

**IN THE HIGH COURT OF MANIPUR
AT IMPHAL**

WP(C) No. 142 of 2025

M/S Zenith Enterprise.

...Petitioner

- Versus -

Food Corporation of India & 5 Ors.

...Respondents

**With
MC(WP(C)) No. 137 of 2025**

**B E F O R E
HON'BLE MR. JUSTICE A. GUNESHWAR SHARMA**

ORDER

24-02-2025

[1] Present Mr. H.S. Paonam, learned senior counsel assisted by Mr. S. Gunabanta, learned counsel for the petitioner; Mr. W. Darakeshwar, learned Standing Counsel for the FCI; Mr. K. Sathya Kumar, Deputy General Manager, Food Corporation of India, Manipur Region; and Mr. H. Debendra, learned Dy. Advocate General assisted by Mr. A. Bheigya Meitei, learned counsel on behalf of respondent Nos. 4 & 5.

[2] The petitioner approaches this Court for quashing the impugned termination order dated 14-02-2025 issued by the FCI Regional Office, Manipur terminating the contract granted to the petitioner for operating from RH/FSD Jiribam to FSD Thoubal in terms of clause X(a), XI(b), XI(c) and XII(b) of Model Tender Form on the ground of inability of the petitioner to execute the work as per the terms of the contract and thereby, forfeiting the security deposit of the Contractor.

[3] Mr. H.S. Paonam, learned senior counsel for the petitioner, submits that the petitioner submitted a reply to the show cause notice dated 07-02-2025 issued by the FCI stating that the petitioner was unable to provide/supply adequate number of trucks for transportation of foodgrains from RH/FSD Jiribam to FSD Thoubal due to external forces, namely law and order problems and threats from some militant groups. It is also pointed out that as per clause XIX and XX of the Model Tender Form (MTF), the Contractor shall not be responsible for any delay by reason beyond their control and in case of any dispute arising out of and touching upon the Contract, the same will be first referred to the Dispute/Grievance Redressal Committee.

[4] On the other hand, Mr. W. Darakeshwar, learned Standing Counsel for the FCI submits that the writ petition is not maintainable in the present form and the petitioner has to approach the Dispute/Grievance Redressal Committee in terms of clause XX of Model Tender Form.

[5] Mr. H.S. Paonam, learned senior counsel for the petitioner, submits that as per the terms of the contract, the FCI has the right to forfeit the deposit in full satisfaction of any damage suffered due to the lapse of the petitioner but in the present case, the FCI had initiated the process of forfeiting the security deposit within three days of the impugned order dated 14-02-2025. The learned senior counsel for the petitioner submits that he may be given ten days' time to approach the GRC in terms of clause XX of the Model Tender Form as the FCI has not referred the same in terms of sub-clause (a) of clause XX of MTF.

[6] Mr. H. Debendra, learned Dy. Advocate General appearing for the State respondents, submits that Court may pass any appropriate order in the facts and circumstances of the case.

[7] In the circumstance, the petitioner is granted ten days' time to approach the Dispute/Grievance Redressal Committee in terms of the clause XX of the MTF. The impugned letter dated 17-02-2025, issued by the FCI for encashment of Bank Guarantee submitted by the petitioner, shall be decided upon filing of the proper application by the petitioner before the GRC. Until then, the same shall not be encashed unless it has already been encashed earlier. The GRC may decide the representation, if any, submitted by the petitioner within the period of three months.

[8] The writ petition is disposed of accordingly. MC(WP(C)) No. 137 of 2025 is also disposed of.

[9] It is made clear that this Court has not expressed any opinion on the merit of the case except for recording observations of the parties herein.

[10] Copy of this order be furnished to the learned counsel appearing for the parties.

JUDGE

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