

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.1189 of 2023

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Pasupati Rice Mills Private Limited a company registered under the Companies Act, 1956 through its Director Niraj Kumar Singh (Male), aged about 43 years, son of Late Janardhan Prasad Singh, resident of Village Majhion, P.O. Paruhar, P.S. Darihat, District- Rohtas.

... .. Petitioner/s

Versus

1. The State of Bihar through the Chief Secretary Government of Bihar, Old Secretariat Building Patna.
2. The Principal Secretary, Department of Food and Consumer Protection, Government of Bihar, Patna.
3. The Bihar State Food and Civil Supplies Corporation Ltd. through its Chief General Manager, Khadya Bhawan, Daroga Prasad Roy Path, R Block, Road No. 2, Patna 800001.
4. The District Manager, State Food Supplies Corporation, Rohtas.

... .. Respondent/s

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Appearance :

For the Petitioner/s : Mr. Jai Vardhan Narayan, Adv.
For the Respondent/s : Mr. S. Raza Ahmad (Aag 5)

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CORAM: HONOURABLE MR. JUSTICE A. ABHISHEK REDDY
ORAL ORDER

6 28-11-2023 The present writ petition is filed for the following
relief(s):-

*"I. Issuance of directions,
orders or writs in the nature of certiorari
setting aside the letter bearing letter no.
10263 dated 16.12.2022 issued by the
Chief General Manager, Bihar State
Food and Civil Supplies Corporation
Ltd. Patna, whereby and whereunder the
petitioner has not been allowed to be
tagged for the year 2022-2023 on the
pretext that as per part 4 of the letter
8923 dated 28.10.2022 issued by the*



Department, the rice millers who are in the list of defaulters shall not be shortlisted and selected for affording work for the year 2022-2023 whereas the Petitioner does not fall in the list of defaulters but in an arbitrary manner, the Department has alleged that the petitioner has its association and involvement with M/S Durga Rice Mill which falls under the category of the defaulters and since the proprietor of M/S Durga Rice Mill is the own brother of the petitioner firm hence in the aforesaid context, the petitioner shall not be eligible to be tagged in the list of the registered rice millers for the year 2022-2023.

II. Issuance of directions, orders and writs in the nature of mandamus directing the respondents to forthwith allow the petitioner company to be tagged in the list of registered millers for the year 2022-2023 as the petitioner firm had applied as a single legal entity in the name of Pasupati Rice Mills Private Ltd. And there has been no association or involvement of the petitioner firm with M/S Durga Rice Mill."

2. Learned counsel for the petitioner has stated that the matter is fairly covered by the order of this Hon'ble Court



passed in C.W.J.C. No. 16880 of 2022 dated 28.03.2023.

3. Learned counsel for the petitioner has further stated that till date no appeal has been filed against the above said order and the same has become final.

4. This Court in C.W.J.C. No. 16880 of 2022 vide order dated 28.03.2023 has held as under:-

"9. I have considered the submission, the registration/ tagging of a rice miller is with the purpose to allow the said Firm/ Company to receive paddy and supply customed mill rice to the Corporation. The procurement of paddy is of course from the various Cooperative Societies (PACS). For the said purpose the Corporation is required to register the Company/Firms, who are engaged in such business. Denying registration/ tagging, therefore, amounts to dis-allowing a particular Firm or Company to engage in such business, which can only be done on reasonable grounds, otherwise the same would amount to violation of Article 19 (1)(G) of the Constitution of India. Having noticed above, the question arises whether the detagging action is on reasonable grounds. A Company registered under the Act has a separate entity in Law. If any individual Director is found to be engaged in any corrupt practice, the course adopted under the Companies Act is to remove such a Director from the Company. If there is any recovery or



dues as against the family member of a Director, including husband, the Company can not be held to be liable and the Law does not allow the concerned person to take up recovery proceedings against the Company merely on account of one of the Director being individually or any his/her family member being liable for recovery for any dues. It is also to be noticed that the Director of a Company may also be a Director of another Company. In such events, even if one Company is found to be a defaulter, another Company would not become a defaulter automatically.

10. Keeping in view above, the action of the respondents is held to be wanting and contrary to Law. Accordingly, this writ petition is allowed. The order dated 20.02.2021, passed by the respondents refusing to register/ tag the petitioner's Company is held to be unreasonable and unjustified.

11. The respondents shall now proceed to allow registration/ tagging of the petitioner's Company in future transactions.

12. The writ petition is allowed to the aforesaid extent. No costs."

5. Though the learned counsel for the respondents has sought to distinguish the said judgment of the facts of the present case but a perusal of the pleadings show that the above judgment relied by the petitioner is fairly covered in the present



case.

6. Having regard to the above proposition of law relied by the above cited judgment, the present writ petition is allowed in terms of the order passed in C.W.J.C. No. 16880 of 2022 dated 28.03.2023.

(A. Abhishek Reddy , J)

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