

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.19329 of 2024

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M/s Rashtra Kavi Dinkar Indane Gramin Vitrak through its Proprietor Namely
Chandra Shekhar Singh, Male, aged about 55 Years, S/o Late Ram Shankar
Singh R/o-At and P.O.-Simaria, Near Simaria Station, P.S.-Barauni, District-
Begusarai ... Petitioner

Versus

1. Indian Oil Corporation Limited through its Chief General Manager Cum
Bihar State Incharge, India Oil Bhavan, Plot No.-A-6, Patliputra Industrial
Area, Patna-800013.
2. Area Manager, Indian Oil Corporation, Indane Area Office, Begusarai.
3. Sales Officer, Begusarai, Indian Oil Corporation, Limited, Indane Area
Office, Begusarai. ... Respondents

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Appearance :

For the Petitioner : M/s Siddhartha Prasad & Om Prakash Kr., Advs.
For the Respondents : Mr. Sanat Kumar Mishra, Adv.

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

7 06-05-2025 Heard the parties.

2. The present writ petition has been filed for the
following relief(s) :

*(a) For quashing the Show Cause Notice cum
Suspension Order dated 06.09.2024 issued by the
Chief General Manager cum Bihar State Incharge,
Patna whereby and whereunder petitioner's
distributorship of LPG Gas Agency suspended with
immediate effect only on the basis of a false complaint
dated 13.03.2024 given by a so called partner of the
petitioner and he alleged that petitioner and his wife
arbitrarily removed the complainant from the
partnership without giving any share in the profit and
without reconciling the accounts. Because it is
prejudging the issue.*



(b) For issuance of writ(s)/ order(s)/ direction(s) for commanding the respondents to keep the impugned show cause dated 06.09.2024 in abeyance till the final decision is taken by the competent civil court in T.S. No. 123/102 of 2024 which is pending before the Civil Court, Begusarai.

(c) The petitioner further prays for any other relief/reliefs that the petitioner is entitled to in the fact and circumstances in the case.

3. It is the case of the petitioner that he had received the letter of intent from the Respondent-Corporation for setting up LPG Dealership. Learned counsel has stated that subsequently the petitioner had entered into a partnership deed with one Niranjana Prasad Singh on 15.04.2013 and thereafter the petitioner on coming to know that the petitioner is obligated to take prior permission from the oil company has cancelled the partnership deed on 15.06.2013. That the dealership agreement was entered between the Respondent-Corporation and the petitioner and his wife as a co-owner on 24.07.2013 and he has been operating the dealership without any complaint. That till the issuance of notice dated 14.05.2024 (Annexure P/2) there was absolutely no complaint from any quarters and the Respondent-Authority was satisfied with the working of the petitioner. That for the first time on 14.05.2024 based on a



complaint given by the said Niranjana Prasad Singh the authorities have issued a notice with regard to the complaint made by Niranjana Prasad Singh and seeking his explanation. The petitioner had given a detailed explanation on 20.05.2024 (Annexure P/4). Thereafter the authorities have issued the impugned show cause notice whereby the distributorship of the petitioner was suspended. Learned counsel for the petitioner has stated that besides suspending the distributorship of the petitioner, the consumers of the petitioner were also diverted to other dealerships. Learned counsel for the petitioner has stated that though the notice dated 20.05.2024 appears to be innocuous the authorities have made up their mind and suspended the license of the distributorship without there being any material on record. The issuance of the show cause notice was empty formality as the decision had already been taken by the authorities and the same is evident from the reading of the show cause notice issued to the petitioner. That without advertent to the explanation submitted to the earlier show cause notice the authorities have issued the impugned notice dated 20.05.2024. That absolutely no enquiry has been conducted by the authority concerned or an opportunity provided to the petitioner to submit his side of his story before the order of suspension. At no point of time the said Niranjana Prasad Singh had any role to play in the



earning of the distributorship or sharing of the profits as the partnership agreement was cancelled way back in the year 2013 itself. Learned counsel for the petitioner has relied on the judgments of the Hon'ble Supreme Court in support of his case:

(1) (2006) 12 SCC 33 (M/s Siemens Ltd. Vrs. State of Maharashtra & Ors.)

(2) (1987) 4 SCC 431 (K.I. Shephard & Ors. Vrs. Union of India & Ors.)

4. Per contra, the learned counsel appearing on behalf of the Respondent-Corporation has vehemently opposed the very maintainability of the present Writ Petition. Learned counsel has stated that the petitioner has challenged the notice issued by the authorities without filing any explanation. Counsel has stated that the present Writ Petition is not maintainable as the same is filed against the issuance of show cause notice. That the petitioner may be directed to submit his explanation to the show cause notice and the same will be considered and necessary orders passed. Learned counsel has stated that the factum of entering into a partnership with Niranjana Prasad Singh has not been denied by the petitioner and as a matter of fact the filing of the title suit by the petitioner seeking cancellation of the partnership deed is itself a proof to show that the partnership deed is in subsistence. Counsel has



stated that the petitioner was obligated to take prior permission from the Indian Oil Corporation before entering into any agreement/partnership with any third party. However, in this case the petitioner for a period of more than ten years did not disclose about the partnership entered with the Niranjana Prasad Singh. That the petitioner has suppressed the information and violated the terms and conditions of the agreement and therefore not entitled to any relief. Counsel has therefore has prayed this Court to dismiss the Writ Petition.

