

**IN THE HIGH COURT OF JUDICATURE AT PATNA**  
**Civil Writ Jurisdiction Case No.7594 of 2026**

M/s. Laxmi Traders a proprietorship firm through its Proprietor Sanjay Kumar Sah, Male, Aged about 40 years, Son of Shiv Chandra Sah, Resident of Village Piparahi, P.O. Dagamara, P.S. Dagamara, District Supaul.

... .. Petitioner/s

Versus

1. The State of Bihar through the Secretary, Department of Agriculture, Government of Bihar, Patna.
2. The Secretary, Department of Agriculture, Government of Bihar, Patna.
3. The Director, Department of Agriculture, Government of Bihar, Krishi Bhavan, Mithapur, Patna.
4. The District Magistrate, Office of Collectorate, Supaul.
5. The District Agriculture Officer, Nirmali, District Supaul.
6. The Sub-Divisional Officer, Nirmali, Saupal.

... .. Respondent/s

**Appearance :**

For the Petitioner/s : Mr. Rahul Kumar  
For the Respondent/s : Mr. Standing Counsel (15)

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

4      09-07-2026                      Heard the learned counsel for the parties.

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

*“i. For quashing of the impugned order dated 20.04.2026 bearing Letter No. 653 issued under the signature of Respondent District Agriculture Officer, Supaul whereby said Respondent has purportedly cancelled the fertilizer license bearing No. D-SL-20805032457166 of the Petitioner in place of typing the fertilizer license number; the seed license number has been typed in the impugned order), on the basis of an inspection conducted on 31.03.2026 by the Respondent Sub-Divisional Agriculture Officer, Nirmali, the copy of which was never served upon the petitioner.*

*ii. For declaration that the impugned order passed by the Respondent is unconstitutional*



*and violative of Articles 14 and 19(1)(g) of the Constitution of India, being arbitrary, disproportionate and passed without service of inspection report affording adequate opportunity of hearing or recording reason and for any other relief/reliefs for which Petitioner is entitled for.”*

3. The admitted facts are that the petitioner is having a seeds and fertilizers license bearing License No. DSL20805032457166. The shop of the petitioner was inspected on 31.03.2026 and thereafter, a show cause notice was issued to the petitioner on the very same day. The main allegation against the petitioner is that there is discrepancy in the physical stock available in the shop and the stock shown in the E-Pos Machine. That the discrepancy in the E-Pos Machine clearly points out to the fact that the petitioner is indulging in the black-marketing of the fertilizers/ seeds. In the show cause notice, the petitioner was given 24 hours time to file his explanation and thereafter the petitioner filed his explanation on 04.04.2026. The authority on the ground that the petitioner's explanation is not satisfactory has passed the impugned order of cancellation of the license on 20.04.2026. Further, at the time of issuance of the show cause notice, the license of the petitioner was suspended.

4. Learned counsel for the petitioner has submitted that the cancellation of the license of the petitioner is contrary to



the provisions of the Fertilizer (Control) Order, 1985 more particularly, Clause 31. That the impugned order in the present CWJC is bereft of reasons and the authority has not taken the explanation submitted by the petitioner into consideration while passing of the order of cancellation. Learned counsel has submitted that the authority has to pass the order of cancellation within fifteen days of the suspension but admittedly in this case the cancellation order was passed on 20.04.2026 which is beyond the period of fifteen days. Learned counsel has further submitted that absolutely no reasons have been given by the authority as to why the explanation filed by the petitioner was not accepted, except stating that the same is not satisfactory. Learned counsel has relied on the judgments of a Division Bench of this Hon'ble Court passed in CWJC No. 9578 of 2020 dated 15.11.2021 in support of his case. Learned counsel has stated that the petitioner's license is valid till 04.03.2029 and the explanation filed by the petitioner would make it abundantly clear that there was no discrepancy in the stock as alleged. That the error occurred in counting the number of bags by the Police. That the Agricultural Officer on 30.03.2026 has examined the stock and found it to be in perfect order. Learned counsel has therefore, prayed this Hon'ble Court to set aside the impugned



order dated 20.04.2026 and restore the license of the petitioner by allowing the present writ petition.

5. *Per contra*, the learned counsel appearing on behalf of the respondent-State has vehemently opposed the very maintainability of the present writ petition. Learned counsel has stated that on physical inspection of the shop of the petitioner, the authority found excess quantity of 104 bags which is in variance with the stock shown on the E-Pos Machine which clearly points out to the fact that the petitioner is indulging in the black-marketing of the fertilizers. Learned counsel has stated that the authority duly taking into consideration the entire circumstances has decided to cancel the license of the petitioner. That the order passed by the authority does not suffer from any infirmity and therefore, the writ petition is liable to be dismissed. Learned counsel has further stated that the petitioner is having an alternative remedy of filing a statutory appeal against the order of cancellation. Learned counsel has therefore, prayed this Hon'ble Court to dismiss the present writ petition.

