

**HIGH COURT OF TRIPURA
AGARTALA**

WA 12 of 2025

- 1. Food Corporation Of India**
represented by its Chairman-cum-Managing Director
A Government of India undertaking having its office at 16 20 Barakhamba Lane,
New Delhi - 110001
- 2. The General Manager, (R)**
Food Corporation Of India
Regional Office North East Frontier Region, Mawlai Mawroh, Shillong 793008
- 3. The Asst General Manager (Contract)**
Food corporation of India North East frontier, Mawlai, Mawroh, Shillong 793008
- 4. The Divisional Manager**
Food Corporation of India, Divisional Office, AIZAWL, Tuikhuahtlang Road,
Aizawl, Mizoram 796001
- 5. The Divisional Manager**
Food Corporation of India, Divisional Office, Agartala opp Don Bosco School,
Nandannagar, Agartala, West Tripura- 799006

-----Appellant(s)

Versus

Smt. Namita Paul

Wife of Shri Swapan Kumar Paul, Resident of B.K. Road, Banamalipur, Agartala,
PS: East Agartala, District: West Tripura.

-----Respondent(s)

WA 13 of 2025

- 1. Food Corporation Of India**
represented by its Chairman-cum-Managing Director
A Government of India undertaking having its office at 16-20 Barakhamba Lane,
New Delhi - 110001
- 2. The General Manager (R),**
Food Corporation of India
Regional Office North East Frontier Region, Mawlai, Mawroh, Shillong 793008
- 3. The Asst General Manager (Contract)**
Food Corporation of India
North East Frontier Region, Mawlai, Mawroh, Shillong
- 4. The Divisional Manager,**
Food Corporation of India, Divisional Office, Agartala opp Don Bosco School,
Nandannagar, Agartala, West Tripura- 799006

-----Appellant(s)

Versus

Smt. Namita Paul

Wife of Shri Swapan Kumar Paul, Resident of B.K. Road, Banamalipur, Agartala,
PS: East Agartala, District: West Tripura.

-----Respondent(s)

WA 14 of 2025

1. Food Corporation Of India

represented by its Chairman-cum-Managing Director
A Government of India undertaking having its office at 16 20 Barakhamba Lane,
New Delhi - 110001

2. The General Manager (R),

Food Corporation of India
Regional Office North East Frontier Region, Mawlai, Mawroh, Shillong 793008

3. The Asst General Manager (Contract)

Food Corporation of India
North East Frontier Region, Mawlai, Mawroh, Shillong

4. The Divisional Manager,

Food Corporation of India, Divisional Office, Agartala opp Don Bosco School,
Nandannagar, Agartala, West Tripura- 799006

-----Appellant(s)

Versus

Smt. Namita Paul

Wife of Shri Swapan Kumar Paul, Resident of B.K. Road, Banamalipur, Agartala,
PS: East Agartala, District: West Tripura.

-----Respondent(s)

WA 15 of 2025

1. Food Corporation Of India

represented by its Chairman-cum-Managing Director
A Government of India undertaking having its office at 16 20 Barakhamba Lane,
New Delhi - 110001

2. The General Manager (R),

Food Corporation of India
Regional Office North East Frontier Region, Mawlai, Mawroh, Shillong 793008

3. The Asst General Manager (Contract)

Food Corporation of India
North East Frontier Region, Mawlai, Mawroh, Shillong

4. The Divisional Manager,

Food Corporation of India, Divisional Office, Agartala opp Don Bosco School,
Nandannagar, Agartala, West Tripura- 799006

-----Appellant(s)

Versus

Smt. Namita Paul

Wife of Shri Swapan Kumar Paul, Resident of B.K. Road, Banamalipur, Agartala,
PS: East Agartala, District: West Tripura.