5. Admittedly, as seen from the record the letter of intent was issued in favour of the petitioner on 24.07.2013 and thereafter the petitioner has entered into a partnership deed with one Niranjana Prasad Singh on 15.04.2013. Thereafter the petitioner cancelled the partnership deed entered between himself and the said Niranjana Prasad Singh on 15.06.2013. It is pertinent to note that the agreement between the Respondent-Indian Oil Corporation and the petitioner was entered on 24.07.2013 and for a period of ten years there is absolutely no complaint by the said Niranjana Prasad Singh with regard to the partnership entered between him and the petitioner. The question as to whether the cancellation of the partnership deed is valid or not is not germane for the purpose of deciding the present case, as the same is seized by the competent Court. The



very fact that the said Niranjana Prasad Singh has kept quite for a period of ten years from the date of entering into a partnership deed with the petitioner is sufficient to show that he was well-aware of the cancellation of the said partnership deed. If the said Niranjana Prasad Singh had any grievance with regard to the subsistence or otherwise of the said partnership deed whether he is entitled to any profits or not are all subject matters which have to be decided by a competent Civil Court. The Respondent-Corporation cannot enter into the realm of the said dispute. A plain reading of the impugned order as well as the show cause notice issued on 06.09.2024 reveals that the authorities solely based on the complaint given by Niranjana Prasad Singh have jumped to the conclusion that the petitioner is guilty of violations of the terms and conditions of the agreement and suspended the same. The authorities ought to have taken into consideration the explanation submitted by the petitioner on 20.05.2024 and relegated the said Niranjana Prasad Singh to the Civil Court but for the reasons known to the Respondents they have issued the impugned show cause notice not only seeking his explanation but also suspended his distributorship. The authorities ought to have taken into consideration that even before entering into the agreement with the Respondent-Corporation the petitioner had cancelled the



partnership deed entered with the said Nirajan Prasad Singh on 15.06.2013 therefore it cannot be alleged that the petitioner has violated the terms and conditions of the agreement. Irrespective of the fact whether the cancellation of the partnership deed on 15.06.2013 is valid or not or whether Nirajan Prasad Singh has signed the same or not the said issue cannot be decided by the authorities and it is only either a competent Civil or Criminal Court which can go into the same. The very fact that the same agreement was not acted upon by the Respondent-Corporation at any point of time prior to the issuance of the show cause notice dated 14.05.2024 itself is a ground to reject the case of the said Nirajan Prasad Singh.

6. The Hon'ble Supreme Court in **(2006) 12 SCC 33 (M/s Siemens Ltd. Vrs. State of Maharashtra & Ors.)** has held as under :

“9. Although ordinarily a writ court may not exercise its discretionary jurisdiction in entertaining a writ petition questioning a notice to show cause unless the same inter alia appears to have been without jurisdiction as has been held by this Court in some decisions including State of Uttar Pradesh v. Brahm Datt Sharma and Anr. [AIR 1987 SC 943](#), [Special Director and Another v. Mohd. Ghulam Ghouse and Another](#), (2004) 3 SCC 440 and Union of India and Another v. Kunisetty Satyanarayana, 2006 (12) SCALE 262], but the question herein has to be



considered from a different angle, viz, when a notice is issued with pre-meditation, a writ petition would be maintainable. In such an event, even if the courts directs the statutory authority to hear the matter afresh, ordinarily such hearing would not yield any fruitful purpose [See K.I. Shephard and Others v. Union of India and Others (1987) 4 SCC 431 : AIR 1988 SC 686]. It is evident in the instant case that the respondent has clearly made up its mind. It explicitly said so both in the counter affidavit as also in its purported show cause.

10. The said principle has been followed by this Court in V.C. Banaras Hindu University and Ors. v. Shrikant [2006 (6) SCALE 66], stating:

"48. The Vice Chancellor appears to have made up his mind to impose the punishment of dismissal on the Respondent herein. A post decisional hearing given by the High Court was illusory in this case.

The Hon'ble Supreme Court in In K.I. Shephard & Ors. etc. etc. v. Union of India & Ors. [AIR 1988 SC 686], has held as under :

"It is common experience that once a decision has been taken, there is tendency to uphold it and a representation may not really yield any fruitful purpose."

7. Having regard to the above mentioned facts and circumstances and the law laid down by the Hon'ble Supreme



Court in the above mentioned cases, this Court is of the opinion that the issuance of the show cause notice is bad in law, issued in exercise of the powers not vested with the authorities and the same is liable to be set aside. A reading of the show cause notice reveals that the authorities have made-up their mind to terminate the contract and it is an empty formality, the show cause notice is accordingly quashed. The distributorship of the petitioner shall be restored. Further it is made clear that the authorities are free to initiate necessary steps depending on the final outcome of the pending title suit.

8. With the above directions, the Writ Petition stands allowed to the extent indicated.

(A. Abhishek Reddy , J)

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