6. In order to resolve the issue involved in the present writ petition, it is necessary to extract the relevant portion of the Fertilizer (Control) Order, 1985, more specifically, Clause 31 which reads as under;



***“31 Suspension, Cancellation Or Debarment***

*(1) A Notified Authority, registering authority, or as the case may be, the controller may, after giving the authorized dealer or the holder of certificate of registration or certificate of manufacture or any other certificate granted under this Order, an opportunity of being heard, suspend such authorization letter or certificate or debar the dealer from carrying on the business of fertilizer on one or more of the following grounds, namely:-*

*(a) that the authorization letter or certificate of registration or certificate of manufacture, as the case may be, has been obtained by wilful suppression of material facts or by misrepresentation of relevant particulars:*

*(b) that any of the provisions of this Order or any terms and condition of the Memorandum of Intimation or certificate of registration or the certificate of manufacture, as the case may be, has been contravened or not fulfilled:*

*Provided that while debarring from carrying on the business of fertiliser or canceling the certificate, the dealer or the certificate holder thereof may be allowed for a period of thirty days to dispose of the balance stock of fertilizers, if any, held by him:*

*Provided further that the stock of fertilizer lying with the dealer after the expiry of the said period of thirty days shall be confiscated.*

*(2) Where the contravention alleged to have been committed by a person is such as would, on being proved, justify his debarment from carrying on the business of selling of fertilizer or, cancellation of authorization letter or certificate of registration or certificate of manufacture or any other certificate granted under this Order to such person the Notified Authority or registering authority or, as the case may be, the controller may, without any notice, suspend such certificate, authorization letter, as an interim measure:*

*Provided that the registering authority, Notified Authority or, as the case may be, the controller shall immediately furnish to the affected person details and the nature of contravention alleged to have been committed by such person and, after giving him an opportunity of being heard, pass final orders either revoking the order of suspension or debarment within*



*fifteen days from the date of issue of the order of suspension:*

*Provided further that where no final order is passed within the period as specified above, the order of interim suspension shall be deemed to have been revoked without prejudice, however, to any further action which the registering authority, Notified Authority or, as the case may be, the controller may take against the affected person under sub-clause (1).*

*(3) Wherever an authorization letter or certificate is suspended, cancelled or the person is debarred from carrying on the business of fertiliser, the Notified Authority, registering authority, or as the case may be, the Controller shall record a brief statement of the reasons for such suspension or, as the case may be, cancellation or debarment and furnish a copy thereof to the person whose certificate or authorization letter has been suspended or cancelled or business has been debarred.*

*(4) Wherever the person alleged to have committed the contravention is an industrial dealer, the Notified Authority may take action against the holder of such certificate of registration under sub-clause (1) and sub-clause (2):*

*Provided that where such certificate is suspended or cancelled, the Notified Authority shall, within a period of fifteen days from the date of issue of such order of suspension or cancellation, furnish to the controller also, besides sending the same to the person whose certificate has been suspended or cancelled, a detailed report about the nature of contravention committed and a brief statement of the reasons for such suspension or, as the case may be, cancellation:*

*Provided further that the controller, shall, in case of the order for suspension passed by the Notified Authority, on receipt of the detailed report and after giving the person an opportunity of being heard, pass final order either revoking the order of suspension or canceling the certificate of registration, within fifteen days from the date of receipt of the detailed report from the Notified Authority, failing which the order of interim suspension passed by the Notified Authority shall be deemed to have been revoked, without prejudice however, to further action which the controller may take against the holder of certificate under sub-clause (1):*

*Provided also that the order of cancellation passed by the Notified Authority shall remain effective as*



*if it had been passed by the controller till such time the Controller, on receipt of the detailed report from the Notified Authority, and if deemed necessary, after giving the person a fresh opportunity of being heard, pass the final order either revoking or confirming the order of cancellation.”*

7. A perusal of the above Clause 31 more particularly, the second proviso which states that the order of cancellation has to be passed within fifteen days from the date of suspension.

8. In this particular case, admittedly, the license of the petitioner was suspended on 31.03.2026 and the order of the cancellation was passed on 20.04.2026 i.e., beyond the period of fifteen days.

9. Further, it is noted that the authority, except stating that the explanation submitted by the petitioner to the show cause notice dated 31.03.2026 is not satisfactory, has not given any reasons for cancelling the license of the petitioner.