-----Respondent(s)

WA 4 of 2025

1. Food Corporation Of India

represented by its Chairman-cum-Managing Director
A Government of India undertaking having its office at 16 20 Barakhamba Lane,
New Delhi - 110001

2. The General Manager (R),

Food Corporation of India
Regional Office North East Frontier Region, Mawlai, Mawroh, Shillong 793008

3. The Asst General Manager (Contract)

Food Corporation of India
North East Frontier Region, Mawlai, Mawroh, Shillong

4. The Divisional Manager,

Food Corporation of India, Divisional Office, Agartala opp Don Bosco School,
Nandannagar, Agartala, West Tripura- 799006

-----Appellant(s)

Versus

Smt. Namita Paul

Wife of Shri Swapan Kumar Paul, Resident of B.K. Road, Banamalipur, Agartala,
PS: East Agartala, District: West Tripura.

-----Respondent(s)

WA 16 of 2025

1. Food Corporation Of India

represented by its Chairman-cum-Managing Director
A Government of India undertaking having its office at 16 20 Barakhamba Lane,
New Delhi - 110001

2. The General Manager (R),

Food Corporation of India
Regional Office North East Frontier Region, Mawlai, Mawroh, Shillong 793008

3. The Asst General Manager (Contract)

Food Corporation of India
North East Frontier Region, Mawlai, Mawroh, Shillong

4. The Divisional Manager,

Food Corporation of India, Divisional Office, Agartala opp Don Bosco School,
Nandannagar, Agartala, West Tripura- 799006

-----Appellant(s)

Versus

Smt. Namita Paul

Wife of Shri Swapan Kumar Paul, Resident of B.K. Road, Banamalipur, Agartala,
PS: East Agartala, District: West Tripura.

-----Respondent(s)

| | | |
|---|---|---|
| For Appellant(s) | : | Mr. B. K. Singh, Advocate. Mr. Rana Gopal Chakraborty, Advocate. |
| For Respondent(s) | : | Mr. Raju Datta, Advocate. |
| Date of hearing and date of judgment and order | : | 13.05.2025. |
| Whether fit for reporting | : | Yes |

**HON'BLE MR. JUSTICE T. AMARNATH GOUD
HON'BLE MR. JUSTICE BISWAJIT PALIT**

Judgment & Order (Oral)

(T. Amarnath Goud, J)

These appeals are filed under Chapter VIII, Rule B(A) of the High Court of Tripura Rules, 2023 preferred against the judgment and order dated 31.05.2024 passed by the learned Single Judge in WP(C) 692 of 2023 and batch cases.

[2] At the very outset, it is represented by the counsel for the parties that since the subject matter of all the writ appeals mentioned above came out of the similar facts and circumstances, all may be heard and disposed of together. Having heard so, all the matters are clustered together as the facts involved are similar in nature and can be disposed of a common judgment. For the sake of brevity and as desired by both sides, we are taking WA 12 of 2025 as the lead case for disposing of the matters.

[3] It is the case of the appellants that in response to NIT issued by the appellants, the respondent-writ petitioner was awarded transport contract for two years for loading/unloading and handling of food grains /sugar/allied materials from railway siding Changsari/ CWC Godown, Amingaon/ RH FSD Guwahati to FSD

Bualpui vide appointment letter dated 10.07.2008. Upon completion of the contract, the respondent issued letters on 04.09.2017, 12.04.2018 and 28.05.2020 to refund the pending security deposit to the respondent. In response, the appellant replied vide letter dated 29.10.2020 stated that FCI has suffered loss to the tune of Rs. 1,23,11,613/- in a contract awarded to the respondent vide appointment letter no. CONT.9/NEFR/TC/CBZ-CDR/09 dated 29.04.2009 and that the matter was sub judice.

[4] The respondent approached this Court with regard to the present contract on 08.03.2022 by filing WP(C) No. 240 of 2022 and prayed for directing the appellant to refund the security deposit amounting to Rs. 24,95,132/- along with interest @12% p.a. w.e.f. 08.07.2013. This Court after hearing both the parties disposed off the WP(C) No. 240 of 2022 vide its Order dated 02.05.2023 by setting aside the impugned Order and the FCI appellants were directed to reconsider the claim of the respondent in accordance with law. The respondent vide representation dated 13.06.2023 prayed to reconsider his case as per the direction of this Court.

