

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.14477 of 2018

M/s Rajendra Singh & brothers, having registered office at Badri Bhawan, Ratu Road, Ranchi through its Power of Attorney Holder namely Sanjay Kumar Singh, Son of Sri Chandrika Prasad Singh, Resident of Village-Pachragoat, P.O.-Hirma, District-Sheohar.

... .. Petitioner/s

Versus

1. The State of Bihar, through Principal Consumer Protection Department, Government of Bihar, Patna.
2. The Managing Director, Bihar State Food Corporation, Building, Patna.
3. The Deputy Manager,
4. District Transport Committee, Sitamarhi.
5. The District Manager, Bihar State Food Corporation Building, Sitamarhi.
6. The Sub Divisional Officer, Sitamarhi Sadar.
7. The Block Supply Officer, Runnisaidpur, Sitamarhi.
8. The Assistant Godown Manager, Bathana, Sitamarhi.
9. The Assistant Godown Manager-cum-Lifting Incharge, Runnisaidpur, sitamarhi.

... .. Respondent/s

Appearance :

For the Petitioner/s	:	Mr. Y.V. Giri, Sr.Adv. Mr.Sumit Kumar Jha, Adv.
For the State	:	Mr.Arvind Ujjwal, SC-4 Mr. Upendra Pratap Singh, AC to SC-4
For B.S.F.C.	:	Mr. Niraj Kumar, Adv.

CORAM: HONOURABLE MR. JUSTICE RAJEEV RANJAN PRASAD
ORAL ORDER

6 08-01-2019 This writ petition has been preferred seeking the following reliefs:-

“i) For quashing the letter, letter no. 652 dated 20.07.2018 which has been issued by the District Manager, Bihar State Food Corporation, Sitamarhi (hereinafter referred as BSFC”) in pursuance to the recommendation of the General Manager, BSFC Patna vide its letter no. 7277 dated 18.07.2018, by which the work allotted to the petitioner for the transportation of food grains has been stayed till further order of the



*District Transport Committee, Sitamarhi.
(Annexure-13). With all consequential benefits.*

ii) For quashing the letter, letter no. 7277 dated 18.07.2018 issued by the Deputy General Manager, BSFC, Patna by which the respondent Deputy General Manager recommended the District Manager, Sitamarhi to cancel the agreement of the petitioner, forfeit the bank guarantee and further blacklist the name of the petitioner (Annexure-12).

iii) For a direction to the respondent authorities for allowing the petitioner to continue his work of transporting and handling agent which has been allotted to the petitioner in pursuance to the agreement dated 19.06.2016 with all consequential benefits.

iv) To any other relief or reliefs for which the petitioner is found to be entitled in the facts and circumstances of the case.”

Mr. Y.V. Giri, learned senior counsel representing the petitioner has placed before this Court the relevant provisions relating to appointment, termination and blacklisting etc. of transportation agent as contained in the Bihar State Food and Civil Supplies Corporation Transportation Policy, 2018. It is submitted that the said policy decision has been issued by approval of the Board of Directors of the Bihar State Food and Civil Supplies Corporation and, therefore, the procedures prescribed therein in the matter of appointment of transportation



agent as well as cancellation of agreement and blacklisting etc. would be fully applicable in the present case. According to paragraph 3 of the policy decision, a body namely District Transport Committee has been constituted which is headed by the District Magistrate. It is this Committee who is competent to take a decision with regard to appointment of a transportation agent, extension of his contract period, issuance of tender process, selection and execution of agreement proportionately among the various agents as also the cancellation of agreement and blacklisting. The District Manager has been empowered to execute all these functions with the approval of the District Transport Committee. It is worth mentioning that in the Committee namely District Transport Committee, the District Manager, State Food Corporation is the Member Secretary.

Learned senior counsel has drawn the attention of this Court towards the show cause issued under the signature of the Deputy General Manager (Modernization) of the Corporation by which the petitioner was called upon to submit his show cause as to why an appropriate action be not taken against him for alleged diversion of routes of the two trucks in question. It is submitted that the Deputy General Manager had no role to play in the matter of cancellation of agreement or blacklisting of the



contractor, still he on his own started dictating terms to the District Manager, State Food Corporation, Sitamarhi. He wrote a letter dated 18.07.2018 to the District Manager directing him to take action for cancellation of the agreement, forfeiture of security deposits, encashment of bank guarantee and further to put the petitioner in the blacklist after obtaining recommendation of the District Transport Committee. A copy of the letter dated 18.07.2018 issued under the signature of the Deputy General Manager is placed at Annexure-12 to the writ application. It is in the light of this direction of the Deputy General Manager that the District Manager issued a letter dated 20.07.2018 to the petitioner wherein the execution of work allotted to the petitioner was stopped with immediate effect till further order. A copy of the letter dated 20.07.2018 is Annexure-13 to the present writ application. These two letters (Annexure-12 and 13) are impugned in the present writ application.

Learned senior counsel submits that a bare perusal of Annexures-12 and 13 would show that the order staying execution of work has no approval of the District Transport Committee, therefore, these orders cannot be said to have been passed by following the procedures provided in the policy decision of the Corporation as approved by the Board of



Directors.

On the other hand, learned counsel representing the Corporation as well as the State have opposed the writ application. It is submitted that the petitioner has violated the terms and conditions of the agreement by diverting the routes of the trucks which were infact a kind of involvement of the petitioner in blackmarketing. It is submitted that an First Information Report in this regard has already been lodged against the petitioner. It is submitted that the show cause notice was issued to the petitioner, but he intentionally did not reply the same, however, later a reply was submitted before Deputy General Manager (Modernization) which were totally based on facts. It is submitted that the plea of the petitioner that diversion of route was due to human error cannot be accepted and the Corporation having lost it's trust and faith in the petitioner has taken steps for termination of the agreement. Learned counsel submits that Annexures-12 and 13 cannot be said to be a final decision and, therefore, no interference would be required at this stage.

Having heard learned senior counsel representing the petitioner and learned counsel representing the Corporation as well as the State, this Court is of the considered opinion that



Annexures-12 and 13 have been issued in complete disregard to the procedures established under the policy decision, 2018 approved by the Board of Directors of the Bihar State Food & Civil Supplies Corporation. The policy decision lays down a procedure which is required to be followed in the matter of cancellation of agreement and blacklisting of a contractor. As stated above, the matters relating to cancellation of agreement and blacklisting are required to be approved by the District Transport Committee and only with the approval of the District Transport Committee the District Manager being the Member Secretary shall execute the same. This Court finds from perusal of Annexure-12 to the writ application that the Deputy General Manager who is not even a member of the District Transport Committee had issued direction to the District Manager of the Bihar State Food & Civil Supplies Corporation to initiate action for cancellation of agreement and blacklisting and it is following the dictate of the Deputy General Manager that the District Manager had issued Annexure-13 to the writ application.

For the reasons abovementioned, Annexures-12 and 13 cannot be said to be legal and valid and those are liable to be quashed by this Court. Accordingly, Annexure-12 and 13 both



are quashed and cancelled.

This Court has been informed that the District Manager has referred the matter to the District Transport Committee headed by the District Magistrate. The Court has been further informed that the contract of the petitioner is going to expire on 31.03.2019 itself. Taking note of this, the District Transport Committee is directed to consider the entire matter in accordance with the policy decision, 2018 and take a decision after giving an appropriate opportunity to the petitioner to represent his case. Such decision would be taken by the Committee within a period of six weeks from the date of receipt/production of a copy of this order.

The writ application is allowed to the extent indicated above.

(Rajeev Ranjan Prasad, J)

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