

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED :20.01.2020

CORAM

THE HON'BLE MR.JUSTICE C.V.KARTHIKEYAN

W.P.No.23975 of 2019

and

W.M.P.No.23827 of 2019

M/s Annai & Co
Regd. Partnership Firm
Rep. by its Partnership
S.Saravanan

... Petitioner

Vs.

1.Puducherry Agro Products,
Food and Civil Supplies Corporation Limited,
Rep. by its Managing Director,
Agricultural Complex, Thattanchavady,
Puducherry 605 009.

2.The Department of Civil Supplies
and Consumer Affairs, Puducherry
Rep. by its Director,
Thattanchavady, Puducherry 605 009.

.... Respondents

Prayer : Writ Petition filed under Article 226 of the
Constitution of India praying to issue a Writ of Mandamus, to
direct the respondents to pay its pending dues as on 31.01.2018
amounting to Rs.99,23,163/- with interest thereon.

For Petitioner : Mr. A.C.Manibharathi

For Respondents : Mr.T.M.Naveen for R1

: Mr. D.Ravichander,
Additional Government Pleader
for R2 (Pondy)

ORDER

1.This Writ Petition has been filed by the petitioner,
seeking a direction against the respondents to pay the pending
dues of Rs.99,23,163/- as on 31.01.2018 together with interest.

2.In the affidavit filed in support of the Writ Petition, it is
stated that the petitioner, M/s Annai & Co is a registered
Partnership Firm, dealing with supply of various varieties of
groceries. It is stated that from 2015 onwards, the petitioner
had been supplying grocery items viz., Toor Dhall, Gram Dhall,

Orid full, Jaggerly, Black Gram Dhall, Green Gram Polished, Chilies, Rice Ponni, Tea, Coriander, Uridhall Ball, Tamarind, Garlic, Dry chilly, Vegetables oil etc, periodically to the 1st respondent namely, Pondicherry Agro Products, Food and Civil Supplies Corporation Ltd (PAPSCO), a Government of Pondicherry Undertaking based on the supply orders. It is further stated that the petitioner had paid an E.M.D amount of Rs.16,50,000/-. It is stated that several supply orders were placed by the first respondent with the petitioner, have been fulfilled. It is stated that on 26.12.2018 a representation has been made seeking settlement of all the outstanding bills and since the first respondent had failed to repay the dues, the petitioner, left with no other option, has filed the present Writ petition. Earlier, a Memo dated 21.11.2019 has been filed by respondents and the same is extracted for better appreciation:

"1. It is respectfully submitted that M/s. PAPSCO is the 1st Respondent in W.P. No. 13533/2018 & 23975/2019 and the 2nd Respondent in W.P. No. 27206/2019. The above 3 W.P.s are filed by the respective Petitioners for the payment of pending dues by M/s. PAPSCO for the supply of Rice, Groceries & Sugar made by them.

2. It is respectfully submitted that M/s. PAPSCO is in very severe financial crisis, not paid salaries to its employees for nearly 2 years, its total outstanding liabilities & dues are nearly Rs.100 Crores and hence, in a very pathetic situation and not in a position to pay the pending dues to any of its suppliers, including to the Petitioners in the above 3 W.P.s

3. It is respectfully submitted that the Govt. of Puducherry has been proposing various measures for the revival of M/s. PAPSCO and also to improve its very critical and pathetic financial position. As one of such measures, a High Level Meeting was convened on 20.11.2019, chaired by the Chief Minister of Puducherry, Minister for Civil Supplies, Chief Secretary etc. in the Committee Hall, Legislative Assembly Complex, Puducherry, for discussing about the various issues relating to M/s. PAPSCO, including its financial salaries to its employees etc. In the said Meeting, inter-alia, it was decided to expedite the process of e-auctioning of the 35 IMFL Licenses of M/s. PAPSCO and to pay the huge liabilities and dues from the said amount, including the payments due to the Petitioners in the above 3 W.P.s. The Minutes of the said Meeting will be circulated/forwarded in a couple of days and the further course to be taken will be circulated/forwarded in a couple of days and the

further course to be taken will be decided/formulated based on the decisions taken in the Meeting. A photocopy of the Communication dt. 14.11.2019 sent from the Office of the Chief Minister to M/s. PAPSCO, informing about the said Meeting conducted on 20.11.2019 and requesting it to attend the same with requisite details is enclosed herewith for ready reference."

- 3.This Court had directed an affidavit to be filed, since it was complained that no further action had been taken by the respondents. Today an affidavit has been sworn by .Mr. R. Muthukrishnan, Managing Director of the first respondent. Quite apart from various other facts, in paragraph No.3 (D), the said official has stated as follows:

"(D) Now, the Dept. of Civil Supplies & Consumer Affairs, Govt. of Puducherry has forwarded the said Note file to the Law Department, Govt. of Puducherry for its approval and consonance. As instructed by the Govt. of Puducherry, expedite steps are being taken to complete the approval process by January, 2020. As soon as the entire process of the above e-auction is completed and revenue is generated, apart from using the revenue generated by the such process for the revival activities and improving the financial position of the 1st Respondent Corporation, all its dues and liabilities, including the due payable to the Petitioner will also be settled on priority basis."

- 4.It is thus seen that the first respondent is taking steps to dispose of the matter as per the undertaking as stated above.
- 5.In view of the above facts and circumstances, at this stage, the writ petition is disposed of, recording the undertaking of the respondents to settle of dues and liabilities payable to the petitioner herein on priority basis. The writ petitioner is at liberty to approach the appropriate Forum in case there is any breach of the undertaking.
- 6.The learned counsel for the petitioner stated that the respondent must be directed to pay the amount together with interest. This Court can only say that all the dues and liabilities must be paid on priority basis as undertaken in the affidavit.

7.With the above lines, the Writ Petition is disposed of. No costs. Consequently, connected WMP is closed.

Sd/-

Assistant Registrar(C.O.)

/True Copy/

Sub Assistant Registrar

To

1.The Managing Director,
Puducherry Agro Products,
Food and Civil Supplies Corporation Limited,
Agricultural Complex, Thattanchavady,
Puducherry 605 009.

2.The Director,
Department of Civil Supplies
and Consumer Affairs, Puducherry
Thattanchavady, Puducherry 605 009.

+1 cc to The Public Prosecutor(Puducherry), Sr.No.3645

AKM/06.02.2020/4P-4C /

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