[5] The appellant No. 2 vide letter dated 05.09.2023 stated that the security deposit of Rs. 24,95,132/- was set off by the respondent against the losses suffered by the FCI in other transportation work amounting to Rs. 3,12,98,215/- as per clause XI(b), XII(b) and XII (e) of the contract agreement and requested the respondent to deposit an amount of Rs. 2,60,11,861/- towards balance recoverable as on date after set off.

[6] The respondent approached this Court by filing W.P(C) No. 692/2023 against the impugned order dated 05.09.2023. The Learned Single Judge vide Order dated 31.05.2024 held that the impugned order dated 05.09.2023 issued by the FCI respondent be set aside and quashed. The learned Single Judge further directed the FCI to release/refund the security deposit within a period of 30 (thirty) days.

[7] Aggrieved by the said impugned Judgment dated 31.05.2024, the appellant has approached before this court for seeking relief in the present appeals.

[8] A bare reading of the record shows that the entire matter runs around the Contracts issued by the appellants-FCI in favour of the respondent-contractor from time to time.

Below is the list of six contracts issued by the appellants-FCI in favour of the respondent-contractor:

| Sl No. | Writ Appeal No. | Contract No. | Date of Contract |
|--------|-----------------|------------------------------------|------------------|
| 1 | WA 4 of 2025 | Cont.7/NEFR/TC/CHNG-DMR/2008-Adhoc | 18.06.2008 |
| 2 | WA 12 of 2025 | Cont.7/NEFR/TC/CHNG-BPI/2008-4429 | 10.07.2008 |
| 3 | WA 15 of 2025 | Cont.9/NEFR/HANDLING-DMR/2006 | 31.08.2006 |
| 4 | WA 14 of 2025 | Cont.9/NEFR/HANDLING-NGR/2009 | 22.03.2010 |
| 5 | WA 13 of 2025 | Cont.9/NEFR/HANDLING-NGR/07 | 14.03.2008 |
| 6 | WA 16 of 2025 | Cont.9/NEFR/TC/CHNG-DMR/2008-Adhoc | 27.01.2009 |

[9] It is also represented by the counsel for the parties that WA 12 of 2025, WA 4 of 2025 and WA 16 of 2025 are all related with transportation contract for carrying food grains and the remaining three Writ appeals being WA 13 of 2025, WA 14 of 2025 and WA 15 of 2025 are related with handling contract i.e. supply of labourers for loading and unloading of food grains.

[10] Mr. Raju Datta, learned counsel appearing for the respondent-contractor in all the writ appeals, at the very outset, has submitted that the respondent had successfully completed the contract works within the stipulated period of the respective agreements mentioned in each of the writ appeals and obtained from the appellants 'No Demand Certificates' in respect of all the work contracts. Therefore, the appellants cannot withhold the respective security deposits

as claimed by the respondent in the instant writ appeals after full satisfaction of their work contracts. He further argued that there is no scope of demanding demurrage charges from the respondent-contractor. The respondent never violated any terms and conditions of the agreements made with the appellants-FCI. And during or after the contract period, the appellants never issued any adverse notice. But, on the other hand, they issued No Demand Certificate after duly satisfied.

[11] After getting, 'No Demand Certificate' from the appellants-Corporation, the respondent claimed for releasing her security deposit kept against the respective contract agreements as mentioned in the instant writ appeals, but the appellants-Corporation did not release the same rather, they adjusted the respective security deposits alleging the negligent and unworthy man like performance of the petitioner in execution of some "other transport contract." While forfeiting the said security deposit of the respondent, the appellants by the communication dated 29.10.2020 has cited clauses No.XI(b), XII(b) and XII (e) of the tender document/agreement of the above cited contract which read as under:

"Clause XI. Security Deposit:

(a) ****

(b) *The security deposit will be refunded to the contractors on due and satisfactory performance of the services and on completion of all obligations by the contractors under the terms of the contract and on submission of a No Demand Certificate, subject to such deduction from the security as may be necessary for making up of the Corporations claims against the contractor.*

