

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. _____ OF 2025
(Special Leave to Appeal (C) No. 7861/2023)

M/S. MAR'S DEVELOPERS AND SUPPLIERS

...Appellant(s)

VERSUS

THE STATE OF ODISHA & ORS.

...Respondent(s)

O R D E R

1. Leave granted.
2. This appeal is against the judgment and order of the High Court of Orissa at Cuttack in W.P.(C) No.7840/2023 dated 20.03.2023, whereby the High Court dismissed the writ petition challenging the termination order dated 01.03.2023 on the ground that the appellant can avail alternative remedy.
3. The short facts, to the extent that they are relevant for disposal of this appeal are that, pursuant to a tender notification dated 24.11.2022, an agreement for sawing of timber in the saw mill of Odisha Forest Development Corporation ('OFDC') was entered into between the appellant and respondent on 27.12.2022.
4. By order dated 01.03.2023, the Divisional Manager, Odisha Forest Development Corporation terminated the agreement on the ground that the performance of the appellant is unsatisfactory. The relevant portion of the said order reads as under:

"On amalgamation of the above facts and figures, it is apparently proved that the work of the sawing contractor the Mars Developers & Supplier is not at all satisfactory in the interest/benefit of the corporation and caused damaged the timbers of O.F.D.C. Ltd and timbers of private persons as well. So also, the sawing contractor i.e. Proprietor M/S Mars Developers & Supplier and his representative Sri P. Kasinath Patro are not beneficial to OFDC Ltd So, as per clause No 22 of the Terms & Conditions d down in the agreement made on 27.12.2022, the Divisional Manager, O.F.D.C. Ltd Berhampur has right to issue order for termination of the contract period of the Proprietor M/S Mars Developers & Suppliers. Apart from above as decision taken by the head office vide their letter No.3197 dtd. 10.02.2023 both the farms Sri Rabinarayan Raoutray Proprietor M/S Mars Developers & Supplier and Smit Anapa Patro are debarred to participate in future tender in this Division.

Order

According to the provisions laid down in the Terms & Conditions vide clause no 22 of the agreement, the sawing contract work order issued in favour of M/S Mars Developers & Supplier is hereby terminated as the work of the Contractor is unsatisfactory and the works caused lose damaged to corporation. The termination order will be effected from 01.04.2023 as per the Terms & conditions laid down vide clause no-22 of the agreement did 27.12.2022. After effecting of termination order the FMI) deposited vide MRT No. 042223000108 Did 26.12.2022 for Rs.10,000/- will be forfeited to O.F.D.C. Ltd.

*For the Odisha Forest Dev. Corpn. Ltd
S/d. 01/03/2023
Divisional Manager
Berhampur(C) Division"*

5. The writ petition filed by the appellant was dismissed by the High Court on the ground that the appellant can avail the alternative remedy that may be available to him. In the special leave petition filed by the appellant, this Court by order dated

28.04.2023 issued notice limited to the question of debarring the appellant in future tenders.

6. We have confined our scrutiny to the legality and validity of the direction to debar the appellant from participating "*in future tenders in the division*".

7. Debarment has been recognised as a method of disciplining deviant suppliers. However, an order of debarment can never be for an indefinite period. This Court in *Kulja Industries Ltd. v. Chief General Manager, Western Telecom Project BSNL*¹ has observed:

"25. Suffice it to say that "debarment" is recognised and often used as an effective method for disciplining deviant suppliers/contractors who may have committed acts of omission and commission or frauds including misrepresentations, falsification of records and other breaches of the regulations under which such contracts were allotted. What is notable is that the "debarment" is never permanent and the period of debarment would invariably depend upon the nature of the offence committed by the erring contractor."

8. The order of debarment dated 01.03.2023 does not specify the period for its operation. If we assume it to be for a period of one year, the said period is over by 01.03.2024. If it is assumed to be for two years, even that period is over. Under these circumstances, we can declare that period of debarment is over.

9. In view of the above, we allow the appeal in part and modify the order in W.P. (C) No. 7840/2023 dated 20.03.2023 passed by the High Court and declare that the appellant shall no more be debarred for participating in tenders issued by the respondent.

10. With these directions, the appeal stands allowed in part.

¹ (2014) 14 SCC 731.

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

.....J.
[PAMIDIGHANTAM SRI NARASIMHA]

.....J.
[ATUL S. CHANDURKAR]

NEW DELHI;
AUGUST 04, 2025.

ITEM NO.45

COURT NO.6

SECTION XI-A

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No.7861/2023

[Arising out of impugned final judgment and order dated 20-03-2023 in WP(C) No.7840/2023 passed by the High Court of Orissa at Cuttack]

M/S- MARS DEVELOPERS AND SUPPLIERS

Petitioner(s)

VERSUS

THE STATE OF ODISHA & ORS.

Respondent(s)

IA No. 138695/2023 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES

Date : 04-08-2025 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE PAMIDIGHANTAM SRI NARASIMHA
HON'BLE MR. JUSTICE ATUL S. CHANDURKAR

For Petitioner(s) : Mr. Kedar Nath Tripathy, AOR

For Respondent(s) : Mr. Shubhranshu Padhi, AOR
Mr. Jay Nirupam, Adv.
Mr. D. Girish Kumar, Adv.
Mr. Pranav Giri, Adv.
Mr. Ekansh Sisodia, Adv.

Mr. Bhuwan Raj, AOR
Mr. Raman Singh, Adv.
Ms. Kriti Kumari, Adv.
Mr. Anubhav Mehrotra, Adv.
Ms. Manju Savita, Adv.

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

- 1. Leave granted.**
- 2. The appeal stands allowed in part in terms of the Signed Order placed on the file.**
- 3. Pending application(s), if any, shall stand disposed of.**

**(VIJAY KUMAR)
ASTT. REGISTRAR-cum-PS**

**(NIDHI WASON)
COURT MASTER (NSH)**