

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

CWP-1155-2023

Date of decision: 20.01.2023

Future Gaming and Hotel Services Private Ltd.

... Petitioner

Versus

State of Punjab and another

... Respondents

**CORAM: HON'BLE MR. JUSTICE RAVI SHANKER JHA,
CHIEF JUSTICE
HON'BLE MR. JUSTICE ARUN PALLI**

Present: Mr. Amit Jhanji, Senior Advocate, with
Mr. Shobit Phutela, Advocate, for the petitioner.
Mr. Avinit Avasthi, Asstt. Advocate General, Punjab.

RAVI SHANKER JHA, C.J. (Oral)

The petition has been filed by the petitioner being aggrieved by order dated 05.01.2023 (P-17), vide which the petitioner has been given a notice of termination in terms of Clause 11.1 of the Distributorship Agreement, dated 06.12.2021. Though petitioner has raised several issues but in reference to Clause 11.1 itself, which provides for an opportunity of hearing to the distributor in all cases where the authority decides to terminate the contract for reasons other than those that are mentioned in Clause 11.1:

“11.1 The Government reserves the right to terminate the above agreement by giving a 60 (Sixty) days’ notice in writing to the Distributor, for any failure of performance or violation or breach of any of the terms and conditions of the agreement or any Default i.e.

- (i) Non-payment of sale proceeds for 60 Days or as decided by the Director, Punjab State Lotteries.***
- (ii) Any fraudulent practice exercised by the Distributor in paying the variable prize below the amount as per the Scheme on the part of the Distributor.***

OR

For any other reasons as decided by the Government after giving an opportunity of being heard”

it is urged that the petitioner was neither issued any show cause notice nor afforded any opportunity of hearing before taking a decision if the agreement was required to be terminated or not.

Learned Assistant Advocate General, Punjab, appearing on advance copy, and on the instructions of Sh. Ajay Kumar Sinha, Principal Secretary, Department of Finance, Punjab, submits that the respondent-authority shall not act upon the order passed by them, and shall give a notice to the petitioner in terms of Clause 11.1 of the Distributorship Agreement, affording an opportunity of hearing, before taking a decision regarding termination of the agreement.

In view of the aforesaid statement of learned State counsel, and in terms thereof, the petition is disposed of. It is made clear that the authority, as stated before this Court, shall not act upon and treat as *nonest* the impugned termination notice. And shall decide the matter after giving due notice and affording an opportunity of hearing to the petitioner, and take a decision in the matter in accordance with law.

It is also made clear that this Court has not expressed any opinion on the merits of the case, therefore, the authority would be at liberty to decide the matter taking all facts and facets into consideration, expeditiously.

(Ravi Shanker Jha)
Chief Justice

(Arun Palli)
Judge

20.01.2023
Rajan

Whether speaking / reasoned:
Whether Reportable:

YES/NO
YES/NO