

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

CWP-8988-2019 (O&M)

Date of decision:- 03.04.2019

M/s Adani Agri Logistics (Barnala) Ltd. and another

...Petitioners

Versus

The State of Punjab and another

...Respondents

CORAM: HON'BLE MR. JUSTICE KRISHNA MURARI, CHIEF JUSTICE
HON'BLE MR. JUSTICE ARUN PALLI

Present:- Mr. Rajiv Atma Ram, Senior Advocate,
with Mr. Rajat Khanna, Advocate,
for the petitioners.

Ms. Rameeza Hakeem, Advocate,
Mr. Sahil Sharma, Advocate,
for the caveator-respondent No. 2.

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KRISHNA MURARI, C.J. (ORAL)

By means of this petition filed under Article 226 of the Constitution of India, the petitioners have challenged the legality and validity of the notice dated 11.05.2018 and order dated 05.09.2018 terminating the contract.

2. Admittedly, there exists a 'Disputes Resolution Mechanism'. Under Clause 42.2 thereof, there is a provision for conciliation between the parties. The said clause reads as under:-

"42.2 Conciliation

In the event of any Dispute between the parties, either Party may call upon the Independent Expert to mediate and assist the parties in arriving at an amicable settlement thereof. Failing mediation by the Independent Expert or without the intervention of the Independent Expert, either Party may require such Dispute to be referred to

the Managing Director of the Authority and the Chairman of the Board of Directors of the Concessionaire for amicable settlement, and upon such reference, the said persons shall meet no later than 7 (seven) days from the date of reference to discuss and attempt to amicably resolve the Dispute. If such meeting does not take place within the 7 (seven) day period or the Dispute is not amicably settled within 15 (fifteen) days of the meeting or the Dispute is not resolved as evidenced by the signing of written terms of settlement within 30 (thirty) days of the notice in writing referred to in Clause 42.1.1 or such longer period as may be mutually agreed by the parties, either Party may refer the Dispute to arbitration in accordance with the provisions of Clause 42.3."

3. Admittedly, in the case in hand, the contract between the parties stands cancelled vide order dated 05.09.2018 and there exists a dispute between the parties.

4. Learned counsel for respondent No. 2 states that the respondents' authorities are still open for conciliation between the parties in accordance with the later part of Clause 42.2 of the contract which provides a conciliation between the Managing Director of the Authority and the Chairman of the Board of Directors of the Concessionaire for amicable settlement of the dispute and the said clause also prescribes a procedure to be followed for initiating the conciliation proceedings.

5. Learned senior counsel for the petitioners also does not object to submitting to the conciliation proceedings.

6. In such view of the matter, we dispose of the petition by providing that both the parties may invoke the procedure prescribed under Clause 42.2 of the contract for conciliation between the parties. On the petitioners invoking

the provisions of conciliation proceedings under Clause 42.2, the respondent company shall be under an obligation to adhere to the procedure envisaged therein.

7. With the aforesaid observations and directions, the petition stands finally disposed of.

(KRISHNA MURARI)
CHIEF JUSTICE

(ARUN PALLI)
JUDGE

03.04.2019
Anodh

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No