

State of Assam and Others

Vs

M/S. Satyanarayan Tea Co. Pvt. Ltd. and Others

Civil Appeal No. 1775 (N) of 1973

(M. P. Thakkar, B. C. Ray JJ)

10.02.1987

JUDGMENT

1. The view taken by the High Court cannot be taken exception to as the contract in respect of the forest coupes was executed prior to the coming into force of the Assam Settlement of Forests Coupes and Mahals by Tenders Systems Rules, 1967. We have already taken this view in *State of Meghalaya v. Orneswar Das* (1987 Supp SCC 134) on January 28, 1987 (Civil Appeal No. 1731 of 1973) in the following terms :

On a plain reading of Rule 17 it is evident that the claim must be referable to the default in the context of Rule 14 to make a security deposit or failure to deposit installments under Rule 15 arising out of, and this is important, an agreement mentioned in Rule 16. There is no room for doubt that the agreement itself must be an agreement which is contemplated by Rule 16 and which has come into existence pursuant to the rules. The agreement envisaged by Rule 16 could not have been entered into before the Rules themselves came into force. Admittedly, the agreement which gave rise to the proceedings before the High Court was an agreement entered into prior to the enforcement of the Rules (contract in respect which the breach was committed was entered on April 29, 1966 whereas the Rules came into force on September 25, 1967). In the circumstances, the agreement was not an agreement contemplated by Rule 16 and hence neither Rule 17 nor Rule 18 would be attracted. The High Court was, therefore right in taking the view that the recovery of damages could not be made as arrears of land revenue under Rule 18 of the aforesaid rules.

The Rules come into play only in respect of a contract which is entered into pursuant to Rule 14. The present one was not a contract entered into a pursuance of Rule 14. Therefore, the recovery under Rule 18 cannot be made. The appeal therefore fails and is dismissed with costs.

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