

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.14271 of 2024

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Sonartari Multi- State Agro Cooperative Society Limited situated at C-26, Sub- basement, Greater Kailash- 1, New Delhi- 110048 represented through its Executive Director Alok Kumar, aged about 65 years S/o Late Sheo Pujan Pandey, Resident of Bank of India Colony, Opposite Taxila Apartment, Raja Bazar, Sheikpura, Police Station - Shastri Nagar, District - Patna - 800014.

... .. Petitioner/s

Versus

1. Secretary, Ministry of Consumer Affairs, Government of India North Block, New Delhi.
2. Managing Director, National Cooperative Consumers Federation of India Ltd. NCUI Complex, 3 Siri Institutional Area, August Karanti Marg, Hauz Khas, New Delhi- 110016.
3. Assistant Manager (Business), NCCF, Siri Institutional Area, August Karanti Marg, Hauz Khas, New Delhi- 110016.
4. Branch Manager, National Cooperative Consumers Federation of India (NCCF, Patna), Deepsheela Complex, 3rd Floor, Taplatra Lane, New Ashoke Cinema, Budh Marg, Patna- 800001.

... .. Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Ansul, Sr. Advocate
		Ms. Aastha Ananya, Advocate
For the Respondent/s	:	Mr. Amit Narayan, Advocate

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CORAM: HONOURABLE THE ACTING CHIEF JUSTICE

and

HONOURABLE MR. JUSTICE PARTHA SARTHY

ORAL JUDGMENT

(Per: HONOURABLE THE ACTING CHIEF JUSTICE)

Date : 08-05-2025

I.A. No.1 of 2025

The learned Advocate for the petitioner presses I.A. No. 1 of 2025 seeking to bring on record the order dated 14.08.2024 which has actually been challenged in the writ petition.



2. The prayer made in the interlocutory application is allowed.

3. I.A. No.1 of 2025 stands allowed.

4. Let order dated 14.08.2024 be put on record.

CWJC No.14271 of 2024

5. Heard Mr. Ansul, the learned Senior Advocate for the petitioner and Mr. Amit Narayan, the learned Advocate for the respondents.

6. The challenge in this petition is to the order dated 14.08.2024 passed by the Managing Director of Patna Branch of National Cooperative Consumers Federation of India (NCCF) whereby the membership of the petitioner/firm has been cancelled and it has been blacklisted for an indefinite period.

7. Initially, we had some reservation about National Cooperative Consumers Federation of India Limited being a State as defined under Article 12 of the Constitution of India but it appears that a Division Bench



of this Court has held it to be so, which decision though was challenged before the Supreme Court but the same was withdrawn with the effect that NCCF has all along been treated as State against which writs can lie.

8. The petitioner is a Multi State Agro Cooperative Society which got itself registered with NCCF and was empanelled for procurement and marketing of various commodities under various Government schemes. In the present instance, the petitioner/firm was empanelled for procurement of food-grains under PSF (Price Stabilization Fund Scheme), a Government scheme involving the NCCF in procuring and selling of food-grains on subsidized prices. As part of the scheme, as an empanelled agency of NCCF, the petitioner got many farmers registered with it, who were interested in selling wheat under the minimum support price (MSP) and also procured wheat from them. The procured wheat had to be deposited with the Food Corporation of India.

9. It appears that during the process, the



NCCF came to learn that many of such agents had not been depositing the collected wheat with the FCI, which was a specific violation of the terms of the agency as also the directions given to the empanelled agents.

10. A general notice appears to have been issued by NCCF on several occasions demanding the deposit of procured wheat by the agencies with the FCI, failing which stringent action was threatened.

11. Mr. Ansul submits that these notices were not directed solely to the petitioner and it was taken as an advisory that the procured wheat ought to be deposited with the FCI at the earliest. There is no notice on record, though contrary fact has been claimed by the counsel for the respondents, of any notices apprising the petitioner of his having committed any breach of the requirement of the agency or of not having deposited the procured wheat with the FCI, necessitating any action. All of a sudden, the impugned order dated 14.08.2024 was received by the petitioner intimating him that his membership with



the NCCF has been cancelled and he has been blacklisted for eternity and that the petitioner would not be able to have any business-relationship with NCCF.

12. The challenge to the aforementioned order is on several grounds; the first being that such order was passed without any notice to the petitioner; the other ground is that the notice said to have been issued by the respondents is only a general advisory to all the empanelled agencies of the NCCF; and lastly, that the order of blacklisting is for an indefinite period.

13. All the three grounds noted above are not permissible under law.

14. It needs no reiteration that an order cancelling the membership of the petitioner with the Federation and blacklisting it for an indefinite period has a cascading effect. It tantamounts to civil death of the petitioner. Such blacklisting by the Federation would also prevent the petitioner from dealing with other Cooperative Societies. That apart, there is no indication of



any specific breach, by the petitioner, of the requirement of the agency. There is no indication in anyone of the documents brought on record by the respondents indicating that wheat procured by it was not deposited. Though the respondent/Federation is a conglomeration of private bodies but since it is invested with the responsibility of working in-tandem with the Government for procuring food-grains at minimum support price, it has the instrumentality which brings it within the category of State as defined under Article 12 of the Constitution of India. In that view of the matter, the respondent-Federation would be under an obligation to follow the law with regard to cancellation of membership and blacklisting of an empanelled agent.

15. The notices shown to us are mere information and advisory. This is no notice at all [Refer to ***Gorkha Security Services vs. Government (NCT of Delhi) and Others (2014) 9 SCC 109***]. The notice before blacklisting has to be with a content displaying the



intent of subjecting the noticee with specific punishment.

16. We are also of the view that such blacklisting for an indefinite period defies law and logic.

17. We thus are of the view that the order dated 14.08.2024 is not fit to be sustained in the eyes of law.

18. We, therefore, set it aside.

19. However, considering the fact that the petitioner deals in food-grains at subsidized prices which is to be distributed to the targetted beneficiaries under Government schemes where adhering to the procurement and supply norms is absolutely non-negotiable, we remand the matter to the NCCF with a direction to give a specific notice to the petitioner, citing instances and then after receiving the reply of the petitioner, pass a fresh order in accordance with law whether the Federation would allow the petitioner to remain on its rolls as a member and whether the petitioner would be blacklisted and if so, for what period.



20. This exercise shall be completed within a period of four weeks, to be counted from the date of receipt/production of a copy of the order before the respondents.

21. The writ application stands allowed with the aforesaid directions.

(Ashutosh Kumar, ACJ)

(Partha Sarthy, J)

Saurabh/Rajesh

AFR/NAFR	NAFR
CAV DATE	NA
Uploading Date	12.05.2025
Transmission Date	NA

