

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.3959 of 2024

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SL Rathour Hotels Private Ltd. through its Proprietor namely Santosh Kumar (Male aged about 48 years), son of Sri Suresh Prasad Singh, residence of House No. 10 Moti Mahal Khagri Road Digha, P.S. Danapur, District-Patna.

... .. Petitioner/s

Versus

1. Bihar State Tourism Development Corporation Ltd. through its Managing Director having its office at Beerchand Patel Path, Patna.
2. Managing Director, Bihar State Tourism Development Corporation Ltd., Beerchand Patel Path, Patna.
3. Additional General Manager, Bihar State Tourism Development Corporation Ltd., Beerchand Patel Path, Patna.
4. The Manager Hostel & Lodge, Bihar State Tourism Development Corporation Ltd. Patna.

... .. Respondent/s

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Appearance :

For the Petitioner/s : Mr. Diwakar Prasad Singh, Advocate
For the Respondent/s : Ms. Anukriti Jaipuriyar, Advocate

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CORAM: HONOURABLE THE CHIEF JUSTICE
and
HONOURABLE MR. JUSTICE HARISH KUMAR
ORAL JUDGMENT
(Per: HONOURABLE THE CHIEF JUSTICE)

Date : 04-03-2024

The petitioner is aggrieved with the fact that despite the petitioner having been awarded a contract for operation and management of a hotel for a period of five years, the contract was terminated, which dispute is now pending before arbitration, but however, the respondents have now issued an NIT, as evident from Annexure-10 for fresh tender for operation and management of the hotel.

2. The petitioner has raised an arbitration dispute and



the following are the terms referred for arbitration, as is found from Annexure-7/1:-

- “(i) Whether the impugned order of termination of Contract, as contained in Memo No. 2445/22 dated 09.12.2022 is not proper and erroneous?*
- (ii) Whether the claimant is entitled to claim of Rs. 31,26,082/- along with cost.*
- (iii) Whether terms and conditions mentioned in NIT is binding on the parties and whether the agreement has to be executed on the basis of terms and conditions mentioned in NIT.*
- (iv) Whether the claimant has breached the Terms of Contract by defaulting in the payment of License Fee of Hotel Yatrika Areraj, East Champaran?*
- (v) Whether the Respondent Corporation is justified on levying penalty interest @ 2.5% on the due License fee as per Clause 4 of the Agreement or not?*
- (vi) Whether the claimant ought to have vacated the demise premises after the termination of contract?”*

3. We are of the opinion that there is absolutely no infirmity in the respondent-authority proceeding for a fresh tender. The petitioner admittedly was issued with a licence on 02.03.2020 and the licence stood terminated on 09.12.2022.

4. It is submitted by the learned Standing Counsel for the Corporation that the termination was on account of non-payment of Licence Fee.

5. We do not find any reason to stay the fresh NIT



issued merely for reason of an arbitration proceeding pending. The property cannot remain idle and the pending arbitration would decide whether the termination was proper, and if found to be improper, definitely the petitioner would only be entitled to damages and not for reinstatement in the property. In such circumstances, we find absolutely no reason to entertain the writ petition. However, we make it clear that this judgment would not, in any manner, regulate the arbitration proceedings, since the observations made herein are merely *prima facie* and intended at declining discretion.

6. The writ petition stands dismissed.

(K. Vinod Chandran, CJ)

(Harish Kumar, J)

P.K.P./-

AFR/NAFR	
CAV DATE	
Uploading Date	05.03.2024
Transmission Date	

