

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.20822 OF 2017
(@ SPECIAL LEAVE PETITION (CIVIL) NO. 31736 OF 2017)

FOOD CORPORATION OF INDIA

...APPELLANT(S)

VERSUS

KAMALBEN KHUMANBHAI SINDHAV & ANR.

...RESPONDENT(S)

O R D E R

Leave granted. Heard learned counsel for the parties.

The appellant entered into a contract with the respondents to take godowns on lease vide Agreement dated 03.06.2014. The respondents were to keep the godowns in fit condition for storing food grains.

On account of certain shortcomings in the godowns, the contract was sought to be terminated on 11.05.2016. The State Level Committee constituted under the Private Entrepreneurs Guaranteed (PEG) Scheme made certain recommendations in the matter and considering the said recommendations, the High Court has directed that the contract of the respondents be restored.

The objection on behalf of the appellant is that though the SLC recommended rehiring of the

godowns for six months on performance basis, the High Court directed rehiring of godowns for guaranteed period of ten years and not on performance basis. The second objection is that an observation has been made that the respondents would be at liberty to make representation for extension of the hiring period, which shall be considered in accordance with law and 'sympathetically'. The objection of the appellant is to the word 'sympathetically' instead of considering the matter on merits in accordance with law.

We find merit in the submissions. Accordingly, we modify the impugned order to the effect that hiring of the godowns will be subject to performance in terms of the contract and the performance will be assessed by the SLC. If the performance is not satisfactory, the appellant will be at liberty to take action in terms of the recommendations of the SLC and HLC.

We also clarify that the consideration of the representation of the respondents for extension of the period of contract will be on merits based on the recommendations of the SLC and HLC.

The inspection may now be carried as early as possible.

The appeal is, accordingly, disposed of.

.....J.
[ADARSH KUMAR GOEL]

NEW DELHI
1st DECEMBER, 2017

.....J.
[UDAY UMESH LALIT]

ITEM NO.36

COURT NO.10

SECTION III

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s). 31736/2017
(Arising out of impugned final judgment and order dated 11-08-2017
in SCA No. 8939/2016 passed by the High Court Of Gujarat At
Ahmedabad)

FOOD CORPORATION OF INDIA

Petitioner(s)

VERSUS

KAMALBEN KHUMANBHAI SINDHAV & ANR.

Respondent(s)

(FOR ADMISSION and I.R.)

Date : 01-12-2017 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ADARSH KUMAR GOEL

HON'BLE MR. JUSTICE UDAY UMESH LALIT

For Petitioner(s) Mr. N.K. Kaul, Sr. Adv.
Mr. Ajit Pudussery, AOR
Mr. Bhuvani Mishra, Adv.
Mr. Bommineni Vivekananda, Adv.
Mr. Divyanshu Kr. Srivastava, Adv.
Mr. Viren Sibal, Adv.
Mr. K. Vijanan, Adv.
Mr. A.K. Tewari, Adv.
Mr. A.S. Verma, Adv.

For Respondent(s) Mr. Harin P. Raval, Sr. Adv.
Mr. Anando Mukherjee, AOR
Mr. Kumar Shivam, Adv.
Mr. Stuti Vatsa, Av.
Mr. Aditya P. Arora, Adv.

UPON hearing the counsel the Court made the following
O R D E R

Leave granted.

The appeal is disposed of in terms of the signed

order.

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

(MADHU BALA)
COURT MASTER (SH)
(Signed order is placed on the file)

(SNEH LATA SHARMA)
BRANCH OFFICER