

N. Balaji Vs Smt. L.M. Shanthi and Others

Court: Madras High Court

Date of Decision: March 4, 2002

Acts Referred: Constitution of India, 1950 Article 14, 226

Citation: (2002) 2 MLJ 88

Hon'ble Judges: K. Gnanaprakasam, J; A.S. Venkatachalamoorthy, J

Bench: Division Bench

Advocate: M. Ravindran for C. Prakasam, for the Appellant; V.R. Gopalan, for Respondent No. 1, P.N. Radhakrishnan, for Respondents 2 and 3 and M.S. Rajasekar, for the Respondent

Final Decision: Dismissed

Judgement

A.S. Venkatachalamoorthy, J.

The first Respondent herein filed W.P.3842 of 2001 praying this Court to issue a writ of mandamus

forbearing the Respondents 2 to 5 herein from in any manner awarding dealership of the retail outlet at Vellode Village, Erode District in favour of

the Appellant herein by issuing a letter of intent or letter of appointment and further directing the Respondents 2 to 5 herein to consider the first

Respondent herein for appointment as dealer of the said retail outlet.

2. W.P.I 1783 of 2001 was filed by the Appellant herein praying the Court to issue a direction to the Corporation to forbear from commencing the

retail outlet either by the Respondents 2 to 5 or by any of his agents.

3. The learned single Judge by an order dated 21.12.2001 allowed W.P.3842 of 2001 and directed Respondents 2 to 5 herein to consider the

first Respondent for appointment as dealer of the retail outlet at Vellode village, Erode District, subject to the satisfaction of the required

conditions. In view of the said order, W.P.I 1783 of 2001 was dismissed.

4. The above writ appeal has been filed by the 5th Respondent in W.P.3842 of 2001 against the order in W.P.3842 of 2001.

5. The admitted facts are, the Respondents 2 and 3 viz., the Indian Oil Corporation, called for applications under open category for award of

dealership of the retail outlet at Vellode village in Erode District. The Appellant herein, the first Respondent and others applied and were called for

interview. On 12.12.2000 the first Respondent addressed a letter to the Corporation bringing to the notice the fact that the Appellant had given

false statement and had suppressed material particulars and in pursuance of that first Respondent was specifically called for a personal enquiry on

19.12.2000 and she produced certain documents to substantiate her case. But however, the Indian Oil Corporation granted retail outlet to the

Appellant herein.

6. The first Respondent herein filed writ petition contending that the Appellant had suppressed material facts in his application and further furnished

wrong declaration about his annual income in the prescribed format viz., Appendix A, not certified by the Notary Public. The 5th Respondent's

further case is that the Appellant failed to disclose the income from the partnership firm viz., Jai Balaji Transport; income from properties owned by

him and the commission earned by PCO run by the Appellant.

7. The Appellant resisted the writ petition inter alia contending that he submitted income tax Auditor's report when the application was made and

also during the interview and in fact the format contains the signature of the Notary public as well as seal. It is the further case of the Appellant that

he is not owning any bus or lorry and that out of the three telephones standing in his name, one is running as PCO and one is kept in his house and

the other is kept for lorry business. With regard to Jai Balaji Transport, the Appellant contended that it was originally belonged to him and his

brother-in-law and later his share was sold to his brother-in-law two years back and hence he is not running any bus or owning the said Jai Balaji

Transport.

8. The learned single Judge during the course of hearing the writ petition and after satisfying that the particulars furnished by the Appellant regarding

his income required further information, passed an order in W.M.P No. 5441 of 2001 dated 28.6.2001 and directed the second Respondent to

call for a report from the Vigilance Cell, after enquiry regarding the Income of the 5th Respondent. Pursuant to that a report was also filed. But

however, the learned single Judge, finding that the Vigilance Officer had not conducted the enquiry properly since he collected all the materials

behind back of the first Respondent and with the knowledge of the Appellant and his Auditor and failed to permit both the parties viz., the

Appellant and the first Respondent to make their submissions/objections, thought it necessary to ignore the said report and proceeded with

consideration of rival contentions of the parties.

9. The learned single Judge after considering the materials available on record, came to the conclusion that the Income Declaration Form, originally

filed by the Appellant was taken away from the Corporation later and substituted by another Form and hence it is a clear case of tampering with

the application of the Appellant. The learned Judge has also found that the Appellant was rather permitted to introduce annual return form at a later

stage. On the question of income of the Appellant, the learned single Judge considered the same under various heads viz., Income derived from the

lorry transport service; income from lorry booking agency commission; PCO commission and income derived from the property at Koilampalayam

Housing Unit and came to the conclusion that the Appellant did not disclose his real income. The learned single Judge further found that it is a clear

case of suppression of material facts for the purpose of obtaining dealership and bringing his income below Rs. 2 lakhs.

