



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

(142)

CWP-575-2025

Date of Decision: 14.01.2025

M/s Aalaya Engineering Project Pvt. Ltd.

....Petitioner

Versus

Union of India and others

....Respondents

**CORAM: HON'BLE MR. JUSTICE SURESHWAR THAKUR
HON'BLE MR. JUSTICE VIKAS SURI**

Present: Mr. Prateek Gupta, Advocate for the petitioner.

Mr. Himanshu Malik, Senior Panel Counsel, for respondent
No.1./UOI.

Mr. Ankur Mittal, Additional Advocate General, Haryana
Mr. P.P. Chahar, Senior DAG, Haryana and
Mr. Saurabh Mago, DAG, Haryana.

SURESHWAR THAKUR, J. (Oral)

1. Since a dispute has emerged amongst the contesting litigants with respect to the ongoing works which, however, has not led to termination of the contract. Therefore, in terms of the Dispute Redressal System created under Clause 24 of Annexure P-3, clause whereof is extracted hereinafter, the competent authority, which has been stated at the bar by the learned Additional Advocate General, Haryana to be District Collector, thus, is directed to entertain the said dispute and also to most expeditiously and lawfully decide the same:-

“24. Dispute Redressal System:

If any dispute or difference of any kind whatsoever shall arise in connection with or arising out of this contract or the execution of Works or maintenance of the Works there under, whether before its commencement or during the progress of



Works or after the termination, abandonment or breach of the contract, it shall, in the first instance, be referred for settlement to the competent authority. described along with their powers in the contract data. The competent authority shall, within a period of forty-five days after being requested in writing by the Contractor to do so, convey his decision to the Contractor. Such decision in respect of every matter so referred shall, subject to review as hereinafter provided, be final and binding upon the Contractor. In case the Works is already in progress, the Contractor shall proceed with the execution of the works, including maintenance thereof, pending receipt of the decision of the competent authority as aforesaid, with all due diligence.

Either party will have the right of appeal, against the decision of competent authority to Standing Empowered Committee within a period of 28 days from decision of the competent authority.

The composition of the Empowered Standing Committee will be:

- a) One official member, Chairman of the Standing Empowered Committee, i.e.Chief Executive Officer, Karnal Smart City Ltd..
- b) One official member not below the rank of Chief Engineer:
and
- c) One non-official member who will be technical expert of Chief Engineer's level selected by the Contractor from a panel of three given to him by the Employer.

The contractor and the Employer will be entitled to present their case in writing duly supported by documents. If so requested, the Standing Empowered Committee may allow one opportunity to the Contractor and the Employer for oral arguments for a specified period. The Empowered Committee shall give its decision within a period of ninety days from the date of appeal, filing which the contractor can approach the appropriate court for the resolution of the dispute.

The decision of the Standing Empowered Committee will be binding on the Employer for payment of claims up to five



percent of the Initial Contract Price. The Contractor can accept and receive payment after signing as "in full and final settlement of all claims". If he does not accept the decision, he is not barred from approaching the courts. Similarly, if the Employer does not accept the decision of the Standing Empowered Committee above the limit of five percent of the Initial Contract Price, he will be free to approach of courts applicable under the law.”

2. The District Collector concerned, who is the empowered competent authority, is also directed to decide the issue relating to the validity or invalidity of the termination of the contract.
3. Till a decision is made by the competent authority, thereupto the bank guarantee filed by the present petitioner before the competent authority shall not be invoked nor shall become encashed.
4. Disposed of accordingly.

(SURESHWAR THAKUR)
JUDGE

JANUARY 14, 2025
d.gulati

(VIKAS SURI)
JUDGE

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