Clause XII. Liability of Contractors for losses etc. suffered by Corporation:

(a) ****

(b) *The Corporation shall be at liberty to reimburse themselves of any damages, losses, charges, costs or expenses suffered or incurred by them due to contractors negligence and un-workmanlike performance of service under the contract or breach of any terms thereof. The total sum claimed shall be deducted from any sum than due or which at any time hereafter may become due to the contractors under this or any other contract with the Corporation. In the event of the sum which may be due from the Corporation as aforesaid being insufficient the balance of the total sum claimed and recoverable from the contractors as aforesaid shall be deducted from the security deposit furnished by the contractors as specified in Para XI. Should this sum also be not sufficient to cover the full amount*

claimed by the Corporation, the contractors shall pay to the Corporation on demand the remaining balance of the aforesaid sum claimed.

*(c) *****

*(d) *****

(e) A set off any sum of money due and payable to the contractors (including security deposit returnable to them) under this contract may be appropriated by the Corporation and set-off against any claim of the Corporation for the payment of any sum of money arising of this or under any other contract made by the contractors with the Corporation.”

[12] On careful reading of the provisions of Clause No. XI(b), XII(b) and XII(e) of the tender document as quoted above, in the opinion of this Court, before invoking set-off Clause under Clause XII(e), it must be proved that the Corporation suffered loss due to negligence or un-workman like performance of the contractor in execution of any work under any contract. There is no material or details of breakup how the respondents-Corporation suffered loss in execution of any other contract works. Negligence or un-workman like performance being a matter of fact is to be established by laying evidence where all materials and records are to be placed and this only can be considered by a Civil Court.

[13] In this regard, the FCI preferred a Commercial suits being Commercial suit 03of 2016 before the Court of Judge, District Commercial Court, West Tripura, Agartala, Court No.2 and the same was dismissed by the judgment dated 31.01.2019 which stood challenged by RFA 16 of 2016 and RFA 17 of 2019 in this High Court. The same was dismissed by the order dated 24.05.2021. Subsequently, FCI preferred SLP NO 20710-20711 of 2021 and the same are pending. However, during the legal battle, the FCI released the amounts to the respondent-contractor herein and according to the FCI, the lis becomes academic. However, the money recovery and release of Security Deposit are separate legal proceedings initiated. This court is not inclined to enter into the aspect of money recovery suit.

[14] It is apparent from the record that the respondent approached this court by way filing a writ petition challenging the communicated dated 29.10.2020 issued

by the appellants-FCI to refund the Security Deposit amounting to Rs.24,95,132/-. Subsequently, an order dated 28.06.2022 was passed in WP(C) 240 of 2022 directing the appellants-FCI herein to consider the request of the respondent-contractor herein with regard to releasing of her benefits and take a decision on the matter within a period of 1 (one) month from the date of receipt of copy of that order in accordance with law.

[15] In pursuant to the order dated 28.06.2022 passed in the WP(C)240 of 2022, the respondent-herein approached the appellants-FCI making a prayer dated 08.07.2022 to refund the Security Deposit amounting to Rs.24,95,132/- along with interest at the rate of 12% per annum w.e.f. 08.07.2013 till the payment in respect of transportation of food grains/sugar/allied material from Railway siding Chansari/CWC Godown, Amingaon/RH.FSD Guwahati to FSD Bualpari on the basis of agreement executed by the respondent under appointment letter no.CONT.7/NEFR/TC/CHNG-BPI/2008/4429 dated 10.07.2008.

[16] The appellants-FCI on receipt of such representation from the respondent has passed a reasoned order dated 22.07.2022 rejecting the representation dated 08.07.2022. The relevant text of the reasoned order dated 22.07.2022 issued by the appellants-FCI is reproduced herein below:

“The undersigned, in perusal of the judgment dated 28.06.2022 passed in WP(C) 240 of 2022 and taking into consideration all the facts and circumstances as well as the agreed terms and conditions of the Tender Agreement executed between you and the Corporation, your Security Deposit of Rs. 24,95,132/- deposited in Transport Contract for the transportation of food grain/ sugar/ allied materials from Railway Siding Changsari/ CWC Godown Amingaon/ RH.FSD Guwahati to FSD Bualpui, Mizoram, cannot be considered due to the above stated losses suffered by the Corporation and the same is hereby set off.”

