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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% Judgment delivered on: 12th May, 2021

+ W.P.(C) 5221/2021 & CM APPLN. 16024/2021

VENDORS COOPERATIVE SOCIETY LTD THROUGH ITS
SECRETARY RAJ KUMAR SHARMA & ANR. Petitioners

versus

UNION OF INDIA AND ORS Respondents

Advocates who appeared in this case:

For the Petitioner : Mr. Saurabh Kirpal, Senior Advocate with Mr. Sachindra Mohan,
Mr. Jayant Mohan and Mr. Dhawal Mohan, Advocates

For the Respondents: Mr. Vipin Chaudhary, Advocate

CORAM:-

HON'BLE MR JUSTICE SANJEEV SACHDEVA

JUDGMENT

SANJEEV SACHDEVA, J.

1. The hearing was conducted through video conferencing.
2. Petitioner impugns order dated 25.03.2021, communicated by letter dated 26.03.2021, whereby the licence of the petitioner has been cancelled with immediate effect.
3. Learned Senior Counsel for the petitioner submits that the ground of cancellation is that petitioner has used old and fictitious money receipts. He submits that no show cause notice was given to the petitioner to explain his position and accordingly the order suffers from the defect of noncompliance with the principle of *audi alteram partem* and petitioner has been

condemned unheard.

4. Learned Senior Counsel for the petitioner submits that despite termination as on date petitioner is still continuing to provide services as per the agreement.

5. Learned counsel appearing for the respondents submits that as per the record, petitioner has used forged and fabricated receipts on account of which a complaint has been lodged consequent to which an FIR has been registered.

6. Learned counsel submits that the respondent-Railways was entitled in terms of Clause 30 of the Agreement to terminate the licence on account of forgery committed by the petitioner.

7. Learned counsel for the respondents, however, concedes that no show cause notice was given to the petitioner prior to passing the impugned order asking him to respond to the allegation of forgery.

8. Impugned order dated 25.03.2021 records that the main ground for termination of the licence is the alleged use of old and fictitious money receipts by the petitioner. Admittedly, no show cause notice or opportunity of hearing has been given to the petitioner prior to passing of the impugned order.

9. Without, in any manner, commenting upon the merits or the stand of either party, in view of the fact that no show cause notice or opportunity of hearing has been given to the petitioner prior to termination of the agreement, the impugned order suffers from the defect of breach of the

cardinal principle of *audi alteram partem*, having denied petitioner an opportunity of a hearing. Accordingly, the impugned order cannot be sustained solely on the said ground.

10. In view of the above, order dated 25.03.2021 communicated by letter dated 26.03.2021 is set aside.

11. This is, however, without prejudice to the rights of the respondents to issue a fresh show cause notice to the petitioner and to pass a fresh order in accordance with law.

12. In case, respondent issues a show cause notice to the petitioner, petitioner shall file his reply to the show cause notice along with supporting documents, if any, within a period of two weeks of the receipt of the show cause notice. Thereafter respondents would be at liberty to pass a fresh order after given an opportunity of personal hearing, if so demanded by the petitioner in his reply.

13. The petition is disposed of in the above terms.

14. All rights and contentions of the parties are reserved.

15. Copy of the order be uploaded on the High Court website and be also forwarded to learned counsels through email by the Court Master.

SANJEEV SACHDEVA, J

MAY 12, 2021

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