

Hari Prakash Gupta

Vs

Bihar State Sugar Corporation Ltd. and Others

Civil Appeal No. 4450 of 1986

(M. M. Dutt, Ranganath Misra JJ)

11.12.1986

ORDER

1. Special leave granted.

2. Mr. Sanghi, learned counsel for the appellant contends that the appellant's tender had been accepted and only after the communication received from the Chief Minister's Secretariat, the same has been ignored and a fresh arrangement with Rameshwara Jute Mills has been entered into. According to him this is contrary to law and respondent 1 which is an instrumentality of the State cannot be allowed to do so. Mr. Sinha, learned counsel for respondent 1, on the other hand points out that Rameshwara Jute Mills is an indigenous concern entitled to preference in the matter of award of such contracts as a matter of policy; that the appellant's tender had been accepted on the footing that he was an authorised supplier of a Calcutta based manufacturer but that status no more exists following termination of agency and that sugar manufacturing season has started and unless the packing bags are available immediately, the corporation would suffer irreparable loss.

3. Having heard counsel, we were satisfied that the appellant had a prima facie case but instead of creating any dead lock we suggested that the contract should be split up in the interests of justice and the appellant should be assigned one-fourth of the contract and Rameshwara Jute Mills with which Respondent 1 has now entered into a contract may supply the remaining 3/4ths of the gunny bags. We are alive to the position that the said mill is not before us but the arrangement indicated above would be more beneficial and commercially prudent. We direct disposal of the matter on agreement between the parties on the following terms :

1. The appellant shall be awarded the contract to supply 1/4th of the requirement of the gunny bags for the current season approximately being two lakh bags. He agrees to reduce his price to Rs. 930 per 100 bags. The same rate is accepted by the new supplier.

2. Respondent 1's arrangement with Rameshwara Jute Mills for the supply of the remainder shall stand.

3. Respondent 1 is free to indicate a revised supply schedule within the scheme disclosed in the tender notice.

4. Parties stand relegated to the position as if there is a valid contract for executing of the contract in respect of supply of gunny bags to the extent of 1/4th of the total quantity covered by the tender.

4. The appeal is disposed of accordingly. There is no order as to costs.

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