



Complete Justice In Supplier–Customer Relationships: A Legal And Ethical Perspective

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Abstract

In the evolving landscape of global commerce, supply chains have transformed from static transactional models to dynamic, interconnected systems. The concept of complete justice, drawn from constitutional jurisprudence, has profound implications in these environments—particularly in supplier–customer relationships within agile and resilient ("Agilent") supply chains. This article explores how the principle of complete justice can serve as a foundation for fair, responsive, and sustainable commercial partnerships by complementing legal obligations with ethical considerations.

Doctrine of Complete Justice

The doctrine of complete justice is a fundamental principle in legal and ethical contexts, emphasizing fair, equitable, and holistic resolution of disputes or issues to ensure that no party is left disadvantaged. In supply chain management, a similar approach can be applied to create resilient, responsible, and sustainable operations that benefit all stakeholders, suppliers, customers, intermediaries, and society at large.

In a traditional supply chain, the focus is often on cost reduction, efficiency, and timely delivery. However, such a narrow focus can sometimes lead to exploitation of small suppliers, neglect of environmental standards, or unfair treatment of workers. By adopting the spirit of complete justice, supply chains can be transformed into networks that prioritize fairness and equitable value distribution.

Fair treatment of suppliers and partners is one critical dimension. Many large corporations exert excessive bargaining power, pushing smaller vendors to accept unfavourable payment terms or low prices. A justice-oriented supply chain would ensure reasonable contract terms, fair profit sharing, and timely payments to support the economic viability of all players, particularly smaller and vulnerable partners.

Customer-centric fairness is equally vital. Companies must ensure product quality, transparent pricing, and ethical sourcing so that customers receive true value without being misled or subjected to unsafe products. Transparent information sharing and responsiveness to customer grievances reflect the principle of justice in practice.

Environmental and social responsibility further extends the idea of complete justice to the broader community. Supply chains have significant environmental footprints, from raw material extraction to final delivery. Integrating green practices, reducing carbon emissions, and ensuring compliance with labor standards safeguard the rights of future generations and local communities. In this sense, justice is served not only among immediate business parties but also to society and the environment.

Dispute resolution mechanisms within the supply chain can also reflect the doctrine of complete justice. Rather than rigidly enforcing contractual penalties, companies can adopt collaborative approaches such as

mediation or arbitration, allowing for balanced solutions that account for unforeseen disruptions (like natural disasters or pandemics). Such methods promote trust and long-term relationships rather than transactional short-term gains.

Agility and resilience, two modern supply chain imperatives, align with the spirit of complete justice by ensuring continuity and equitable service levels even during disruptions. By diversifying suppliers, investing in local sourcing, and fostering strong partnerships, companies can ensure no stakeholder is disproportionately affected during crises.

Ultimately, adopting complete justice as a guiding principle helps build an agile, sustainable, and ethical supply chain ecosystem. It shifts the focus from pure profit maximization to value creation for all, fostering trust, loyalty, and long-term competitive advantage. This holistic approach reflects the true essence of complete justice: ensuring that all affected parties — suppliers, customers, employees, and society — receive fair treatment and opportunities, promoting collective prosperity and responsible growth.

1. Introduction

The term complete justice is rooted in the jurisprudence of equity and fairness. In the Indian legal context, Article 142 of the Constitution empowers the Supreme Court to pass decrees or orders necessary to do "complete justice" in any cause or matter pending before it (Constitution of India, Article 142). While traditionally seen in the legal realm, this principle is increasingly relevant in business ethics and commercial relationships—particularly where rigid adherence to contracts may yield unjust results.

In the context of supply chain management, especially agile and resilient systems, the doctrine of complete justice offers a lens through which to assess and redesign supplier-customer interactions.

2. Agile Supply Chains: A Modern Framework

Agile supply chains blend the characteristics of agile and resilient supply chains (Christopher & Peck, 2004). Agility denotes the ability to quickly respond to customer needs and market shifts, while resilience represents the capacity to absorb and recover from disruptions.

Key features of Agile supply chains include:

- Responsiveness to demand shifts
- Flexibility in sourcing and delivery
- Transparent information flows
- Collaborative stakeholder relationships

These systems thrive not on adversarial contracts but on mutual trust, ethical alignment, and shared risk—conditions where complete justice becomes both a necessity and a value proposition.

3. The Legal and Ethical Gap in Supplier–Customer Relationships

Supplier–customer contracts are typically designed to enforce performance, penalize delays, and ensure financial protection. However, several situations expose the limitations of these contracts:

- Unforeseen disruptions, such as pandemics or natural disasters
- Volatile commodity prices, affecting cost predictability
- Social and environmental compliance risks in upstream supply chains

Rigid legal interpretations often fail to address the contextual nuances of such scenarios. For instance, enforcing a delay penalty during a flood that disrupts factory operations may be legally valid but ethically problematic. Here, the notion of complete justice invites stakeholders to consider context, intent, and proportionality.

