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2026:GAU-AS:15576

THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : WP(C)/5347/2020

ECONOMIC DEVELOPMENT ORGANISATION
HAVING ITS REGD. OFFICE AT BHALUKDHARA, TAMULI ROAD (WARD NO.8), P.O. AND P.S. DHEKIAJULI, DIST. SONITPUR, PIN-784110, ASSAM AND REP. BY ITS SECRETARY.

VERSUS

THE UNION OF INDIA AND 6 ORS
REP. BY THE SECRETARY, MINISTRY OF TEXTILE, UDYOG BHAWAN, DR. MAULANA AZAD ROAD, NEW DELHI-110011.

2:THE DEVELOPMENT COMMISSIONER

OFFICE OF THE DEVELOPMENT COMMISSIONER (HANDICRAFT)
GOVT. OF INDIA
MINISTRY OF TEXTILES
WEST BLOCK NO.-VII
SECTOR-1
R.K. PURAM
NEW DELHI-110066.

3:THE DEPUTY DIRECTOR (DESIGN)

OFFICE OF THE DEVELOPMENT COMMISSIONER (HANDICRAFT)
GOVT. OF INDIA
MINISTRY OF TEXTILES
WEST BLOCK NO.-VII
SECTOR-1
R.K. PURAM
NEW DELHI-110066.

4:THE ASSTT. DIRECTOR (DESIGN)

OFFICE OF THE DEVELOPMENT COMMISSIONER (HANDICRAFT)
GOVT. OF INDIA
MINISTRY OF TEXTILES
WEST BLOCK NO.-VII
SECTOR-1
R.K. PURAM
NEW DELHI-110066.

5:THE PAY AND ACCOUNTS OFFICER

CENTRAL PAY AND ACCOUNTS OFFICER
OFFICE OF THE DEVELOPMENT COMMISSIONER (HANDICRAFT)
GOVT. OF INDIA
MINISTRY OF TEXTILES
WEST BLOCK NO.-VII
SECTOR-1
R.K. PURAM
NEW DELHI-110066.

6:THE REGIONAL DIRECTOR (NER)

OFFICE OF THE DEVELOPMENT COMMISSIONER (HANDICRAFT)
NERO
GUWAHATI.

7:THE ASSTT. DIRECTOR (H)

OFFICE OF THE DEVELOPMENT COMMISSIONER (HANDICRAFT)
MARKETING AND SERVICE EXTENSION CENTRE
MINISTRY OF TEXTILE
GOVT. OF INDIA
JORHAT-785001

Advocate for the Petitioner : MR. A D CHOUDHURY,

Advocate for the Respondent : ASSTT.S.G.I., MR. P S BHATTACHARYYA

:::BEFORE:::

HON'BLE MR. JUSTICE N. UNNI KRISHNAN NAIR

For the petitioner : Mr. A.D. Choudhury, Advocate.

For the Respondents : Mr. P.S. Bhattacharyya, Advocate

Date on which Judgment is reserved : 17.07.2026

Date of pronouncement of Judgment : **12.10.2026**

Whether the pronouncement is of the

operative part of the Judgment? : NA

Whether the full Judgment has been

pronounced? : Yes

Judgment & Order (CAV)

Heard Mr. A. D. Choudhury, learned counsel, appearing for the petitioner. Also heard Mr. P.S. Bhattacharyya, learned C.G.C., appearing for the Respondents.

2. The petitioner, by way of instituting the present writ petition, has prayed for a direction upon the respondent authorities for releasing an amount of Rs.4,58,333/- (Rupees Four Lakhs Fifty Eight Thousand Three Hundred Thirty Three), as the reimbursement claim of the Petitioner Society for arranging and conducting a "Integrated Design and Technical Development Project in Embroidery, & Artistic Textiles, Craft", at Singri, Dhekiajuli, Sonitpur, Assam, during the year 2010-11, along with interest at appropriate rate.