10. The Hon'ble Supreme Court in a catena of cases has time and again held that the administrative authorities while passing any order have to necessarily give reasons for any action taken by them. Unless and until reasons are given, it would be difficult to the superior authority/ court/ tribunal to find out as to what are the reasons and grounds which have **weighed** with the said authority while passing of the impugned



order.

**11. The Hon'ble Supreme Court in the case of Assistant Commissioner, Commercial Tax Department, Works Contract and Leasing, Kota vs. Shukla and Brothers, reported in (2010) 4 SCC, 785, has held as under:**

*"..... while exercising the power of judicial review on administrative action and more particularly the judgment of courts in appeal before the higher court, providing of reasons can never be dispensed with. The doctrine of audi alteram partem has three basic essentials. Firstly, a person against whom an order is required to be passed or whose rights are likely to be affected adversely must be granted an opportunity of being heard Secondly, the authority concerned should provide a fair and transparent procedure and lastly, the authority concerned must apply its mind and dispose of the matter by a reasoned or speaking order...."*

*..... A litigant who approaches the court with any grievance in accordance with law is entitled to know the reasons for grant or rejection of his prayer Reasons are the soul of orders Non-recording of reasons could lead to dual infirmities; Firstly, it may cause prejudice to the affected party and secondly, more particularly, hamper the proper administration of justice. These principles are not only applicable to administrative or executive actions, but they apply with equal force and, in fact, with a greater degree of precision to judicial pronouncements. The orders of the court must reflect what weighed with the court in granting or declining the relief claimed by the applicant."*

**12. Further, the Hon'ble Supreme Court in the case of *Kranti Associates Private Ltd. and Another vs. Masood Ahmed Khan and Others* reported in (2010) 9 SCC 496, Para-47 has held as under:-**



*“47. Summarizing the above discussion, this Court holds:*

*(a) In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.*

*(b) A quasi-judicial authority must record reasons in support of its conclusions.*

*(c) Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well.*

*(d) Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.*

*(e) Reasons reassure that discretion has been exercised by the decision-maker on relevant grounds and by disregarding extraneous considerations.*

*(f) Reasons have virtually become as indispensable a component of a decision-making process as observing principles of natural justice by judicial, quasi-judicial and even by administrative bodies.*

*(g) Reasons facilitate the process of judicial review by superior courts.*

*(h) The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the lifeblood of judicial decision-making justifying the principle that reason is the soul of justice.*

*(i) Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.*

*(j) Insistence on reason is a requirement for both judicial accountability and transparency.*



*(k) If a judge or a quasi-judicial authority is not candid enough about his/her decision-making process then it is impossible to know whether the person deciding is faithful to the doctrine of precedent or to principles of incrementalism.*

*(l) Reasons in support of decisions must be cogent, clear and succinct. A pretense of reasons or “rubber-stamp reasons” is not to be equated with a valid decision-making process.*

*(m) It cannot be doubted that transparency is the sine qua non of restraint on abuse of judicial powers. Transparency in decision-making not only makes the judges and decision-makers less prone to errors but also makes them subject to broader scrutiny. (See David Shapiro in Defence of Judicial Candor [(1987) 100 Harvard Law Review 731-37] .)*

*(n) Since the requirement to record reasons emanates from the broad doctrine of fairness in decision making, the said requirement is now virtually a component of human rights and was considered part of Strasbourg Jurisprudence. See Ruiz Torija v. Spain [(1994) 19 EHRR 553] EHRR, at 562 para 29 and Anya v. University of Oxford [2001 EWCA Civ 405 (CA)], wherein the Court referred to Article 6 of the European Convention of Human Rights which requires, “adequate and intelligent reasons must be given for judicial decisions”.*

***(o) In all common law jurisdictions judgments play a vital role in setting up precedents for the future. Therefore, for development of law, requirement of giving reasons for the decision is of the essence and is virtually a part of “due process.”***

13. Further, it is to be noted that second proviso to Sub-Clause 2 of Clause 31 of the Fertilizer (Control) Order, 1985 states that in case the final order is not passed within the period of fifteen days from the date of suspension, the



suspension order gets automatically revoked.

**14.** Having regard to the above mentioned facts and circumstances, the impugned order dated 20.04.2026 is set aside. The license of the petitioner bearing License No. DSL20805032457166 is restored. The respondent authority is directed not to interfere with the business of operations of the petitioner with regard to the above incident.

**15.** With the above directions, the present writ petition stands allowed to the extent indicated.

**16.** All pending I.As., if any, are deemed to have been disposed of.

**(A. Abhishek Reddy, J)**

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