

---

**(2011) 07 DEL CK 0387**

**In the Delhi High Court**

**Case No :** Writ Petition (C) No. 4779 of 2011 and CM No. 9693 of 2011

Jugnu Jayant

APPELLANT

Vs

Union of India (UOI) and Others

RESPONDENT

---

**Date of Decision :** 15-07-2011

**Acts Referred:**

Constitution of India, 1950 — Article 226, 227

**Citation :** (2011) 07 DEL CK 0387

**Hon'ble Judges :** Kailash Gambhir, J

**Bench :** Single Bench

**Advocate :** Ashish Mohan, for the Appellant; Joydeep Majumdar, for the Respondent

**Final Decision :** Disposed Off

---

## **Judgement**

Kailash Gambhir, J.—By this petition filed under Articles 226 and 227 of the Constitution of India, the Petitioner seeks directions to direct the Respondent to unconditionally extend the lease of the Petitioner in respect of parcel space in Train No. 2394-R from NDLS to PNBE w.e.f. 21.6.2011 till 20.6.2013 in terms of Clause (E) of the Comprehensive Parcel Leasing Policy (CPLP) and Clause 18 of the Contract between the parties.

2. Brief facts relevant for deciding the present petition are that the Petitioner was allotted the contract on 22.7.2008 of leasing of 04 tonnes RSLR space in Train No. 2394-R from NDLS to PNBE for a period of three years w.e.f. 21.6.2008 till 20.6.2011. As the lease was scheduled to expire on 20.6.2011, the Petitioner sought extension of the lease under the terms and conditions as stipulated in the CPLP as well as the contract and to the utter shock of the Petitioner, the Respondent vide order dated 15.6.2011 rejected the request of the Petitioner seeking extension of the lease. Feeling aggrieved with the same, the Petitioner has preferred the present petition.

3. Mr. Ashish Mohan, learned Counsel for the Petitioner submits that the case of

the Petitioner is squarely covered by the judgment of this Court in Kishan Freight Forwarders Vs. Union of India (UOI) and Others,

4. Mr. Majumdar, learned Counsel for the Respondent submits that the Petitioner was not granted extension of the contract in Train No. 2394-R as per Clause E of the Comprehensive Parcel Leasing Policy and Clause 18 of the Contract as penalty was imposed upon the Petitioner on account of overloading of parcels. Counsel also points out that the Petitioner itself has admitted this fact in para 16 of the petition that there has been a single instance of slight over loading to the tune of 245 kg approximately during the entire lease period of three years. Based on these submissions, counsel submits that the case of the Petitioner is not covered by the judgment of this Court in Kishan Freight Forwarders case (Supra). Counsel for the Respondent also submits that the case cited by the Petitioner will not be attracted to the facts of the present case as there the contract was in respect of 23 tonnes of V.P. cases and not of parcels of 4 tonnes.

5. I have heard learned Counsel for the parties.

6. The only objection taken by the Respondent is that extension of contract was not granted in favour of the Petitioner as the Petitioner had violated the clause of the Comprehensive Parcel Leasing Policy and penalty was imposed upon the Petitioner once for overloading of the parcels. For better appreciation of Clause 18 of the contract, the same is reproduced as under:

Extension of lease contract:

Extension of lease is permissible only in case of long term lease of 3 years wherein the same can be extended only once, by 2 more years at a lease rate of 25% more than the lumpsum leased freight rate subject to satisfactory performance by the leaseholder, without any penalty for overloading or violation of any provision of the contract.

7. Undoubtedly, the said clause clearly stipulates that extension of the lease would be permissible only subject to the satisfactory performance of the lease holder and the second condition being, without there being any penalty imposed on the contractor for overloading or for violation of any provision of the contract. The Petitioner has also admitted this fact that there was only one instance of violation on his part when there was excess loading to the tune of 245 kg. approximately. Counsel for the Respondent has also agreed that there was a single instance of over loading on the part of the Petitioner during the entire period of the lease.

8. It is a settled legal position that while passing the orders either for rejecting any request or not extending the contract, the administrative authority is expected to give clear reasons as through the reasons only one can know as to what transpired at the end of the authority to reject his case. Reasoned order by an administrative authority will also ensure that the decision is not a result of caprice, whim or fancy and is a just order. The Apex Court in the recent

judgment of Kranti Associates Pvt. Ltd. and Another Vs. Sh. Masood Ahmed Khan and Others, reiterated the need of having a reasoned order as it serves a wider principle of justice that justice must not only be done but it must also appear to be done. It further held that recording of reasons also operates as a valid restraint on any possible arbitrary exercise of administrative power and facilitates the process of judicial review by superior courts. Hence, the reasoning is the life blood of judicial decision making and the soul of justice. Manifestly, no such reasons have been given by the Respondent in the impugned order dated 15.6.2011 and in the absence of spelling out any such reasons in the said impugned order, counsel for the Respondent cannot now take a plea that in fact the extension was not granted in favour of the Petitioner on account of the said violation of over loading the consignments on the part of the Petitioner. The decision for denying the extension is a vital order and therefore it should have contained the exact reasons for denying such an extension instead of merely expressing a regret for not giving extension of contract. By not mentioning the said reason in the impugned order, the Respondent can be taken to have acquiesced to the said single violation made by the Petitioner in overloading the consignment. This Court in Kishan Freight Forwarders (Supra) has very comprehensively dealt with all the issues and the only distinguishable feature pointed out by the counsel for the Respondent is that in the case of the Petitioner, there was one instance of overloading and due to said violation on the part of the Petitioner he was denied the extension. It cannot be lost sight of the fact that in the other case fixed before this Court i.e. W.P.(C) 4781/2011 the extension was granted in favour of the Petitioner, although conditional till finalization of fresh tender and admittedly in that case also there was one instance of overloading and penalty was imposed upon the Petitioner. It is, therefore, quite apparent that the imposition of penalty by the Respondent due to overloading of parcels by the lease holders is not being viewed seriously by the Respondent to deny extension of the lease period as envisaged under Clause 18 of the said contract. As per the Petitioner, there has been only single instance of slight overloading of the parcels to the tune of 245 kg during the entire period of 3 years lease which fact has not been disputed by the counsel for the Respondent and therefore the Respondent cannot deny extension to the Petitioner for a single act of violation of excess loading that too when the same has not been made a ground by the Respondent itself for denying extension of two years lease period and also when the Respondent itself had granted extension to the other writ Petitioner in W.P.(C) 4781/2011 against whom as well a similar complaint of overloading was there.

9. In the light of the aforesaid discussion, the Respondent is directed to extend the lease of the Petitioner from the date of expiry of the original lease till 20.6.2013 in terms of Clause (E) of the Comprehensive Parcel Leasing Policy and Clause 18 of the Contract of RSLR in train No. 2394 Ex NDLS to PNBE.

10. With the above directions, the present petition stands disposed of.