3. The Petitioner Society was entrusted to arrange and conduct one "Integrated Design and Technical Development Project in Embroidery, & Artistic Textiles, Craft", at Singri, Dhekiajuli, Sonitpur, Assam, during the year 2010-11. The duration of the said project was for a period of 06 (six) months and the project was to be implemented in collaboration with the Regional Design and Technical Development Centre, Guwahati. The total amount sanctioned for the project, vide an order dated 05-01-2011, was Rs.10,00,000/- (Rupees Ten Lakhs), and an amount of Rs.5,00,000/- (Rupees Five Lakhs), was released to the Society as an advance. The Petitioner Society accepted the advance amount of Rs.5,00,000/- (Rupees Five Lakhs) and proceeded to implement the project.

3.1. It is projected that the Petitioner Society, on completion of the project, had submitted its accounts duly audited by a Chartered Accountant by complying with the financial codal provisions and had claimed reimbursement of the balance amount of Rs.5,00,000/- (Rupess Five Lakhs).

3.2 It is further projected that the present Secretary of the Society was not the Secretary when the project was so sanctioned to it and he was an empanelled designer in the Office of the Development Commissioner, (Handicrafts), Government Of India, Ministry Of Textile. However, the Committee of the Society resigning on 08-09-2011, and the project being

required to be completed by 30-09-2011, the Society not being in a position to select a new Designer, the present Secretary acted both as the Secretary of the Society and a Designer for the project.

3.3. It is projected that although in terms of the order dated 05-01-2011, the Designer was to be engaged from the empanelled list of designers of the Office of the Development Commissioner, (Handicrafts), Government Of India, considering the necessity of the conclusion of the project within the period, for which it was so sanctioned, the present Secretary of the Society had also acted as the Designer of the project, inasmuch as, he was qualified for the same. It is further projected by the petitioner that the Assistant Director, Office of the Development Commissioner (Handicrafts), Marketing & Service Extension Centre, Jorhat, vide a communication dated 18-01-2013, had required the Regional Director, NER, Office of the Development Commissioner (Handicrafts), Guwahati, to deduct the designer fee for a month. The project being completed and the accounts being submitted in the matter by the Petitioner Society, the Office of the Development Commissioner (Handicrafts), Government Of India, proceeded to sanction an amount of Rs. 2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty) to the Society vide a communication dated 28-02-2013 as the balance reimbursement for the project. The petitioner thereafter, took up the matter for being authorized

the balance of the project cost i.e. Rs.5,00,000/- (Rupess Five Lakhs), after deducting fee for the designer for a month. The same having not been authorized, the petitioner has instituted the present petition.

4. Mr. A. D. Choudhury, learned counsel, appearing for the petitioner, by reiterating the facts noticed, hereinabove, has submitted that the project was completed by the Petitioner Society in accordance with the terms and conditions as set out while sanctioning the said project to the Petitioner Society. He submits that no objection was taken up by the respondent authorities with regard to the manner in which the project was being implemented by the Petitioner Soceity. However, after submission of the duly audited accounts by the Petitioner Society, the respondent authorities had raised untenable claims and deducted amounts from the balance project cost, due to the Petitioner Society, in terms of the order dated 05-01-2011. He submits that the designer fee was deducted for the whole period of the project although the present Secretary had functioned as the Designer of the project only for a period of less than 01 (one) month and the respondent authorities had already decided to deduct the Designer fee from the cost of the project only for a month.

4.1. The learned counsel for the petitioner further submits that the projections made by the respondent authorities that there was high pricing of the prototypes, is clearly not permissible, inasmuch as, the cost of the

prototype was set out in the order dated 05-01-2011 to be Rs.2,00,000/- (Rupees Two Lakh), while the actual cost incurred by the Petitioner Society for the same was Rs.2,05,050/- (Rupees Two Lakhs Five Thousand Fifty). Accordingly, he submits that the expenditure incurred by the Petitioner Society for the prototypes above the sanctioned amount of Rs.2,00,000/- (Rupees Two Lakhs only), would not be required to be reimbursed by the respondent authorities. However, the cost of the prototype as fixed in the order dated 05-01-2011, would be required to be authorized to them.

