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HIGH COURT OF CHHATTISGARH, BILASPUR**Writ Petition (C) No. 1345 of 2015**

M/s. Jagannath Industries, A partnership firm duly registered under the relevant provisions of the Indian Partnership Act, 1932, Station Road, Halvad, Gujarat, through: Its Partner Jignashu M Panchali, S/o Shri Babu Bhai Panchali, aged about 48 years, R/o Halvad, Gujarat.

Through : Its Power of Attorney holder Munish Kumar Shah S/o Omprakash Shah, aged about 46 years, R/o Mahesh Colony, Srinagar Road, Gudhiyari, Raipur, Civil and Revenue District Raipur, Chhattisgarh.

---- **Petitioner****Versus**

1. Chhattisgarh State Civil Supplies Corporation Limited, Hitvad Parisar, Avanti Vihar, Raipur, District Raipur, Chhattisgarh
2. The Managing Director, Chhattisgarh State Civil Supplies Corporation Limited, Hitvad Parisar, Avanti Vihar, Telibandha, Raipur, District Raipur, Chhattisgarh
3. The Manager, Public Distribution System, Chhattisgarh State Civil Supplies Corporation Limited, Hitvad Parisar, Avanti Vihar, Telibandha, Raipur, District Raipur, Chhattisgarh.

---- **Respondents****Writ Petition (C) No. 1350 of 2015**

Ramesh Labh Shankar Shukla S/o Shri Labh Shankar Shukla, aged about 58 years, Proprietor of M/s. Ramesh Salt Traders, Station Road, Halvad, Gujrat, R/o Halvad Gujarat Acting in the premises through: Its Power of Attorney holder Munish Kumar Shah S/o Omprakash Shah, aged about 46 years, R/o Mahesh Colony, Srinagar Road, Gudhiyari, Raipur, Civil and Revenue District Raipur, Chhattisgarh.

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3. The Manager, Public Distribution System, Chhattisgarh State Civil Supplies

Corporation Limited, Hitvad Parisar, Avanti Vihar, Telibandha, Raipur, District Raipur, Chhattisgarh.

---- Respondents

For Petitioner	:	Shri Manoj Paranjpe, Advocate.
For Respondents	:	Shri V.R.Tiwari, Advocate.

Hon'ble Shri Navin Sinha, Chief Justice
Hon'ble Shri P. Sam Koshy, J.

Order on Board

Per Navin Sinha, Chief Justice

04/08/2015

1. In both these writ applications, the facts are identical and similar questions of law arise for consideration. They have therefore been heard together and are being disposed by a common order. Narration of facts and dates will primarily be culled out from Writ Petition (C) No. 1345 of 2015.
2. The Petitioners, in these writ applications, challenge the order dated 1.6.2015 passed by Respondent No. 2 forfeiting security deposit, denying payment of arrears and forfeiture of 1853.056 MT of iodized salt.
3. The relationship between the parties was contractual in nature containing specified terms and conditions with regard to supply of iodized salt and the requirement for iodine content etc.
4. After some argument, considering that disputed question of facts were arising which cannot be adjudicated in a writ petition, Learned Counsel for the Petitioners submits that he does not press the writ applications except to the extent of black-listing ordered by the impugned order, reserving the right to pursue remedies with regard to other issues in Arbitration under Clause 20 of the agreement.
5. If the Petitioners make an application for Arbitration, it is required to be considered by the Respondents on its own merits under the agreement executed between the parties without being prejudiced by our reluctance to entertain these writ applications only for the reason that they involve disputed

question of facts which cannot be decided in a writ application under Article 226 of the Constitution. It cannot be construed as any opinion or observation by us on the merits of the claims of the Petitioners.

6. In so far as the issue of black-listing is concerned, we find that the notice dated 20.3.2015 and 26.3.2015 did not specifically mention why the Petitioner should not be black-listed. There were various options available to the authorities under the terms of the contract. Even the impugned order before black-listing the Petitioner does not contain any discussion of a show cause notice issued with regard to the black-listing and consideration of the cause shown in respect thereof.

7. Learned Counsel for the Petitioners has aptly relied upon (2014) 9 SCC 105 (Gorkha Security Services v. Government (NCT of Delhi) in support of his submissions.

8. Learned Counsel for the Respondents submits that apart from the impugned order, criminal prosecution has also been initiated against the Petitioners with regard to issues under the contract in question.

9. The order dated 1.6.2015 to the extent that it black-lists the Petitioners is therefore set aside but without prejudice to the rights of the Respondents afresh in accordance with law.

10. The writ petitions are allowed only to the extent indicated in the order.

Sd/-
(Navin Sinha)
CHIEF JUSTICE

Sd/-
(P. Sam Koshy)
JUDGE