

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

**CWP No.11971 of 2023 (O&M)
Date of Decision :30.05.2023**

The Ballamgarh Co-op L&C Society Ltd. Village Lakhmipur

.....Petitioner

Versus

Punjab State Power Corporation Limited Patiala and others

..... Respondents

**CORAM: HON'BLE MR.JUSTICE ARUN PALLI, JUDGE
HON'BLE MR.JUSTICE MAHABIR SINGH SINDHU, JUDGE**

**Present : Mr. H.K.Brinda, Advocate for the petitioner.
Mr. Himanshu Arora, Advocate, for the respondents.**

ARUN PALLI, J. (Oral):

The petitioner herein prays for a certiorari to quash the memo dated 31.03.2023, whereby the work as regards extension of SHB at 66 KV S/Stn. Mullanpur Garibdas, awarded to it has since been cancelled. And, the earnest money deposited by the petitioner stands forfeited and it has also been blacklisted for a period of three years.

Learned counsel for the petitioner asserts that in terms of the contract and clause-5 of the letter of allotment the authorities were obliged to provide cement to the petitioner for timely execution of the project. However, he submits that as respondents failed to deliver the requisite material in time, the work assigned to the petitioner could not even be initiated. He submits that apparently the rescission of contract and forfeiture of the earnest money is in breach of clause 3.21(a) of the tender document. Further, the petitioner has been blacklisted for a period of three years without issuance of any show cause notice or affording it an opportunity of hearing. Therefore, he asserts that the order blacklisting the petitioner is

palpably erroneous and cannot be sustained in view of the decisions of the Supreme Court in **Gorkha Security Services Vs. Government (NCT of Delhi) and others, (2014) 9 Supreme Court Cases 105, Vetindia Pharmaceuticals Limited Vs. State of Uttar Pradesh and another, (2021) 1 Supreme Court Cases 804 and Kulja Industries Limited Versus Chief Gen. Manager Western Telecom Project BSNL and others, (2014) 14 SCC 731.**

Upon being served with an advance copy of the petition, Mr. Himanshu Arora, Advocate, for the respondents, is present in Court. He submits that the work assigned to the petitioner was required to be executed within 8 months from the date of issuance of letter of allotment dated 05.05.2022. For, the petitioner even failed to commission the assigned work, he was served with repeated notices, but to no avail. Thus, he submits that the authorities being choice-less cancelled the contract and as a consequence the earnest money deposited by the petitioner was forfeited and it was blacklisted because of its conduct. At any rate, in reference to clause 3.19 of the tender documents, he submits that the petitioner can still invoke the dispute resolution clause for redressal of its grievance. And, in case, conciliation proceedings fail, for any reason, he would still have the option to initiate the arbitration proceedings, in terms of the tender conditions. He submits that let the petition be disposed of, in the first instance, to enable the parties to avail the remedy, in terms of clause 3.19 (ibid). And, in the event, the necessary application is moved by the petitioner, in this regard, appropriate orders, in accordance with law, shall be passed, within a period of four weeks from today.

In response, learned counsel for the petitioner submits that the

petitioner would move the required application, in terms of clause 3.19 (ibid), within a week. For, the petitioner suffers from an order of blacklisting, time is the essence of the situation. Thus, he submits that the respondents be bound down by their statement to conclude the conciliation proceedings, in terms of the statement of learned counsel for the respondents.

In the wake of the above, the petition is disposed off, in terms of the statement made by learned counsel for the parties. The matter being time sensitive, this Court is sanguine that in case, the petitioner invokes the dispute resolution clause (3.19), the authorities shall deal with its concern/grievance, and pass appropriate orders, strictly in accordance with law, positively, on or before 27.06.2023.

(ARUN PALLI)
JUDGE

(MAHABIR SINGH SINDHU)
JUDGE

30.05.2023
Manoj Bhutani

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