

SUPREME COURT OF INDIA

A. Mohammed Basheer

Vs.

State of Kerala

(V.N. Khare, Brijesh Kumar and S.B. Sinha JJ.)

17.07.2003

ORDER

1. The Forest Department in the State of Kerala decided to auction the right to collect and remove the residual of the tree growth and fire wood in sub-coupe No. 9 in Coupe No. 3, Pathanamthitta Range by means of public auction and the auction was fixed on 8th February, 1979. On that day, the appellant offered a bid for a sum of Rs. 3,00,100/-. Before the bid was confirmed, it is alleged that a fire had broken out in the forest, with the result the residual tree growth and fire wood was destroyed. The appellant herein wrote a letter to the respondents demanding reduction in the money offered by him. Despite that letter, the Managing Director confirmed the bid of the appellant and called upon him to produce the stamp paper for executing the necessary agreement and further to deposit Rs. 3,00,100/- over and above the deposit already made by the appellant. Since the appellant did not deposit the money as directed by the Managing Director, the respondent re-auctioned the remaining residual tree growth and fire wood for a sum of Rs. 2,00,400/- Since there was a shortfall of Rs. 1,21,439/-, the Managing Director wrote to the appellant to deposit the said amount by way of damages. It is under such circumstances, the appellant filed a petition under Article 226 of the Constitution before the Kerala High Court.

2. The Kerala High Court in view of its Full Bench decision in the case of *Abdul Rahiman v. Divisional Forest Officer, reported in¹* dismissed the writ petition. It is against the said judgment of the High Court, the appellant is in appeal before us.

3. Ms. Malini Poduval, learned counsel urged that the view taken by the High Court that the matter is covered by a Full Bench decision of the Kerala High Court is erroneous. She urged that the said decision is distinguishable and has no bearing in the present case.

4. We find substance in the argument. In the present case we find that there was only a bid for removal of residual tree growth and fire wood, a substantial part of which was destroyed in fire. It is under such circumstances, the appellant wrote to the Divisional Forest Officer for cancellation of his bid or reduction of the bid amount. In the case of Abdul Rahiman's case (supra) the breach of contract stood admitted. In Abdul Rahiman (supra), the Full Bench referred to an earlier decision reported in 1980 K.L.T. 850 and distinguished the same on the ground that what was sought to be recovered therein was not an amount due on account of or

in respect of timber under any contract thereof and, thus, Section 79 could not be invoked. The case of the appellant, however, appears to be squarely covered by the decision of the Kerala High Court reported in 1980 K.L.T. 850.

5. It is trite that the question as to whether there is a breach of terms of the notice inviting tender or not should be adjudicated by an authority declared to be competent therefore. In a case where there is a dispute as to whether a damage has occurred, a finding of fact in that behalf must be arrived at by the competent authority, whereafter the amount of damages should be quantified. Such quantification of damages must also be in consonance with the terms of the relevant rules.

6. As indicated hereinbefore, the appellant herein sought reduction in money offered by him as a result of a subsequent event which was a 'vis-major'. No concluded contract, thus, could come into effect and under such circumstances, the question of realisation of shortfall in the form of damages does not arise.

7. In that view of the matter, the appeal deserves to be allowed. We, therefore, allow the writ petition and set aside the judgment and order under challenge.

8. The appeal is allowed. There shall be no order as to costs.

¹1988 (2) KLT 290