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WP-10376-2026

IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE

BEFORE

HON'BLE SHRI JUSTICE VIJAY KUMAR SHUKLA

&

HON'BLE SHRI JUSTICE ALOK AWASTHI

ON THE 23rd OF MARCH, 2026

WRIT PETITION No. 10376 of 2026

M/S. PRABHA EXIM PVT. LTD. THROUGH ITS DIRETOR AKASH

Versus

THE STATE OF MADHYA PRADESH AND OTHERS

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Appearance:

Shri Ashok Kumar Garg, Senior Counsel with Shri Bhavya Garg,
counsel for petitioner.

Shri Pradyumna Kibe, counsel for respondent No.1/State on advance
notice.
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ORDER

Per. Justice Vijay Kumar Shukla

The present petition is filed under Article 226 of the Constitution of India being aggrieved by the order dated 17.03.2026 passed by the respondent whereby the contract of the petitioner has been rescinded.

Learned Senior Counsel for the petitioner argued that said order was passed without following the principle of natural justice and the order has been passed arbitrarily as the ground raised by him in reply to the show-cause notice has not been considered.

Per contra, learned counsel for respondent raised a preliminary objection regarding maintainability of the petition on the ground of



availability of alternative remedy of raising dispute under clause 12 of the contract which provides for dispute resolution system. He further submits that order was passed by the competent authority after issuing show-cause notice to the petitioner.

Learned counsel for petitioner submits that there is no absolute bar for this Court to exercise jurisdiction under Article 226 of the Constitution of India even if the contract provides for arbitration clause. In support of his submission, he has placed reliance on the judgment passed by Supreme Court in the case of **Unitech Limited and others VS. Telangana State Industrial Infrastructure, 2021(16) SCC 35**.

After hearing learned counsel for the parties, it is apposite to reproduce clause 12 of the contract, which reads as under :

12. Dispute Resolution System

"12.1 No dispute can be raised except before the Competent Authority as defined in Contract Data in writing giving full description and grounds of dispute. It is clarified that merely recording protest while accepting measurement and/or payment shall not be taken as raising a dispute.

12.2 No dispute can be raised after 45 days of its first occurrence. Any: dispute raised after expiry of 45 days of its first occurrence shall not be entertained and the Employer shall not be liable for claims arising out of such dispute.

12.3 The Competent Authority shall decide the matter within 45 days.

12.4 Appeal against the order of the Competent Authority can be preferred within 30 days to the Appellate Authority as defined in the Contract Data. The Appellate Authority shall decide the dispute within 45 days.

12.5 Appeal against the order of the Appellate Authority can be preferred before the Madhya Pradesh Arbitration Tribunal constituted under Madhya Pradesh Madhyastham Adhikaran Adhiniyam, 1983.

12.6 The Contractor shall have to continue execution of the Works



with due diligence notwithstanding pendency of a dispute before any authority or forum."

Clause 12 provides for alternative and efficacious remedy of raising dispute before the competent authority and thereafter the First Appeal and then a reference to the M.P. Madhyastham Adhikaran Adhiniyam, 1983.

From the facts, it is manifest that the authority who had passed the order was a competent authority. The order was passed after issuing show-cause notice and inviting reply. The other contention raised by counsel for petitioner that respondents have failed to provide documents and site in time, the same is disputed, therefore the same cannot be considered under Article 226 of the Constitution of India. The judgment passed in the case of Unitech(supra) would not apply to the facts of the present case.

We are not oblivious of the legal position that there is no absolute bar for exercising jurisdiction under Article 226 of the Constitution of India despite availability of alternative redressal forum. However, in the facts of the present case we are not inclined to interfere in a contractual matter where remedy of dispute resolution system is provided. In view of aforesaid, the petition is not entertained on the ground of availability of alternate efficacious remedy and same stands dismissed. However, any observation made by us, would not prejudice the points raised by the petitioner, if any, in case the alternative remedy is resorted.

(VIJAY KUMAR SHUKLA)
JUDGE

(ALOK AWASTHI)
JUDGE