10. Pointing out the various conditions in the advertisement calling for the application, in particular to the clause which is to the effect that if there is

any wrong statement or suppression of fact it will disqualify the applicant from selection to the dealership, the learned single Judge allowed the writ

petition and issued a direction to the Respondents 2 to 5 to consider the first Respondent for appointment as dealer of the retail outlet at Vellode

village in Erode District subject to the satisfaction of required conditions.

11. The learned Counsel appearing for the Appellant made two-fold submissions before us. Firstly, the High Court cannot, in exercise of its

jurisdiction under Article 226 of the Constitution of India, re-appreciate or re-appraise the relevant material factors, relative qualifications and

evaluation of the comparative merits of the candidates, as laid down by a Division Bench of this Court in Writ Appeal No. 464 of 1995 dated 4th

August, 1995, reported in 1995 MLJ 458 (Chandran v. Oil Selection Board). But the learned single Judge in this case, has erred in taking up the

exercise of re-appreciating the materials available on record and coming to a different conclusion. Or in other words, according to the learned

Counsel, the learned single Judge has re-appraised the evidence, which the learned single Judge ought not to have done since it cannot be done.

Secondly it is contended that the learned single Judge has erred in issuing a direction to the Respondents 2 to 5 herein to consider the first

Respondent for appointment as Dealer, subject to the satisfaction of required conditions, when there is yet another applicant, who has been ranked

between the Appellant and the first Respondent.

12. Before we proceed to consider the first submission made by the learned Counsel for the Appellant, we would like to point out certain factual

aspects.

13. The case of the first Respondent is that along with the application, the Appellant filed the Annual Income Declaration mentioning the date

therein as 1st August, 2000. As the same was not Notarised as required, subsequently the Appellant prepared another declaration duly notarised

and managed to substitute the same for the earlier one and this could have been done only with the connivance of the Respondent Corporation's

Officials/Staff.

14. Page No. 75 of the typed set of papers filed by the first Respondent in the writ petition is a xerox copy of the Annual Income Declaration.

According to the learned Counsel for the first Respondent, this is a copy of the Declaration originally submitted by the Appellant before the

Corporation. We find it is dated 1st August, 2000. We called upon the learned Counsel for the Appellant to show it to the party viz.. the

Appellant, who was present in Court and to ascertain as to whether the signature contained therein is that of his. The Appellant answered in the

positive. The Appellant however did not inform this Court as to what happened to the original of that form. We also verified the original file

produced by the Corporation, but we do not find the original of that. But on the contrary, we find another form viz.. Annual Income Declaration

Form mentioning the same date (1st August, 2000), signed by the Appellant. Learned single Judge has clearly found in para Nos. 31 and 33 of the

order as under,

He has also tampered with his application with subsequent insertions, justifying it that he has given them during the interview." "I am disturbed at the

manner in which the Selection Authorities have permitted their documents to be tampered with." It has to be noted that Respondents 2 to 5 have

not filed any appeal, questioning the correctness of the above finding/observation. We are fully convinced that the claim of the first Respondent is

true. As rightly pointed out by the learned Counsel for the first Respondent, first the Appellant filed one Annual Income Declaration Form and

thereafter substituted it by another form. Needless to mention, this could not have been possible without the active collusion of the Corporation

officials/staff. We cannot say beyond this since we do not know who in the Corporation was responsible/who colluded with the Appellant.

15. It has to be noted that the learned Counsel for the Appellant has not advanced any argument on the finding or the learned single Judge that the

enquiry by the Vigilance Officer, who was asked to go into the question of income cannot be accepted and the learned single Judge has given valid

reasons for coming to such a conclusion (i.e.) the Vigilance Officer (a) has not applied his mind; (b) did not conduct the enquiry on the real aspect

of the matter; (c) did not bother to look into the original documents; (d) failed to give an opportunity to the first Respondent on the materials

furnished by the Appellant in support of his claim; and (e) collected all materials behind the back of the first Respondent, but however, with the

knowledge of the Appellant and his Auditor. According to the learned single Judge, this vitiates the entire exercise conducted by the Vigilance

Officer.

16. Again it has to be pointed out that the learned Counsel for the Appellant did not advance any argument on the finding of the learned single

Judge that the Auditor had issued erroneous, wrong and incorrect certificate without disclosing the correct income of the Appellant and that there is

a failure on the part of the Appellant to disclose the income from PCO; the rental income from Koilampalayam Housing Unit; correct and full

income from Jai Balaji Transport; property income and the income of his father and this deliberate failure was to bring the income below Rs. 2

lakhs.

17. No challenge has been made on the finding that the Appellant has suppressed the material facts with regard to the income he is deriving from

various sources even before the High Court, apart from the fact that he has tampered with his applications with subsequent insertions.