[17] Aggrieved by the said action of the appellants-FCI, the respondent herein approached this court by way of filing a writ petition being WP(C) 758 of

2022 which was disposed of by the order dated 02.05.2023 and the relevant part of the said order is extracted herein below for ready reference.

[11] Further, it is reiterated herein that the submission of the petitioner that no demand certificate has been issued by the respondent corporation is false, baseless and without any substance, as no such demand certificate has ever been issued by the respondent corporation. Thus the submission of the petitioner on this score is to mislead this Court for her illegal gain and to misuse the public money in particular. However, M.S. No.27 of 2010 filed by the petitioner was dismissed by the learned Civil Judge on merit. Against the said judgment and decree dated 11.05.2016 passed by the learned Civil Judge Senior Division, Court No.1, West Tripura, Agartala the petitioner had preferred appeal before this Court which was registered as RFA. No.14 of 2016. Vide judgment and decree dated 26.02.2021, the said appeal filed by the petitioner was allowed as FCI failed to prove the actual loss suffered by FCI by adducing documentary evidence.

[12] Moreover, the petitioner is relying upon judgments and decrees passed by the Civil Courts in writ proceedings which is not permissible under the law. In fact, the findings of the learned Civil Court vide judgment and decree dated 11.05.2016 passed in MS.No.27 of 2010 and M.S. (CC) 14 of 2011 as merged with the judgment and decree dated 26.02.2021 passed in RFA. No.14 of 2016 passed by this Court is against the petitioner.

[13] In view of above discussion, the present petition stands disposed of directing the petitioner to represent the matter before the respondents along with all relevant documents in support the claim of the petitioner more particularly, any judgment of the High Court or any other Court on receipt of the representation, the respondents shall consider the same in accordance with law within a period of three months from the date of receipt of the copy of such representation.

[14] In view of above and after hearing the arguments advanced by the learned counsel more particularly, having observed the evidence on record, it reveals that there is no evidence submitted by the petitioner providing any security deposit. Hence, without expressing any opinion on merit, the claim of the petitioner may not be considered and thus, ordered as this Court is not inclined to enter into the issue and decide the same. The impugned orders are set aside; the respondents are directed to re-consider the case of the petitioner in accordance with law. Accordingly, the present petition stands disposed of."

[18] In pursuant to the order dated 02.05.2023 passed in the WP(C) 758 of 2022, the respondent-herein approached the appellants-FCI making a prayer dated 13.06.2023 for implementation of the Order dated 02.05.2023 passed in WP(C) 758 of 2022 by this Court and to refund the security deposit of the respondent herein amounting to Rs.24,95,132/- along with interest at the rate of 12% per annum w.e.f 08.07.2013 till the date of payment in respect of transportation grains/sugar/allied of food material from Railway siding Changsari/CWC Godown, Amingaon/RH.FSD

Guwahati to FSD Bualpui on the basis of agreement executed by me under appointment letter No.CONT.7/ NEFR / TC /CHNG-BPI/2008/4429 dated 10.07.2008.

