

OCD 24

IN THE HIGH COURT AT CALCUTTA
ORIGINAL SIDE
(COMMERCIAL DIVISION)

AP-COM/410/2025

IRC NATURAL RESOURCES PRIVATE LIMITED
VS
WEST BENGAL MINERAL DEVELOPMENT & TRADING
CORPORATION LIMITED

BEFORE:

The Hon'ble JUSTICE SHAMPA SARKAR

Date : 19^h May, 2025

Appearance:
Mr. Subhasish Sengupta, Adv.
Ms. Sananda Ganguli, Adv.
... for petitioner

Mr. Sanjay Saha, Adv.
....for respondent.

1. The Court :- This is an application under Section 9 of the Arbitration & Conciliation Act, 1996 for an injunction upon the respondents and its employees, staffs, servants and/or assigns from giving effect or further effect to the demand letters dated April 17, 2023 and August 2, 2024.
2. This Court finds from the document annexed to the application that pursuant to the demand letter dated April 17, 2023, a meeting was held between the parties and the petitioner was asked by the respondent to provide a mining plan for a period of five years.
3. Parties sat together to resolve the dispute. Due to the petitioner's inability to get free access over the areas where the

mining was to be conducted, the respondent asked the petitioner to revise the area leased for such mining purpose. According to the petitioner, such revision was not possible, as the lease had been granted by the Government of West Bengal and the Central Government also has a role to play.

4. The respondent, once again, issued a notice on August 2, 2024 inter alia, asking the petitioner to show-cause as to why penal charges would not be levied on account of the shortfall in the quantity of black stone that was mined. The petitioner had failed to achieve the minimum guaranteed production. Hence, the show cause notice was issued.
5. In my opinion, the respondent is entitled to issue such notice under the contract. The petitioner is under an obligation to answer to such notice. The records also reveal that the parties were in the process of discussing the problems. However, the respondent is yet to take any final decision on the answer given by the petitioner to the show-cause notice issued on August 2, 2024.
6. It does not appear from the records that, apart from proposing to deduct the amount of penalty from the performance guarantee, any other coercive measure had been recommended against the petitioner.
7. There is yet no threat of termination.
8. Under such circumstances, the Court is of the view that the petitioner will be sufficiently protected if the respondent is

restrained from terminating the contract. Accordingly, the contract will not be terminated for a period of 90 days from date. In view of the fact that discussions and deliberations were going on and the respondent had been apprised of the difficulties faced by the petitioner, such order is being passed. However, the respondent is free to take all other steps that are permissible in law and under the contract.

9. The petitioner will proceed for arbitration in the meantime.

Further orders may be prayed for before the learned Arbitrator.

10. This matter is thus disposed of.

(SHAMPA SARKAR, J.)