5. Per contra, Mr. P.S. Bhattacharyya, learned C.G.C., appearing for the Respondents, has submitted that the Petitioner Society having violated the condition set out in the order dated 05-01-2011, for execution of the project sanctioned to it, more particularly the condition that the designer shall be engaged from the empanelled list of Designers of the Office of the Development Commissioner (Handicrafts), Government Of India, the respondent authorities had proceeded to deduct the designer fee amounting to Rs.2,50,000/- (Rupees Two Lakhs Fifty Thousand) for the entire project period along with the marked up amount for wastage of raw materials and also the cost of the prototype. He further submits that an amount of Rs.2,96,340/- (Rupees Two Lakhs Ninety Six Thousand Three Hundred Forty) was worked out to be deducted from the balance amount of the project cost of Rs.5,00,000/- (Rupees Five Lakhs). Accordingly, he

submits that the amount of Rs.2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty) was authorized for payment to the Petitioner Society vide a communication dated 20-08-2013. He submits that the claim of the petitioner for being reimbursed for an amount of Rs.5,00,000/- (Rupees Five Lakhs) and/or Rs.4,58,333/- (Rupees Four Lakhs Fifty Eight Thousand Three Hundred Thirty Three), after deducting the cost of designer's fee for a period of 01 (one) month, would not mandate a consideration by the Court, inasmuch as, the same is disputed by the respondent authorities.

6. I have heard the learned counsel for the parties and perused the materials available on record.

7. The petitioner society was awarded a project vide communication dated 05-01-2011 and the total cost of the project was fixed at Rs.10,0000/- (Rupees Ten Lakhs). An amount of Rs.5,00,000/- (Rupees Five Lakhs) was released to the Petitioner Society, as advance which was duly received by the Petitioner Society. The Petitioner Society, thereafter, completed the project and submitted its accounts in the matter along with a claim for being paid the remaining amount of the balance cost of the project i.e., Rs.5,00,000/- (Rupees Five Lakhs). On a processing made, the respondent authorities having noticed that the present Secretary of the society had also functioned as the Designer of the Society, it was

concluded that the same was impermissible in accordance with the terms and conditions set out in the order dated 05-01-2011, for award of the project, wherein, it has been specified that the designer should be one who is engaged from the empanelled list of Designers of the Office of the Development Commissioner (Handicrafts), Government of India.

8. This Court notices that a recommendation was made by the Assistant Director, Office of the Development Commissioner (Handicrafts), Marketing and Service Extension Centre, Jorhat, vide a communication dated 18-01-2013, to deduct the designer fee for a month. However, it is seen that the respondent authorities had deducted an amount of Rs. 2,50,000 (Rupees Two Lakhs Fifty Thousand) as Designer fee (including (TA/DA) for the entire project period. Further, an amount of Rs.46,340/- (Rupees Forty Six Three Hundred Forty) was decided to be deducted on the ground that the price fixed for each of the prototypes was found to be on the higher side considering the products and the cost of the raw material. Accordingly, an amount of Rs.2,96,340/- (Rupees Two Lakhs Ninety Six Thousand Three Hundred Forty) was decided to be withheld from the balance amount of Rs.5,00,000/- (Rupees Five Lakhs) of the project cost which was required to be paid to the Petitioner Society on completion of the project, in question.

9. This Court further notices that an amount of Rs.2,03660/-

(Rupees Two Lakhs Three Thousand Six Hundred Sixty) was worked out as the balance amount to be paid to the Petitioner Society for the project, in question, in addition to the amount of Rs. 5,00,000/- (Rupees Five Lakhs) paid to it earlier as an advance. The said amount was sanctioned vide a communication dated 28.02.2013. However, the said amount was not released to the Petitioner Society. This Court on noticing the said position and the fact that an amount of Rs. 2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), was admitted to be receivable by the Petitioner Society against the cost of the project, in question, proceeded vide order dated 27.06.2024, passed in the present writ petition, to direct the respondent authorities to release to the Petitioner Society the said amount of Rs. 2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), for which a pre-receipt was already submitted by the Petitioner Society. However, this Court, vide the said order dated 27.06.2024, had not specified as to the date from which the interest applied at the rate of 9% per annum was to be so computed.

10. Accordingly, the Petitioner Society had filed an Interlocutory Application being I.A.(C).No.2617/2024, praying for specification of the date from which the said interest amount would accrue to the petitioner with regard to the admitted amount of Rs. 2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty). This Court, accordingly, vide order

dated 02.09.2024, disposed of the said Interlocutory Application being I.A. (C).No.2617/2024, directing that the interest @ 9% on the amount of Rs. 2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), would be payable to the Petitioner Society w.e.f., the date the said amount was sanctioned for payment to the Petitioner Society i.e., w.e.f., 28.02.2013.

