IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO. 5523 OF 2026

Tirupati Krushi Kendra, Shahgad
Beed-Raod, Shahgad, Tq:Ambad, Dist.Jalna,
Through its: Mukesh Radhesham Gilda
Age-43 years, Occ:. Proprietor,
R/o-Beed Road, Shahgad.
Tq.:Ambad, Dist:Jalna ….Petitioner

VERSUS

1. Divisional Joint-Director of Agriculture,
   Chhatrapati Sambhajinagar
2. Licensing Officer and District Superintendent
   Agriculture Officer, Jalna, Dist. Jalna.
3. Agriculture Officer (Quality Control)
   and Taluka Agriculture Officer,
   Ambad, Tal:Ambad, & Dist.Jalna. ….Respondents

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Mr.Avinash A. Khande h/f Mr.Avinash B. Katkar for the Petitioner.
Ms.Vaishali Chaudhari for Respondent Nos.1 to 3.

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CORAM : MANJUSHA DESHPANDE, J.
RESERVED ON : 21.10.2026
PRONOUNCED ON : 27.10.2026

JUDGMENT :

1. Rule. Rule made returnable forthwith and heard finally by consent of the parties.

2. The Petitioner, who is a valid licence holder with an authorization to sell fertilizers, is aggrieved by the order passed by the Respondent No.1/Appellate Authority, confirming the order dated 02.03.2026 passed by the Respondent No.2, Licensing Authority, cancelling the licence/authorization granted in favour of the Petitioner

for sale of fertilizers. Hence, the Petitioner has approached this Court against the order of the Licensing Authority as well as the Appellate Authority.

3. The learned Advocate, Mr.Khande, appearing for the Petitioner, submitted that the Petitioner is a retailer of fertilizers, seeds and pesticides, and is running the business on the basis of the authorization/licence issued by the Respondent No. 2. He submits that his licence is renewed on 25.01.2026 for a period of five years w.e.f. 31.01.2026. He submits that the Petitioner has been running his business of retail sale of fertilizers, seeds, etc., for more than 25 years without any complaint or any action by the statutory authorities. The Respondent No.3 all of a sudden visited his shop on 16.02.2026, in his absence and conducted an inspection. According to the inspection report dated 16.02.2026, it recorded that the Petitioner has violated some of the conditions of the licence, such as stock board is not displayed at a conspicuous place, the stock is not maintained in the register, bill book is not found, stock in books did not tally, etc. According to him, the deficiencies recorded by the Licensing Authority were communicated to him on 24.02.2026 and he was called for a personal hearing on 27.02.2026. In response to the show-cause notice, the Petitioner submitted his reply on 27.02.2026, to each of the points referred in the show-cause notice, satisfying on the most of the deficiencies recorded in the inspection report.

4. He submits that after conducting the hearing, the Licensing Authority has passed an order relying on Clause 31(1)(b) of the Fertiliser (Control) Order, 1985, thereby permanently cancelling the licence of the Petitioner. The only concession that was granted to the Petitioner is that he was permitted to sell out the stock that was existing in his shop within a period of ten days. After the order dated 02.03.2026 is passed by the Licensing Authority, the Petitioner has challenged this order before the Appellate Authority, who without appreciating the grounds raised by the Petitioner, maintained the order passed by the Licensing Authority.

5. Mr. Khande has drawn attention of this Court to the order of renewal issued in favour of the Petitioner dated 25.03.2026, which is valid from 31.01.2026 to 30.01.2031. He submitted that in fact he was holding a valid licence which came to an end in January-2026. Since the validity of his previous licence had expired, he has moved an application for its renewal by filling the necessary form and fees, which can be seen from the order of renewal, which records that, an application for renewal is received by the Licensing Authority on 16.02.2026, and accordingly, renewal is granted to the Petitioner on 25.03.2026 by renewing his licence, which was valid from 30.01.2026. It is submitted that this aspect of the matter has been totally lost sight of by the Licensing Authority, as well as the Appellate Authority, while cancelling his licence.

6. He submits that one of the irregularity recorded in the inspection report by the Licensing Authority is that the Petitioner has

failed to renew his licence which has expired on 30.01.2026, despite the fact that the very day on which the inspection was conducted on 16.02.2026, the Petitioner has filed the application seeking renewal of his licence. He submits that according to Clause 11 of the Fertiliser (Control) Order, 1985, an application for renewal is to be made one month prior to its date of expiry, however, it also permits for such an application to be made within one month from the date of such expiry. Thus, according to him, his application for renewal dated 16.02.2026 was made well within the prescribed period as provided under Rule 11(3) of the Fertiliser (Control) Order, 1985.

