



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

**CWP-14764-2024 (O&M)
Date of Decision: 27.09.2024**

M/s Telecon Systems Limited

....Petitioner

Versus

Bhakra Beas Management Board and Another

....Respondents

**CORAM: HON'BLE MR. JUSTICE ARUN PALLI
HON'BLE MR. JUSTICE VIKRAM AGGARWAL**

Present: Mr. Sunil Chadda, Senior Advocate with
Ms. Devyani Sharma, Advocate and
Ms. Vridhi Sharma, Advocate for the petitioner.

Mr. Sachin Mittal, Advocate and
Mr. Parth Sharma, Advocate for the respondents.

VIKRAM AGGARWAL, J.

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Prayer in the present application preferred under Section 151 CPC is for placing on record the written statement on behalf of the respondents and for exemption from filing the typed copies of annexures.

For the reasons mentioned in the application, the same is allowed as prayed for. The written statement on behalf of the respondents is taken on record.

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1. The petitioner prays for the issuance of a writ of certiorari quashing the order dated 27.05.2024 (Annexure P-11) vide which the work allotted to the petitioner for “Purchasing, Testing, Designing, Erection and Commissioning of Emergency Warning System at Beas Dam Site” was cancelled and the order dated 11.06.2024 (Annexure P-14) vide which the petitioner-company was blacklisted for a period of 03 years without issuance of any show cause notice.

2. Pursuant to a Notice Inviting Tender (NIT) issued by Bhakra Beas Management Board (for short ‘BBMB’) for “Purchasing, Testing, Designing,



Erection and Commissioning of Emergency Warning System at Beas Dam Site”, the petitioner submitted its bid. It emerged as the successful bidder and work was allotted to the petitioner after which an agreement dated 06.03.2024 (Annexure P-3) was also executed between the parties.

3. The work started and the petitioner started supply of material at the site. However, BBMB was not satisfied with the work being carried out by the petitioner. According to it, the petitioner had supplied a unidirectional speaker whereas an omni directional speaker was required by the BBMB. Certain communications ensued between the parties and eventually, vide letter dated 27.05.2024 (Annexure P-11), the work was cancelled. Vide order dated 11.06.2024 (Annexure P-14), the petitioner was blacklisted for a period of 3 years.

4. During the course of arguments, learned Senior counsel representing the petitioner submitted that the petitioner does not assail the order of cancellation before this Court and shall avail its remedies in accordance with Clause 13 of the NIT which provides for arbitration and lays down as under:-

“13. ARBITRATION

If at any time, any question, dispute or difference whatsoever, shall arise between the purchaser and the supplier, upon or in relation to or in connection with the contract either party may forthwith give to the other, notice in writing of the existence of such question, dispute or difference and the same shall be referred to award of an Arbitral tribunal, whose decision shall be final and binding on the parties and the provisions of The Arbitration and Conciliation Act, 1996 and of the rules thereunder and any statutory amendment/modification or re-enactment thereof, for the time being in force, shall be deemed to apply to and be incorporated in the contract. Arbitral tribunal shall comprise 'N' No. of Arbitrators where 'N' shall be an odd No. 'N-1/2 No. of Arbitrator shall be appointed by the supplier and the purchaser each and the remaining 1(one) No. Arbitrator shall be appointed by the aforementioned N-1 'Arbitrators who shall act as the Presiding Arbitrator. In case 'N-1,



the sole Arbitrator will be appointed with mutual consent of the Supplier and the Purchaser.

5. Learned Senior counsel further submits that accordingly, the petitioner restricts his claim only against the order of blacklisting which on the face of it is illegal and arbitrary for no show cause notice was issued prior to issuance of the same.

6. On a specific query put to learned counsel representing BBMB as to how an order of black listing could have been passed without the issuance of any show cause notice and without affording an opportunity of hearing to the petitioner, he fairly submits that the order is indefensible and that the under the circumstances, BBMB will reconsider the matter and take a fresh decision as regards blacklisting in accordance with law after issuing a show cause notice to the petitioner and affording it an opportunity of hearing in terms of the well settled principles of law. He submits that for the order of blacklisting is indefensible, the same be deemed to have been withdrawn.

7. Learned Senior counsel representing the petitioner is agreeable to the aforesaid course suggested by learned counsel representing BBMB and submits that the writ petition be disposed of in terms of the statements made by learned counsel representing the BBMB.

8. The writ petition is accordingly ***disposed of*** in terms of the statements made by learned counsel for the parties binding them to the same. This Court is sanguine that the authority concerned shall deal with the matter in accordance with law after complying with the principles of natural justice.

9. Needless to assert that this order shall not constitute an expression of opinion on the merits of the case of either party, for, as indicated above, the



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authority concerned shall examine the concerns/grievances of the petitioner, strictly in accordance with law.

All pending miscellaneous application(s) shall be disposed of accordingly.

(ARUN PALLI)
JUDGE

(VIKRAM AGGARWAL)
JUDGE

27.09.2024
Prince Chawla

Whether speaking/reasoned :	Yes/No.
Whether reportable :	Yes/No.