

(1975) 01 AHC CK 0015

In the Allahabad High Court

Case No : Civil Miscellaneous Writ No. 3397 of 1974

Ram Khelari Gokul Chand

APPELLANT

Vs

Deputy Regional Food Controller, Agra and another

RESPONDENT

Date of Decision : 17-01-1975

Acts Referred:

Uttar Pradesh Food Grains Dealers Licensing Order, 1964 — Clause 4, Clause 8
Uttar Pradesh Oil Seeds and Oil seed Products Control Order, 1966 — Clause 8

Citation : (1975) 01 AHC CK 0015

Hon'ble Judges : K.N.Singh, J

Final Decision : Allowed

Judgement

K.N. Singh, J.

The petitioner firm Ram Khelari Gokul Chand is dealer in food grains and holds two licences, one in Form B and the other in Form F for wholesale commission agency under the U.P. Food grains Dealers Licensing Order, 1964. It also holds a licence in form B under the U.P. OilSeeds and OilSeeds Products Control Order, 1960, on January 30, 1974, the Deputy Regional Marketing Inspector inspected the petitioner's business premises, he found certain irregularities, thereafter by an order dated June 11, 1974 he suspended all the aforesaid three licences of the petitioner firm for a period of four months. The petitioner challenged the suspension order before this Court by means of the present petition. During the pendency of the writ petition, the Deputy Regional Food Controller, Agra, cancelled all the three licences of the petitioner by his order dated June 27, 1974. The petitioner thereupon got the petition amended and challenged the cancellation order also.

The Deputy Regional Food Controller by his order dated March G, 1974, required the petitioner to submit his explanation to the charges which mentioned three irregularities. Firstly, it was stated that on the date of inspection of the petitioner's business premises on a physical verification of the stock of groundnuts, twentyone bags were found in excess; secondly, it was alleged that

the arrivals of the food grains had not been entered in the Satti Bahi and, thirdly, it was alleged that nothing was stated on the stock board and rate board about the stock of food grains available with the petitioner. The petitioner gave a detailed explanation, accordingly to him 21 bags of groundnuts had been brought to the petitioners premises by the cultivators during the daytime when neither any partner " nor the Munim was present, it was further stated that the entry about the said 21 bags of groundnuts would have been made at the end of the day. The petitioner further explained that necessary details were mentioned on the stock board with chalk but they were dim. The petitioner further explained that he had not contravened any provision of the Licensing Order or any of the conditions of the licences.

It appears that after receipt of the expunction no further enquiry was held but merely on a perusal of the petitioner's explanation and the inspection report, the Deputy Regional Food Controller, Agra, passed the impugned order dated June 27, 1974, cancelling all the three licences of the petitioner. In the impugned order the Deputy Regional Food Controller, Agra, narrated facts and thereafter he recorded his conclusions in the last paragraph in the following words:

(Translated version)

"I have perused the record. I have come to the conclusion that the petitioner is in the habit of carrying on number two business. On January 30, 1974, the stock of groundnuts was found which had not been entered in the "Satti Bahi". This is the proof against the petitioner. The petitioner's conduct in business is not desirable. Therefore, I direct that his two licences be cancelled and the entire security money be forfeited."

The reasons quoted above are the only reasons for cancelling the petitioner's licence.

The petitioner's licences which have been cancelled by the impugned order were granted to it under the U.P. Food grains Dealers Licensing Order and U.P. OilSeeds and OilSeeds Products Control Order, 1960. Under clause 4 licence is issued to a food grain dealer and the licensee is required to comply with the conditions contained in the licence. Clause 8 of the Food grains Dealers Licensing Order makes provision for suspension and cancellation of the order after affording opportunity to the dealer concerned. A licence is liable to be cancelled if the dealer contravenes any of the terms and conditions of the licence or if he contravenes any of the provisions of the Licensing Order. Clause 8 of the U.P. OilSeeds and OilSeeds Products Control Order as amended in 1967 contains similar provisions. These provisions clearly indicate that the Licensing Authority is required to act in a quasijudicial manner in cancelling the licence. Appeal is also provided against the order of cancellation to the Commissioner. The provision for appeal implies that the Licensing Authority is under a legal obligation to act in a quasijudicial manner and to record reasons for cancelling the licence. In *Mahabir Prasad v. State of U. P.*, AIR. 1970 S.C. 1302 the

Supreme Court observed thus:

"It must appear not merely that the authority entrusted with quasijudicial authority has reached a conclusion on the problem before him; it must appear that he has reached a conclusion which is according to law and just, and for ensuring that end he must record the ultimate mental process leading from the dispute to the solution. Satisfactory decision of a disputed, claim may be reached only if it be supported by the most cogent reasons that appeal to the authority. Recording of reasons in support of a decision on a disputed claim by a quasijudicial authority ensures that the decision is reached according to law and is not the result of caprice,, whim or fancy or reached on grounds of policy or expediency. A party to the dispute is ordinarily entitled to know the grounds on which the authority has rejected his claim. If the order is subject to appeal, the necessity to record reasons is greater, for without recorded reasons the appellate authority has no material on which it may determine whether the facts were properly ascertained, the relevant law was correctly applied and the decision was just."

The above observations were made by the Supreme Court in dealing with a case where the licence of a dealer under the U.P. Sugar Dealers Licensing Order and Food grains Dealers Licensing Order was cancelled. The above observations apply to the instant case with full force. Applying the law laid down by the Supreme Court it would be clear that the Licensing Authority in the instant case failed to record any reasons for cancelling the petitioner's licence. The so-called reasons as quoted earlier are in fact no reasons. The authority concerned has not disclosed as to why and on what material he rejected the petitioner's explanation. The impugned order does not give reasons, instead it contains conclusions which are quite different from reasons. The impugned order, therefore, is not sustainable in law.

Moreover neither the Foodgrains Dealers Licensing Order nor the OilSeeds and OilSeeds Products Control Order require maintenance of Satti Bahi which is different from the stock register. The respondents have further failed to prove that any general or special order had been issued by the Licensing Authority or by the State Government for the maintenance of any Satti Bahi. Therefore, the alleged breach of not entering the arrival of 21 bags of groundnuts in the Satti Bahi could not be a valid ground for cancelling the licence. The Licensing Authority totally misdirected itself in cancelling the petitioner's licence on extraneous grounds. The order in my opinion is not sustainable in law.

In the result, I allow the petition and quash the order of the Deputy Regional Food Controller, Agra, dated June 27, 1974. The petitioner is entitled "to its costs.