



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

Date of Decision:25.03. 2026

CWP No.29662 of 2022 (O&M)

M/s Ridhi Sidhi Electrical Engg. & Const. Company

....Petitioner

vs.

State of Haryana and others

....Respondents

CWP No.29663 of 2022 (O&M)

M/s Ridhi Sidhi Electrical Engg. & Const. Company

....Petitioner

vs.

State of Haryana and others

....Respondents

CWP No.29664 of 2022 (O&M)

M/s Ridhi Sidhi Electrical Engg. & Const. Company

....Petitioner

vs.

State of Haryana and others

....Respondents

CWP No.29665 of 2022 (O&M)

M/s Ridhi Sidhi Electrical Engg. & Const. Company

....Petitioner

vs.

State of Haryana and others

....Respondents



CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: Mr. R.Kartikeya, Advocate
Mr. Sagar Ratu Saria, Advocate
Ms. Ridhi Bansal, Advocate
Ms. Sidhi Bansal, Advocate
for the petitioner

Mr. Akshit Pathania, AAG, Haryana

Mr. Puneet Jindal, Senior Advocate with
Ms. Malvi Aggarwal, Advocate
Mr. Vivek Saini, Advocate
Mr. Arnav Goel, Advocate
for respondents-DHBVNL

JAGMOHAN BANSAL, J. (ORAL)

1. By this common order, CWP Nos. 29662 to 29665 of 2022 are hereby adjudicated as common questions of law and facts are involved. With the consent of both sides, facts are borrowed from CWP No. 29662 of 2022.
2. The petitioner through instant petition under Article 226/227 of the Constitution of India is seeking direction to respondents to release performance security with respect to work carried out by it. It is further seeking direction to respondents not to encash Bank guarantee.
3. The petitioner is a proprietorship concern which was allotted turnkey work of execution of 33KV sub-stations for the respondent-DHBVNL. It successfully commissioned the allotted work. No dues certificate was issued by the respondents still the performance security in the form of bank guarantee has not been released. The respondent is not releasing the performance security on the pretext that recovery qua another contract is pending against it.



4. Learned counsel for the petitioner submits that respondent without any reason has raised dispute just to avoid admitted liability. The petitioner completed work in 2013. It submitted bills, however, respondent did not act upon. At a later stage, the respondent raised dispute of deficiency in service/supply of goods and attempted to encash bank guarantee. The only intention of respondent is to harass the petitioner and encash bank guarantee.

5. *Per contra*, learned Senior counsel for respondent submits that there are disputed questions of facts. In CWP No. 29664 of 2022, the contractual amount was Rs. 1.97 Crore and respondent made payment of Rs. 1.64 Crore. The said payment was made in 2013 and thereafter petitioner did not submit final bill. The measurement of work never took place. In such circumstances, the payment could not be made. There is clear dispute with respect to completion of work and this Court while exercising writ jurisdiction cannot direct the respondent to make payment. There is arbitration clause in the agreement and petitioner instead of invoking arbitration procedure has approached this Court.

6. Heard the arguments and perused the record.

7. The work order in CWP No. 29664 of 2022 was issued in August' 2013 and as per petitioner, work was completed by the end of 2013. The respondent paid a sum of Rs. 1.64 Crore by the end of December' 2013 though value of the contract was Rs. 1.97 Crore. The petitioner at the behest of respondent continued to renew bank guarantee. In view of Covid 2019, the amount of bank guarantee was reduced. Accordingly, reduced amount of bank guarantee was furnished. The respondent on 30.12.2022 attempted to



invoke bank guarantee. The respondent is trying to adjust bank guarantee of one contract against another contract. The petitioner is claiming that it has already completed work whereas respondent is claiming that work is incomplete. It is a disputed question which cannot be resolved by this Court while exercising writ jurisdiction. There is an arbitration clause and petitioner can very well invoke the same. Accordingly, the petitioner is relegated to alternative remedy of dispute resolution.

8. The bank guarantees were furnished in 2013 and there was no action on the part of respondent till December' 2022. In such circumstances, this Court finds it appropriate to protect the petitioner qua encashing of bank guarantee. The respondent shall not encash bank guarantee(s) till the adjudication of question of appointment of arbitrator provided petitioner initiates steps prescribed in the agreement within 45 days from today. If petitioner avails remedy of arbitration as contemplated in the agreement, the authorities would consider period of pendency of present petition before this Court as well as the factum that respondent itself is claiming that contract has not concluded and disputes still survive.

9. The petitions stand disposed of in above terms.

10. Pending Misc. application(s), if any, shall stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

25.03.2026
paramjit

Whether speaking/reasoned:	Yes	
Whether reportable:		No