7. It is also contended that directly taking an action of cancellation of licence is a harsh action and is also contrary to the procedure of suspension, cancellation and debarment of licence by the Licensing Authority. According to him, the first step, if at all any irregularity is observed at the premises of a retailer, would be of suspending his licence and not a drastic action of cancellation of licence. A chance of improvement and opportunity to remove the deficiencies is required to be given to a licence holder. Referring to the material dates of the incidents and the orders passed in the present matter, it is submitted that even though he holds a valid licence which is issued in his favour on 25.03.2026, yet the Licensing Authority, without application of his mind and recording any reason whatsoever, has passed a cryptic order permanently cancelling the licence of the Petitioner. Even the Appellate

Authority has confirmed the order in a similar fashion without recording his reasons, by merely recording that the order passed by the Licensing Authority does not deserve any interference. He has totally failed to record his reasons for confirming the order passed by the Licensing Authority. In addition to cancellation of the licence, it is also recorded by the Appellate Authority that, the Petitioner is restrained from purchasing new fertilizers and conducting any transaction in respect of the fertilizers, as a result of which, although the Petitioner is holding a valid licence, he is restrained from purchasing new stock for his shop for the purpose of sale. Hence, it is requested that the order passed by the Licensing Authority cancelling his licence vide order dated 02.03.2026, and the order confirming the cancellation by the Appellate Authority dated 07.04.2026 deserve to be quashed and set aside.

8. The learned AGP appearing for all the Respondents, submitted that the Petitioner has admitted the deficiencies recorded in inspection report in his reply to the show-cause notice. He has admitted that, the person present in the shop in his absence was not able to operate the e-POS machine, and the sale of urea was wrongly denied to the customer despite there being sufficient stock in the shop. Thus, considering the serious irregularities, no leniency should be shown to the Petitioner. According to her, urea is an essential commodity sold at subsidized rates and regulated under the Fertiliser (Control) Order, 1985. Therefore, denial of urea to a customer is a serious irregularity.

9. She would further submit that on the date on which the inspection was conducted, the Petitioner was not holding a valid licence. Hence, it has been correctly recorded in the list of deficiencies during the inspection. According to her, the procedure provided under Clause 31(2) of the Fertiliser (Control) Order, 1985 would not be attracted. The order is passed under Clause 31(1)(b) of the Fertiliser (Control) Order, 1985. The details and nature of contraventions were furnished to the Petitioner, through a report calling upon his explanation, and only after hearing him, the order impugned has been passed. The Petitioner has failed to demostrate what prejudice is caused to him. Hence, according to her, the penalty imposed by cancelling the licence of the Petitioner, is not at all disproportionate. The irregularity recorded in the sale of products in the shop of the Petitioner, like urea, directly affects the farmers and public distribution of a subsidized fertilizer, which cannot be termed as a technical defect. There cannot be a judicial review on the quantum of punishment since it is the prerogative of the competent authority to impose penalty.

10. I have heard the respective parties and perused the documents on record. Upon perusal of the documents and the reply filed by the Respondents, the points that arise for the consideration of this Court are :

(i) Whether the inspection dated 16.02.2026 and the impugned order dated 02.03.2026 issued by the Respondent No.2, and order

dated 07.04.2026 issued by Respondent No.1, are legal, valid and proper ?

(ii) Whether the punishment of cancellation of licence of the Petitioner is shockingly disproportionate in the eyes of law ?

11. So far as the first point is concerned, from the documents placed on record, it is evident that the licence of the Petitioner was valid up to 30.01.2026. Hence, when the inspection was conducted on 16.02.2026, the Petitioner admittedly was not holding a valid licence. However, from the licence of the Petitioner that is renewed on 25.03.2026, it is evident that the Petitioner has filed an application on 16.02.2026 for the renewal of his licence that has expired on 30.01.2026. Thus, the day on which the inspection of the Petitioner's shop was conducted, he had already filed an application for renewal of the licence. From the inspection report dated 16.02.2026, the first deficiency recorded is that there is no valid licence on the date of inspection. The display board of the stock of the chemical fertilizer was not updated; the stock register of chemical fertilizer was not maintained and certified; the bill book of sale of chemical fertilizers to the agriculturists was not available; and the stock as per the e-POS and the actual stock did not match. Thus, except the deficiency regarding valid licence, all other deficiencies recorded in the inspection report were not of such nature, that would invite harsh penalty like cancellation of license. The Petitioner has already filed his explanation to the deficiencies point-wise. He has

categorically stated in his explanation that, since he was not personally present in the shop and the person present in the shop was not capable of operating the e-POS machine, the sale of urea could not be made to the customer as per his demand. It is also requested by him that he needs to be granted one more chance and has undertaken that, no such incident would occur in future. So far as the rest of the deficiencies are concerned, he had already taken steps for removing the same.

12. Upon perusal of the order dated 02.03.2026, issued by the Licensing Authority, it is very much obvious that he has merely recorded the facts and has passed an order without recording any reason for such a drastic action of cancellation of his licence. The order is not only cryptic, but without recording any reasons. Similarly, even the order passed by the Appellate Authority records the factual aspect of the matter, it in no way justifies the order supported by any reason. When a harsh penalty is imposed, it is rule of law that, it should be supported by reasons. The Hon'ble Supreme Court has time and again held that the order passed by the judicial as well as the quasi-judicial authorities are required be supported by reasons. Therefore, both the orders that are passed without recording any reasons become unsustainable on that ground alone.

