

(1999) 07 AP CK 0163

In the Andhra Pradesh High Court

Case No : Writ Petition No. 15309 of 1999

Raja Labour Contract Co-operative Society Ltd. and others	APPELLANT
Vs	
Superintending Engineer, Kakinda, East Godavari, Dist.	RESPONDENT

Date of Decision : 23-07-1999

Acts Referred:

Constitution of India, 1950 — Article 226

Citation : (1999) 5 ALD 108 : (1999) 4 ALD 108

Hon'ble Judges : S.R. Nayak, J

Bench : Single Bench

Advocate : M/s. N. Subha Reddy and N. Siva Reddy, for the Appellant;

Judgement

1. The petitioners are the Labour Cooperative Societies registered under the provisions of A.P. Co-operative Societies Act, 1964. The members of these societies belong to Scheduled Castes (SCs), Scheduled Tribes (STs) and Vupparas. The Superintending Engineer, Roads and Buildings Circle, Kakinada, East Godavari District issued the Tender Notification No.S/HD/1999-2000 dated 2-7-1999 calling for sealed tenders for awarding the subject works. The works under Item Nos.1, 7, 11, 14, 26 and 28 are reserved for the SC, ST and Vaddera Vuppara Co-operative Societies. Having regard to this reservation made in favour of the above societies, the petitioners' societies are entitled to apply for the award of the contract in respect of item Nos. 1, 7, 11, 14, 26 and 28 works.

2. In this writ petition, the petitioners have questioned the validity of the prescription as regards the furnishing of the proof of liquid assets/credit facility or solvency certificate for the quantum of money prescribed under column 7, from the Banks.

3. Sri N. Subba Reddy, learned senior Counsel appearing for the petitioners would contend and highlight that the application of the above prescription in respect of the Vaddera Co-operative Societies should be held to be totally unreasonable and arbitrary. Elaborating this contention, Sri N. Subba Reddy

would maintain that the Government having shown a discrimination by way of policy decision in favour of the above societies by reserving 1/3rd works, the Government is not justified in virtually taking away the benefit granted under the policy from the petitioners societies by subjecting them to the above prescription and these societies are financially incapable to fulfil the above prescription. That is the only contention of the learned senior Counsel.

4. The Government under the policy decision taken by it in exercise of the executive power of the State has earmarked 1/3rd works in favour of the SC, ST and Vaddera Vuppara Co-operative Societies. The question whether those societies should be again shown favour in the matter of furnishing the solvency certificate from the Banks for the quantified sums of money and whether they should be exempted accordingly is very much within the domain of the executive power of the Government. Simply because the State Government has not provided exemption in favour of the societies in the matter of furnishing the solvency certificate for certain quantified sums of money specified in column No.7 of the Tender Notice annexed to the writ petition, it cannot be said that the State acted arbitrarily or unreasonably. Added to this, it is relevant to note that there is a sound objective behind the prescription that the applicant for the award of contract should furnish solvency certificate from the Bank for the quantified sums of money specified in column No.7 of the Annexure. The object is that only serious candidates with sound financial background should compete, and if the contract is awarded, the contractor should be in a position to complete the awarded work within the stipulated time. The Court cannot act as an appellate authority or superior administrator and substitute its opinion in the place of the opinion of the Government particularly when it finds that the prescription is not a fanciful prescription. This case does not involve enforcement of any right of the petitioner societies.

5. In the result, the writ petition is dismissed. No costs.