Adil Asimi, Advocate.

V/s

UNION TERRITORY OF J AND K AND ORS.

….. Respondent(s)

Through:-

Mr. Waseem Gul, GA.

CORAM:

HON'BLE MR. JUSTICE RAJESH SEKHRI, JUDGE

JUDGMENT
04.12.2025.

1. The present petition for payment of admitted liability to the petitioner-company came to be instituted in this Court on 13th September, 2022, however, respondents have not come up with reply or counter affidavit post admission of the petition on 22nd November, 2024, till date. In view of preemptive order dated 6th November, 2025, right of respondents to file counter affidavit stands closed.

2. The case set out by the petitioner is that various work orders came to be issued by respondents in its favour with extension from time to time at various places/divisions, of Union Territory of J&K and it executed the works within the timeline, the details whereof has been provided in paragraph-2 of the petition. The petitioner-company after the completion of works, submitted requisite documents to the respondents for fulfillment of contractual obligations, whereupon it was paid a part payment but an amount of Rs. 1,47,48,361/- is outstanding till date. According to the petitioner, the

balance admitted liability has not only been acknowledged but confirmed by the respondents in various communications, those are part of the petition. It is also contention of the petitioner that failure on the part of respondents to clear outstanding dues has resulted in recurring monetary losses because it had availed loan facility from the banks for completion of allotted works and he was paying interest on the loan amounts availed. The petitioner, in the circumstances exhausted the pretrial legal remedy by serving a legal notice dated 15th May, 2022, upon respondents. The respondents in reply to the legal notice again not only admitted the liability of the work done by the petitioner-company but also stated that demand liability statements have been forwarded to higher authorities for arrangements/release of funds and as such, petitioner was made to believe that payment will be liquidated.

3. Grievance of the petitioner-company is that despite execution of allotted work within the prescribed timeline, to the satisfaction of respondents, the balance payment has been withheld by them without lawful justification.

4. At this stage, Mr. Waseem Gul, learned GA, enters appearance on behalf of respondents and submits that he is in receipt of the counter. It is contention of learned counsel for the respondents that petitioner-company had executed the work in excess of the allotted work without administrative approval.

5. Heard and considered.

6. It is settled position of law that contractual obligations of the Government coexist with its constitutional obligations to be just, fair and reasonable while entering into a contract with a private individual. A Contractor while executing a work, duly allotted to him, proceeds with the execution on the firm belief and expectation that work is being executed by him at the instance of respondents after due approval and completion of codal formalities. It is none of the job of a contractor to ensure administrative

approval, technical sanctions or legal formalities before undertaking a contractual obligation. It is for the concerned department to explain as to how the work came to be executed in the absence of requisite approvals or sanctions.

7. The only affront to the claim of the petitioner-company is that some excess work was done by the petitioner on its own will, without express written order from the competent authority, therefore, it cannot claim the payment for the excess work done without formal approval. However, a perusal of communications, annexed with the petition would reveal that respondents from time to time have not only confirmed and ratified the work done by the petitioner-company but also admitted their liability towards it. Pertinently respondents have expressed their inability to liquidate admitted liability for want of funds only.

8. The petitioner having expended the money after availing loan facility from the bank is entitled to be paid for the work done. He cannot be deprived of the admitted liability on the premise that department is short of funds. The claim of the petitioner-company, if found justified and there being no restraint under law should have been settled immediately. Petitioner should not have been compelled to approach this Court, begging for his lawful claim. The respondents in reply to the legal notice served by the petitioner not only admitted its liability but also stated that demand liability statements have been forwarded to the higher authorities for arrangements/release of funds. In the circumstances, respondents cannot escape the liability to make the balance payment for the work done by the petitioner for want of fund.

9. Having regard to the aforesaid, present petition is allowed and respondents are directed to liquidate admitted liability of Rs. 1,47,48,361/- of the

petitioner-company along with interest @ 6% per annum within a period of six weeks from the date, copy of this judgment is made available.

10. ***Disposed of*** along with connected CM(s).

(Rajesh Sekhri)
Judge

SRINAGAR
04.12.2025.
"Abdul Rashid"