18. Now, the question would be what are the powers of this Court in exercising its jurisdiction under Article 226 of the Constitution of India. In

this context, we would like to refer to a few decisions, which will have a bearing on this case.

19. In a decision reported in *Rohtas Industries Ltd. and Another Vs. Rohtas Industries Staff Union and Others*, the Supreme Court had an

occasion to point out the powers of the High Court while exercising power under Article 226 of the Constitution of India, which reads thus,

The expansive and extraordinary power of the High Courts under Article 226 is as wide as the amplitude of the language used Indicates and so

can affect any person- even a private individual-and be available for any (other) purpose, even one for which another remedy may exist.....

But it is one thing to affirm the jurisdiction, another to authorise its free exercise like a bull in a china shop. this Court has spelt out wise and clear

restraints on the use of this extraordinary remedy and High Courts will not go beyond those wholesome inhibitions except where the monstrosity of

the situation or other exceptional circumstances cry for timely judicial interdict or mandate. The mentor of law is justice and a potent drug should

be judiciously administered. Speaking in critical retrospect and portentous prospect, the writ power has, by and large, been the people's sentinel

on the qui vive and to cut back on or liquidate that power may cast a peril to human rights. We hold that the award here is not beyond the legal

reach of Article 226, although this power must be kept in severely judicious leash.

In a case reported in *Air India Statutory Corporation, etc. Vs. United Labour Union and others* [overruled], the Supreme Court in para Nos. 26

(12), (13) and 27 has observed thus,

26(12). Every action of the public authority, agency or instrumentality or the person acting in public interest or any act that gives rise to public

element should be guided by public interest in exercise of public power or action hedged with public element and is open to challenge. It must meet

the test of reasonableness, fairness and justness.

26(13). If the exercise of the power is arbitrary, unjust and unfair, the public authority, instrumentality, agency or the person acting in public

interest, though in the field of private law, is not free to prescribe any unconstitutional conditions or limitations in their actions.

27. It must be based on some rational and relevant principles. It must not be guided by irrational or irrelevant considerations and all their actions

should satisfy the basic law requirements of Article 14. The public law interpretation is the basic tools of interpretation in that behalf relegating

common law principles to purely private law field.

In TVL Sundaram Granites Vs. Imperial Granities Ltd and Others, the Supreme Court ruled that while granting of largesse is at the discretion of

the State Government, its action should be open, fair, honest and completely above board.

The next ruling that can be usefully referred to is one reported in Maharaja Chintamani Saran Nath Shahdeo Vs. State of Bihar and Others, a case

arising under Bihar Land Reforms Act, 1950. In that case, the land owner was originally paid a compensation calculated three times the net annual

income. The land owner, not being satisfied, approached the compensation Officer, who fixed at ten times, the net annual income. The land owner

also agreed to the offer and so a fresh Compensation Assessment Roll was prepared. Thereafter, the Member, Board of Revenue, took suo-motu

action, reopened the case and found that the additional compensation awarded was in violation of Section 25(4) of the Act and directed the land

owner to refund the excess amount. The land owner thereafter approached the High Court in writ jurisdiction, contending that the Member, Board

of Revenue, did not have the authority to pass the order and that in fact, the authority ought to have filed only an appeal u/s 27 of the said Act. It

was also contended on behalf of the State that the land owner had already received the compensation determined without protest and thus he was

liable to refund the excess amount. Of course, a contention was also raised that the order of the Member, Board of Revenue was legal since he

had power of superintendence, direction and control. The learned single Judge ruled that if the order of the Member, Board of Revenue was set

aside, then it would be restoring an illegal order and the same was also confirmed in writ appeal. When the matter was taken to the Supreme

Court, the Supreme Court also dismissed the appeal and in that context ruled as under: ""For what has been stated above, we hold that the order of

the learned Member of Board of Revenue directing action to be taken for refund of the excess compensation was valid and proper though he had

no jurisdiction to pass the order. In the event it is set aside it would amount to reviving an invalid order of payment of excess compensation to the

Appellant.

Though the prayer in the writ petition is couched as if it is a writ of mandamus, it is in fact only a certiorarified mandamus. In fact, the Supreme

Court in the decision reported in *Sawarn Singh and Another Vs. State of Punjab and Others*, ruled thus.

In regard to a finding of fact recorded by an inferior tribunal, a writ of Certiorari can be issued only if in recording such a finding, the tribunal has

acted on evidence which is legally inadmissible, or has refused to admit admissible evidence, or if the finding is not supported by any evidence at

all, because in such cases the error amounts to an error of law. The writ jurisdiction extends only to cases where orders are passed by inferior

courts or tribunals in excess of their jurisdiction or as a result of their refusal to exercise jurisdiction vested in them or they act illegally or improperly

in the exercise of their jurisdiction causing grave miscarriage of justice.