13. Apart from the failure to record reasons, it is surprising that on one hand, the Licensing Authority has issued a licence on 25.03.2026 in favour of the Petitioner which is valid till the year 2031, without considering his own order passed on 02.03.2026. Similarly, this order of

renewal dated 25.03.2026 has not been taken into consideration by the Appellate Authority, while passing order on 07.04.2026. It only refers to the order dated 02.03.2026 passed by the Licensing Authority and the appeal filed by the Petitioner on 13.03.2026. Hence, upon consideration of the relevant dates, it appears that the stand of the Respondent/Authority is not at all consistent. On one hand, they are inspecting and cancelling the licence, of the Petitioner. On the other hand, they have renewed the licence of the Petitioner on 25.03.2026. Inispite of renewing licence, restraint is imposed on the Petitioner for purchase of new stock for the purpose of sale in his shop.

14. Thus, it is evident that the Respondent/licensing Authority and the Appellate Authority not aware of the orders passed by the authorities of their own department, which has resulted in inconsistent orders passed against the Petitioner. As has been brought to my notice, the Petitioner had already filed an application for renewal of his licence within the prescribed outer limit, which is provided under Rule 11, Sub-rule (3), under the 'Renewal of certificates of registration and authorization letters' of the Fertiliser (Control) Order, 1985, which reads thus:

> *"11. Renewal of certificates of registration and authorization letters*
>
> *(1)……*
>
> *(2)……*
>
> *(3) If any application for renewal is not made before the expiry of the period of validity of the*

> *certificate of registration or, as the case may be, the authorization letter but is made within one month from the date of such expiry, the certificate of registration or, as the case may be, the authorization letter shall be dealt as provided in sub-clause (2) on payment of such additional fee as may be prescribed under clause 36 in addition to the fee for renewal.*

15. In view of the aforementioned provision, it is evident that it is permissible for a licence holder to file an application for renewal of licence within one month from the date of expiry. In case of the Petitioner, the licence was valid up to 30.01.2026 and the application was filed on 16.02.2026, which is well within the window provided under Clause 11(3) of the Fertiliser (Control) Order, 1985.

16. Similarly, Clause 31 of the Fertiliser (Control) Order, 1985, the condition governing suspension, cancellation and debarment, is reproduced hereunder:

> ***31. Suspension, Cancellation Or Debarment***
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> *(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."

17. Upon perusal of Clause 31(1) of the Fertiliser (Control) Order, 1985, it provides for grounds of concellation of license under Items (a) and (b), thus only on the grounds mentioned in Items (a) and (b), the licence can be suspended. Since the Petitioner has not obtained the licence by wilful suppression or misrepresentation, ground under Item (a) would not be applicable in the case of the Petitioner. So far as Item (b) is concerned, it is the claim of the Respondent/Authority that, he has committed breach of the terms and conditions of the licence, therefore, the action is justified. The Petitioner has removed almost all the deficiencies as stated in his reply to the show-cause notice except the renewal of license. On the contrary, the Respondents have failed to provide sufficient time to the Petitioner, for disposal of the stock already existing in the shop of the Petitioner. Proviso to Clause 31(1) of the Fertiliser (Control) Order, 1985, specifically provides that the license holder may be allowed a period of 30 days to dispose of the balance stock of fertilizers, if any, held by him. In the present case, only 10 days' time has been granted to the Petitioner for disposal of his balance stock. Thus, the Respondent/Authority has clearly committed breach of the condition provided under proviso to Clause 31(1) of the Fertiliser (Control) Order, Pertinently Clause 31(2) of the Fertiliser (Control) Order, 1985, contemplates that, if at all it is found that the alleged contravention is such that it would justify debarment on carrying of business, the notified authority or the registering authority can suspend such certificate as an

interim measure, and even Clause 31(3) of the Fertiliser (Control) Order, 1985, provides that when the licence or authorization is suspended or cancelled, debarring a person from continuing his business, the Controller has to record in brief statement of the reasons for such suspension or cancellation. In the present case, without suspending the lisence, the Licensing Authority has straightway cancelled the licence without recording any reasons for issuing the impugned order. The impugned order dated 02.03.2026, only records that, the Petitioner has failed to give satisfactory reasons for the deficiencies observed in the inspection report. Except this, no other reason for imposing a harsh penalty of cancellation of license of the Petitioner has been recorded in the impugned order. Thus, due to failure to record reasons for cancellation of license, the impugned order suffers from arbitrary exercise of powers. Similarly, even the Appellate Authority does not support the order with any reasons while rejecting the appeal filed by the Petitioner.

18. Thus, the impugned orders passed by the Respondent Nos.1 and 2, having passed in arbitrary exercise of powers, become unsustainable in the eyes of law. In the result, the Writ Petition is allowed in terms of Prayer Clause [B], and Rule is made absolute accordingly.

[MANJUSHA DESHPANDE, J.]