[19] A bare perusal of the record shows that the appellants-FCI by the communication dated 05.09.2023 issued by the Asstt. Genl. Manager (Cont.) For General Manager (R) has again rejected the prayer dated 13.06.2023 of the respondent. The relevant part of the said communication dated 05.09.2023 is extracted herein below for ready reference:

"2. That you have claimed for the release of the aforesaid Security Deposit vide NDC dated 08.07.2013. The Corporation had suffered huge losses in the Contracts executed by you due to your negligence and unworkmanship like performance, the details of which are tabulated below. Despite the notices issued to you on 19.03.11, 02.04.11, 18.06.11, 11.07.11, 21.07.11, 26.08.11, 07.09.11, 02.03.12 and 11.05.2012 for remittance of the below mentioned losses to the corporation, you neither made remittance so far nor replied to the notices.

| S. No. | Name of the Contract | Period | Amount of losses incurred by the corporation in Rs | Reason of losses |
|--------|---|-------------------------|--|--|
| 01 | CONT.9/NEFR/TC/CBZ-CDR/09 dated 09.04.2009 | 01.05.2009 – 30.04.2011 | 1,23,11,613 | Loss incurred by FCI against Risk & Cost for getting the work done by another contractor |
| 02 | CONT.9/NEFR/TC/CBZ-ADNR/09 dated 12.11.2009 | 16.11.2009 – 15.11.2011 | 1,89,86,602 | Loss incurred by FCI against Risk & cost for getting the work done by another contractor |
| | | Total | 3,12,98,215 | |

3. That you have failed to remit the amount of losses caused to FCI as explained above, FCI was forced to invoke the Clause XII (b) and XII (e) of the tender agreement and according to which the aforesaid Security deposit of Rs 24,95,132/- in Cont.7/NEFR/TC/CHNG-BPI/2008 dt. 10.07.2008 was set off against the above losses vide Order issued by Divisional Office Aizawl under Ref. No. Cont.5(14)/GHY-BLP/NP/08 dated 22.07.2023."

[20] In addition to what have been stated here-in-above, it has also come to fore that the FCI-Corporation instituted Commercial being C.S 04 of 2016 before the learned District Commercial Court against the respondents. On consideration of the evidence on record, the learned Court below dismissed the suit. FCI-Corporation

preferred appeal being RFA 26 of 20222 before this Court, which upon hearing was dismissed by the judgment and order dated 19.10.2023 and later on, SLPs 27419-27420 preferred by the FCI also have been dismissed by the Hon'ble Supreme Court by the order dated 04.01.2024.

[21] It is also apparent from the record that the appellants-FCI herein also filed a Commercial Suit No.03 of 2016 before the Court of the District Commercial Court, West Tripura, Agartala, Court No.2 against the respondent and the same by the judgment dated 31.01.2019 was dismissed by the learned court below.

[22] Aggrieved by the said judgment dated 31.01.2019, the appellants-FCI has preferred a Regular First Appeal before this court (being RFA 16 of 2019 along with RFA 17 of 2019) and the same was dismissed by the judgment and order dated 24.05.2021. It appears from the record that the appellants-FCI has preferred an SLP (being SLP 20710-20711/2011) before the Hon'ble Apex Court and the same are pending. However, as stated (**supra**) litigations pertaining security deposit and money recovery suits are distinct.

[23] Mr. B.K. Singh, learned counsel for the appellants-FCI has contended before this court that the learned Single Judge failed to notice that contractor was given opportunity even in terms of show cause notice dated 23.06.2023. Besides the reply of the petitioner dated 30.06.2023, her representation dated 13.06.2023 was duly considered before the letter dated 05.09.2023 was issued regarding setting off the security deposit in terms of clause XI(b), clause XII (b) and clause XII(e) of the contract Agreement and seeking payable balance of Rs 2,60,11,871 from the contractor. As such, the requirement of "providing hearing & representation before the setting off the security deposit" as pointed out by the learned single judge stands fulfilled by the corporation.

[24] He further contended that the learned Single Judge failed to appreciate the fact that the respondent contractor (writ petitioner) consented to abide by the tender agreement of the aforesaid contract dated 22.03.2010 and the Clauses laid therein, more specifically Clause Nos. XI (b), XII (b) and XII (e) of the tender agreement which authorizes the Corporation to set off/ appropriate any payable amount including the security deposit of other contracts awarded to the same contractor and therefore the action of the FCI is not illegal.