20. From the above rulings, the legal position is clear that if the High Court is of the opinion that when exceptional circumstances do exist and they

cry for timely judicial intervention, the High Court can interfere, though in general, the legal position is that the High Court will not re-appreciate or

re-appraise the relevant material factors while exercising the jurisdiction under Article 226 of the Constitution of India. Or in other words, if the

High Court is of the view that the decision arrived at by an authority (in this case the Indian Oil Corporation) is bad, because the same does not

meet the test of reasonableness, fairness and justness, it can stretch its hand and render justice.

21. To put it differently, the ruling of the Division Bench of this Court reported in 1995 M.L.J. 458 (*Chandran v. Oil Selection Board*) would apply

where there is no proof of any mala fides, collusion or fraud or manipulation of records or suppression of material facts by the applicant. In fact in

that case, the Division Bench ruled thus,

Though the learned Counsel for the Appellant has alleged that the entire selection is only a make believe affair and is a pre-determined one, he is

not in a position to pin point the irregularities, if any, in the selection. The Chairman of the 1st Respondent Justice M. Maruthamuthu himself has

sworn to the counter affidavit in the main writ petition filed in June, 1994 and also the additional counter affidavit filed on 22.9.1994. He has also

filed a counter affidavit in the writ appeal on 7.7.1995. As rightly pointed out by Mr. G. Masilamani, learned Senior Counsel for the 4th

Respondent, it is not open to the Appellant to challenge the assessment of the candidates made by the members and Chairman of the 1st

Respondent and claim that the Appellant is entitled to the award of distributorship. Though the Appellant was eligible to apply, he did not merit

consideration when his performance was judged at the time of interview. In our opinion, the Appellant is wrong in alleging in his affidavit that the

4th Respondent was favoured with the grant of distributorship with pre-conceived decisions to the exclusion of the Appellant.

22. As per the notification calling for applications, only those who get the income of less than Rs. 2,00,000/- per year were eligible to apply. Even

according to the Appellant, his yearly income during the relevant period was Rs. 1,90,000/- . The learned single Judge considered the issue as to

whether the Appellant concealed the income while making the application and came to the conclusion that the Appellant is guilty of suppression of

material facts for the purpose of obtaining dealership and to bring his income below the limit of Rs. 2,00,000/- ." This finding would necessarily

imply that the real income of the Appellant during the relevant period was more than Rs. 2,00,000/- . It has to be noted that even in the absence of

any exact positive finding with regard to the income of the Appellant during the relevant period as above Rs. 2,00,000/- , inasmuch as the

Appellant is guilty of suppressing the material facts in his application, is liable to be eschewed from consideration.

23. Generally speaking, the High Court exercising its power under Article 226 of the Constitution of India would not take up the exercise of

considering disputed facts and arrive at factual findings. But this is only by way of a rule of discretion and not exclusion of jurisdiction. The High

Court is not incompetent to decide an issue of fact which can be determined from the materials on record.

The Supreme Court in D.L.F. Housing Construction (P) Ltd. Vs. Delhi Municipal Corpn. and Others, ruled,

In our opinion, in a case where the basic facts are disputed, and complicated questions of law and fact depending on evidence are involved the writ

court is not the proper forum for seeking relief. The right course of the High Court to follow was to dismiss the writ petition on this preliminary

ground, without entering upon the merits of the case. In the absence of firm and adequate factual foundation, it was hazardous to embark upon a

determination of the points involved.

Please refer: (i) S.N. Sharma Vs. Bipen Kumar Tiwari and Others,

(ii) Century Spinning and Manufacturing Company Ltd. and Another Vs. The Ulhasnagar Municipal Council and Another,

(iii) AIR 1979 UJSC 926 (Chaudhary v. Secretary, Govt. of Bihar)

24. As far as the present case is concerned, it has to be noted that there was no necessity for the learned single Judge to arrive at an exact figure

about the income which the Appellant got during the relevant year which alone would have stood in the way of considering the issue.

25. At the risk of repetition, it may be stated that the mere finding by the learned single Judge that the Appellant suppressed the material facts in the

application he made to the Respondent/Oil Corporation would be sufficient for this Court to throw him out, since in the application itself the

Appellant has made the following declaration:

I, N. Balaji, hereby certify that the information given above is true to the best of my knowledge and belief. Any wrong information/ suppression of

facts will disqualify me from being considered for the dealership/ distributorship.

26. As far as the second contention is concerned, we verified the records and we find that the Selection Board has awarded first rank to the

Appellant and second rank to the 1st Respondent and not 3rd rank to the first Respondent as claimed by the Appellant. That being so, the learned

single Judge is perfectly right in issuing direction to the Respondents 2 to 5 herein as referred supra.

27. There are absolutely no merits in this Writ Appeal and consequently the same is dismissed at the stage of admission itself. Connected

W.A.M.P. No. 257 of 2002 is also dismissed.