4. Complete Justice as a Business Principle

In supply chains, complete justice translates to an integrated approach that combines:

Contextual fairness: Taking into account the external factors and internal capabilities of both parties.

Collaborative remedies: Instead of litigation, opting for mediation, renegotiation, or joint risk sharing.

Proportional enforcement: Avoiding disproportionate penalties when violations occur due to unavoidable circumstances.

These principles echo the broader trends of ethical business practices, stakeholder capitalism, and sustainability (Freeman, Harrison, & Wicks, 2007).

5. Case Example: Ethical Supply Chain Decisions during COVID-19

The COVID-19 pandemic created widespread disruptions in global supply chains. Several companies, such as Cisco Systems and Unilever, embraced a more compassionate and justice-driven approach to their supplier relationships. Instead of terminating contracts or enforcing penalties, they collaborated with suppliers to revise timelines, share costs, and ensure business continuity (Accenture, 2020).

These actions, although not mandated by contracts, fulfilled the ethical demands of complete justice—ensuring fair outcomes for all parties and preserving long-term trust.

6. Legal Mechanisms Supporting Complete Justice

Legal frameworks already contain mechanisms that align with the philosophy of complete justice:

Doctrine of frustration under Section 56 of the Indian Contract Act excuses non-performance when events render obligations impossible (Indian Contract Act, 1872).

Equity and good faith principles are recognized under international commercial law, such as in the UNIDROIT Principles (UNIDROIT, 2016).

Force majeure clauses are increasingly drafted with broader interpretations post-pandemic to ensure fairness in future contracts.

Courts and arbitrators globally are beginning to interpret these provisions with greater sensitivity toward fairness and commercial reasonability (Kronman, 1979).

7. Barriers to Implementation

Despite its potential, the application of complete justice faces the following hurdles:

Subjective interpretation: Different stakeholders may perceive fairness differently.

Absence of legal precedents: Especially in jurisdictions where commercial arbitration is preferred over court proceedings.

Imbalanced power dynamics: Large buyers may impose terms that smaller suppliers have no power to negotiate.

Corporate short-termism: Pressure to deliver financial results can undermine ethical decision-making.

Addressing these challenges requires stronger institutional frameworks and industry-wide standards on ethical procurement and dispute resolution.

8. A Framework for Integrating Complete Justice

To embed complete justice in supply chain relationships, the following framework is proposed:

1. Adaptive Contracts: Include clauses that allow for renegotiation under dynamic conditions.
2. Joint Ethics Charters: Codify shared values and codes of conduct among supply chain partners.
3. Risk-sharing Agreements: Create financial instruments or reserves to manage disruptions collaboratively.
4. Mediation Protocols: Establish third-party conflict resolution mechanisms aligned with justice principles.
5. Ethical KPIs: Evaluate suppliers not just on cost and delivery but on justice-based metrics like fairness, transparency, and resilience.

Supreme Court case showing "complete justice" in supplier-customer context

Case Name: Aloi Parshad & Sons Ltd. v. Union of India (1960) SCR (2) 793

Facts of the Case

The appellant, Aloi Parshad & Sons, had contracted with the Government of India (customer) to supply ghee (clarified butter) during World War II.

The price of ghee rose steeply due to war conditions. The supplier demanded higher rates and compensation for losses.

The government initially agreed to make some ad hoc payments but later refused to pay beyond the original contract price.

Legal Issue

Can the supplier claim compensation above the agreed price when extraordinary circumstances (like war) made the contract extremely onerous?

Arguments

Supplier's argument: War conditions frustrated the original price; supplier suffered severe hardship.

Government's argument: Prices were fixed by contract; no further liability.

Judgment

The Supreme Court ruled against the supplier on strict legal principles, stating that price revisions were not permissible when the contract was clear.

However, the Court noted that the government had, in good faith, made certain ad hoc payments to alleviate hardship, and that such payments should be considered final settlement, thereby doing complete justice to both parties.

Takeaway (Complete Justice)

Although the strict application of contract law did not support extra payment, the court acknowledged the payments already made to the supplier to mitigate hardship — ensuring fairness beyond technical contract enforcement.

9. Conclusion

In the age of agilent supply chains, where adaptability and resilience are paramount, justice cannot be reduced to mere contract enforcement. A broader view—rooted in complete justice—is required to ensure fairness, long-term viability, and ethical coherence in supplier-customer relationships.

By integrating legal mechanisms with equitable principles and business ethics, organizations can create more sustainable, trustworthy, and future-ready supply chains. As global disruptions become the norm, only those supply networks that are just, as well as efficient, will endure.

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