[25] It is also contended by the learned counsel for the appellant that the learned Single Judge failed to appreciate the claim of the respondent (writ petitioner) that FCI had issued a no demand certificate is totally baseless and fabricated aiming to mislead this Court. It was contended that there is no clause or provision in the instant tender agreement that no demand certificate is to be issued by the Corporation. Further, the FCI never issues any no-demand certificate to any contractor, in fact, the no-demand certificate is submitted by the contractor themselves and upon submission of such no demand certificate by the contractor, it undergoes examination at various levels for scrutiny and working out liabilities incurred and then it is forwarded by the Divisional Office to the Regional Office with signature and comments/ recommendation on release of security deposit which again undergoes scrutiny at regional office level before decision on release of security deposit, if applicable.

[26] Having considered the submission as advanced by the counsel for the parties and also having gone through the record, this court is of the opinion that the action of the appellants-FCI in issuing No Demand Certificate in respect of the contract relying the clause XI and withholding the Security Deposit referring to Clause XII(b) and (e) fell inconsistent.

[27] A bare reading of the both the clauses shows that Clause XI and XII are interlinked. Now, it is not open for the appellants-FCI on one hand to issue No Demand Certificate in respect of the respondent-contractor and withhold the Security Deposit under clause XII(b) and (e) of the contract agreement due to loss incurred in some other contract.

[28] The Clause XII(b) and (e) of the agreement are like weapon to protect the interest of the Food Corporation of India (FCI) and the same has to be used appropriately. But, here is the case, where the appellants-FCI have not exercised the power under Clause XII (b) & (e) timely and have not initiated any action against the respondent-contractor.

[29] The appellants-FCI have failed to place before this Court either any document or any pleading to say that prior to the issuing of the present impugned order in the writ petition, proceedings were already initiated against the respondent-contractor under clause XII (b) and (e) and amount of damages as contemplated under Clause XII have been determined as per law.

[30] They have also failed to show that the Security Deposit is being withheld in respect of the damages incurred, which arose due to the petitioner's laches concerning certain other contracts. In the absence of such exercising of powers, it is not open for the appellants-FCI to withhold the Security Deposit.

[31] It is not disputed by both sides that amount claimed by the respondent-contractor towards Security Deposit were already released by the appellants-FCI. Therefore, nothing survives for adjudication.

[32] However, it is not for this court to touch the issues involved in the SLPs (in SLP 20710-20711/2011) before the Hon'ble Apex Court as this court is cautious about its limitations jurisdictions.

[33] Moreover, this court has not found any force in the submission as advanced by the counsel for the appellants-FCI. He also could not produce any judgment or document to support his contention. Therefore, without touching the lis pending before the Hon'ble Supreme Court Money Recovery Suit filed by the Food Corporation of India, the present writ appeals are dealt with independently and hereby decided.

[34] This Court also expresses its concern regarding the functioning of the responsible officers in the Food Corporation of India. At one level, subordinate officers issue a No Demand Certificate, while at a higher level, the officers find fault with the subordinates action. According to the higher authorities, the release of the Security Deposit should be withheld. In matters involving substantial monetary transactions between the officers of FCI and the contractors, it is essential that senior officers closely monitor the situation and issue timely instructions and guidelines to their subordinates. If there is any instance of violation of such instructions, like in present case, appropriate action must be taken against the erred officers.

[35] The public money and exchequer of FCI cannot be allowed to handle casually and cause loss. In the present case, if the higher authorities find fault with the issuance of the No Demand Certificate by subordinate officers and have decided to withhold the security deposit, there is no indication, either in the pleadings or in any document, of what action, if any, has been initiated against the subordinate officers for acting contrary to the interest of the FCI.

[36] For the discussion made above, this Court feels that the above appeals suffer from lack of merit and are liable to be dismissed.

[37] With the above observation, the appeals stand dismissed confirming the impugned judgment and order dated 31.05.2024 passed by the learned Single Judge in WP(C) 692 of 2023.

As a sequel, stay, if any, stands vacated. Pending application(s), if any, also stands closed.

B.Palit, J

T. Amarnath Goud, J

HIGH COURT OF TRIPURA



सत्यमेव जयते

Dipak