
(1994) 01 SC CK 0104

In the Supreme Court Of India

Case No : Civil Appeals Nos. 42-43 Of 1993

Mahanadi Coalfields Ltd.

APPELLANT

Vs

Orient Paper and Industries Ltd. and Others

RESPONDENT

Date of Decision : 03-01-1994

Acts Referred:

Citation : (1995) 2 SCC 708 Supp

Hon'ble Judges : M. N. Venkatachaliah, C.J;S. Mohan, J

Bench : Division Bench

Final Decision : Disposed Of

Judgement

1. We have heard Shri A.K. Ganguli, learned Senior Counsel for the appellant and Shri Gobind Dass, learned Senior Counsel for the respondents. leave granted.

2. These petitions arise out of interlocutory orders dated 12/08/1993 and 15/09/1993 made by the High court of orissa in a batch of writ petitions in which the constitutional validity of the "orissa Rural Employment, Education and Production Act, 1992" had come to be challenged. In pursuance of the taxation burdens placed on the appellant a public sector undertaking appellant sought to add the additional liability in this behalf to the controlled price of coal. This has been interdicted by interlocutory orders of the High Court. The High court has directed the supply of coal without any additional burden.

3. While the purpose of an interlocutory order is to preserve in status quo the rights of the parties during the pendency of the litigation, the court is also required to put into the scales the need to protect the interest of the appellant if the writ petitions ultimately fail and the uncertainty as to their results is resolved in appellant's favour. It would appear that if the dispensation ordered by the High court prevails, the appellant, even in the event of its success, would be faced with a fait accompli and it would be well-nigh impossible for the appellant to gather the dues from the innumerable purchasers of coal. The interim orders passed by the High court, in our opinion, do not protect appellant's interests

adequately if the final result goes in its favour. We, accordingly, set aside the order under appeal. So far as the liability for this additional payment on the purchasers from 1/02/1993 till 31/12/1993 is concerned, we think it may be a hardship on the respondents to be called upon to pay the difference in cash. Interests of justice would be met if they are asked to furnish bank guarantees for the amounts in respect of the difference to the satisfaction of the appellant. Such bank guarantees shall be furnished within two months from today.

4. So far as the liability for the difference on purchases made from 1/01/1994 onwards is concerned, the purchasers shall pay the additional demands. The additional amounts so recovered, representing the difference, shall not be used by appellant but kept in a separate bank account in interest earning deposits.

3 If the respondents succeed in the writ petitions the amount shall be refunded to them together with the accrued interest.

4 We request the High court to dispose of the petitions most expeditiously.

5. Ordered accordingly.