

**IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA****CWP No.12502 of 2025****Decided on: 5th March, 2026**-----
Er. Bhoor Mal Agarwal.....**Petitioner****Versus**H.P. State Agricultural Marketing Board
and others.....**Respondents**
-----**Coram****Ms. Justice Jyotsna Rewal Dua****Whether approved for reporting?¹**For the Petitioner: Mr. Suneet Goel, Senior Advocate
with Mr. Vishwas Kaushal,
Advocate.For the Respondents: Mr. Virender Singh Rathore, Advocate.
-----**Jyotsna Rewal Dua, Judge**

Petitioner seeks quashing of an order dated 08.07.2025 (Annexure P-18) issued by respondent No.2, withdrawing the agreement executed between the petitioner and respondents with respect to his assignment as Consultant.

2. Facts:-

2(i). It is not in dispute that a consultancy agreement for electrical/mechanical works for CA/CS projects was executed on 21.02.2025 (Annexure P-1) between the

¹Whether reporters of print and electronic media may be allowed to see the order? Yes.



petitioner and respondent-State Agricultural Marketing Board. Under the agreement, petitioner's services were hired as Consultant. The agreement was for a period of one year with potential of it being extended in future. The agreement contained following relevant clauses with respect to its termination:-

"7.0 Dispute Resolution

In case Marketing Board is of the opinion that there exists deficiency in services of consultant in an overall review, the Marketing Board shall first approach and report to the Consultant by serving prior notice and thereafter Consultant shall sort out, rectify and take remedial steps on the issue immediately and shall arrange for rectification of the said defect within a reasonable time to the satisfaction of the Marketing Board/Client within the legal and Regulatory framework. However, the Marketing Board shall reserve the right to withdraw and rescind the contract at any time without assigning any reason; in case the services are found defaulted, breach of contract.

7.1. Any dispute, question, claim or difference arising out of or concerning this contract between the parties on contractual obligations, shall be settled through mutual negotiation and parties shall make all endeavors to settle these matters amicably. In case, such amicable settlement is not possible, the parties shall take recourse to the conciliation proceedings for resolving such dispute, question, claim or differences.

(i) Provided; the venue of the conciliation shall be the office of the client at Shimla. The settlement so arrived at, during conciliation, shall be binding on both parties and will not be called in question before any court of law or forum whatsoever.

(ii) No work will however, be stopped in between for want of settlement of any issue. In case any dispute where the Client and the Consultant have not arrived at settlement in that case matter shall be referred to the Chairman of cum-Secretary (Agr.) to the Government of H.P. and his decision shall be final, conclusive and binding on parties.



8.0 Notices:

8.1 Any Notice or communication under this Agreement shall be in writing and shall be sent to the address of the recipient set out below:

(a) In case of Managing Director, HPSAMB
hpmarketingboard@yahoo.co.in, Web: *www.psamb.org*

(b) In case of Sh. Bhoor Mal Agarwal S/o Late Sh. Magan Lal Agarwal, R/o 203, Krishan Kunj, Plot No.14, Sector-7, Dwarka, New Delhi-110075, Senior Consultant, PHM and Cold Chain Projects, New Delhi-110075, (Phone No. +919899789148), Second party, any change in the above particulars shall forthwith be communicated in writing to the other Party.

8.2 Any such Notice may be delivered personally or be sent by registered post A/D or facsimile transmission or digital communications, shall be deemed to have been duly sent and served if personally delivered, when delivered; If registered AD, on dispatch thereof, and if by facsimile transmission when dispatched and electronically generated confirmation receipt is received by the sender.

10.0. Termination:

This agreement may be terminated by either of the party, by giving advance notice of termination to the other party (the "defaulting party"), provided:-

If the defaulted party has committed a material breach of any terms of this agreement and has failed to take remedial steps to such breach within 15 days after being served with the notice from the other aggrieved party to do so;

Or

If the defaulting party repeatedly commits the same breach or violation of any of the terms and conditions of this agreement in that eventuality this contract may be terminated without any further notice.

Or

If the defaulting party shall cease to carry on its business or substantially the whole of its business.

Or

If there is a significant and substantial adverse change in any applicable law in its generality.

Or

Either of the parties willing to withdraw/leave of the assignment by giving advance notice of 15 days."



2(ii). The documents on record give the impression that the respondent-Board was not satisfied with the working of the petitioner. It issued an order on 08.07.2025 (Annexure P-18), invoking provisions of Clause 10 (extracted above) of the agreement for withdrawing the same and thereby terminating petitioner's engagement as Consultant under the agreement. Portion relevant to the context from the order dated 08.07.2025 goes as under:-

“Whereas since after the lapse of valuable time period of four months you have failed to deliver/execute your assignment as consultant as per terms and conditions of the agreement and expectations of the HPSAMB, and with prior approval of the competent authority, the undersigned invoking the provisions of clause 10 of the agreement, the offer issued vide this office letter No.HMB-(F)10-10/2024-Consultancy-6622 dated 22.02.2025 is hereby withdrawn with immediate effect forthwith.”

2(iii). Feeling aggrieved against termination of his consultancy agreement, petitioner instituted this writ petition. Vide interim order passed in this petition on 01.08.2025, operation of the impugned order dated 08.07.2025 was stayed. It is an admitted position that during the pendency of this writ petition, term of the agreement has lapsed.

Learned Senior Counsel for the petitioner projected that in view of issuance of the impugned order,



terminating petitioner's consultancy, petitioner is not in a position to apply afresh with the respondents or elsewhere as the stigmatic termination order is coming in his way.

3. Heard learned counsel for the parties and considered the case file.

4. The impugned order has been issued by the respondents under specific provisions of Clause 10 of the agreement dated 21/22.02.2025 (Annexure P-1). A perusal of Clause 10 of the agreement (extracted above) makes it evident that the agreement can be terminated by either of the party by giving **advance notice of termination** to the defaulting party. Admittedly, the respondents did not issue any advance notice of termination to the petitioner. Straightway, order of termination was issued on 08.07.2025. Certainly, the impugned order is not in consonance with Clause 10 of the agreement, under which it has purportedly been issued.

The respondents in their reply, besides giving reasons and justification for terminating petitioner's consultancy agreement, which are not required to be gone into for adjudication of the present case, have defended their action of straightway issuing the termination order by relying upon Clause 7.0 of the agreement. Firstly, it needs



to be noticed that the termination order has been issued specifically invoking Clause 10 of the agreement and not Clause 7. Therefore, the respondents cannot make out a new case in the reply, which is not apparent from the reading of impugned order. Secondly, even otherwise, Clause 7 (extracted above) also speaks that in case of any deficiency in services of Consultant, a prior notice is to be served upon him to enable him to sort out, rectify and take remedial steps on the issues concerned. It is thereafter that the Marketing Board has been reserved the right to withdraw and rescind the contract at any time without assigning any reason in case services are found defaulted or in breach of contract.

In the instant case, as noticed earlier, prior notice in the manner contemplated under Clause 8 of the agreement has not been served upon the petitioner.

There is practically no dispute between the parties on facts vis-à-vis the aforesaid issue raised in the writ petition.

5. In view of above, the impugned order cannot be sustained. Accordingly, this writ petition is allowed. Impugned order dated 08.07.2025 (Annexure P-18) is quashed and set aside.



Pending miscellaneous application(s), if any,
also stand disposed of.

March 05, 2026
Mukesh

Jyotsna Rewal Dua
Judge