11. Being aggrieved, the respondents have filed a review petition being Review Petition No.80/2025, against the orders dated 27.06.2024 passed in the present writ petition as well as the order dated 02.09.2024 passed in the Interlocutory Application being I.A.(C).No.2617/2024.

12. This Court on consideration of the matter proceeded vide order dated 27.04.2026, to dismiss the said Review Petition affirming the order dated 27.06.2024, passed in the present proceeding as well as the order dated 02.09.2024 passed in I.A.(C).No.2617/2024.

13. From the materials coming on record, it is seen that the amount of Rs. 2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), was released to the Petitioner Society only on 18.07.2024. However, the interest accruing on account of the delay in authorizing the said amount to the Petitioner Society has not been paid till date.

14. In view of the above position, this Court reiterates its order dated 02.09.2024 passed in I.A.(C).No.2617/2024, directing for payment of interest @ 9% per annum, on the said amount of Rs. 2,03,660/- (Rupees

Two Lakhs Three Thousand Six Hundred Sixty), w.e.f., 28.02.2013, till the date of release of the said amount, which would now be required to be computed till 18.07.2024.

15. The petitioner in the present writ petition has claimed that out of the balance amount of Rs.5,00,000/- (Rupees Five Lakhs) receivable by the petitioner society as the project cost, after deducting an amount of Rs. 41,667/- (Rupees Forty One Thousand Six Hundred Sixty Seven) as designer fee for a period of 01 (one) month, in view of the fact that the Secretary of the Society had also functioned during the said period as the Designer of the Society, the respondent authorities be directed to release to the Petitioner Society the balance amount of Rs.4,58,333/- (Rupees Four Lakhs Fifty Eight Thousand Three Hundred Thirty Three).

16. This Court finds that the amount claimed by the petitioner above Rs.2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), as already released to the Petitioner Society, as the balance of the cost of the project, on 18.07.2024, is disputed. The respondent authorities in the affidavit filed in the matter have not admitted to any amount over and above Rs. 2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), as the due reimbursement receivable by the Petitioner Society against the project, in question, over and above Rs.5,00,000/- (Rupees Five Lakhs) already released to it. The claim of the petitioner for being

authorized an amount over and above Rs.2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), against the balance of the project cost of Rs.5,00,000/- (Rupees Five Lakhs) not being admitted to by the respondent authorities, this Court in exercise of its writ jurisdiction would not be in a position to issue any direction to the respondent authorities for release of any further amount over and above the admitted amount of Rs.2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty).

17. Accordingly, the claim of the petitioner in the present writ petition for being reimbursed with the balance of the project cost, over and above Rs.2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), would stand rejected. However, the petitioner is at liberty to approach the competent court of civil jurisdiction for release of the said amount along with due interest.

18. In the event of the Petitioner Society instituting proceedings for realization of the balance amount of Rs.2,96,340/- (Rupees Two Lakhs Ninety Six Thousand Three Hundred Forty) with due interest, before the competent Court of Civil Jurisdiction, a question of delay in instituting such proceedings arises, the Court while considering the issue of delay, shall reckon the fact that the Petitioner Society was bonafidely pursuing its claim in the present proceedings, since the year 2020, before this Court

19. Accordingly, in view of the above discussion, the present writ

petition stands disposed of by directing the respondent authorities to authorize to the petitioner, the interest component with regard to the admitted amount of Rs.2,03,660/- (Rupees Two Lakhs Three Thousand Six Hundred Sixty), for the period w.e.f., 28.02.2013 till 18.07.2024. The interest component, if not released, be released within a period of 01 (one) month from the date of receipt of a certified copy of this order. The other claims made by the petitioner in the present writ petition would be permissible to be raised by it before the competent Court of Civil Jurisdiction, in terms of the liberty granted, hereinabove.

20. With the above observations and directions, the present petition stands disposed of.

JUDGE

Comparing Assistant

Ranu Boro