

P.E. Rubalingam Vs. the State of Madras

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Court : Chennai

Decided On : Nov-25-1959

Reported in : AIR1960Mad350

Judge : Rajagopala Ayyangar, J.

Acts : [Constitution of India](#) - Articles 19 and 226

Appeal No. : Writ Petn. No. 895 of 1959

Appellant : P.E. Rubalingam

Respondent : The State of Madras

Judgement :

(1) The Collector of Madras availed himself of the services of the petitioner to sell rice to the public at fair price. The machinery utilised was that an agreement was entered into between the petitioner and the Collector whereunder the petitioner agreed to purchase stated quantities of rice from the Collector and to sell it to the public at prices fixed by him. While the agreement of this sort was in force, the Collector cancelled and terminated the agreement. It is stated that he did so without any enquiry as to the misconduct which he alleged against the petitioner and without affording him an opportunity to show cause. As these facts are admitted, it would follow that if the petitioner had a statutory or other legal right to the continuance of the contract, its termination in such circumstances would entitle him to move this court under Art. 226.

(2) The question however is whether the question of violation of the principles of natural justice would be attracted to a case, where the act of the Government amounts merely to a breach of contract. The agreement in question was not under any statute, and the petitioner had no right in law--apart from the agreement to purchase rice from the Government, nor were the Government bound again, apart from contract, to sell rice to him. Of course, as incidental to and as part and parcel of this sale the Government stipulated for re-sale at a price fixed and this they could stipulate to, apart from any Statute--under the ordinary law. Does the mere fact therefore that the seller of the rice happens to be the Collector take the case out of the rule of law that a mere breach of contract is not remediable by a high prerogative right? In my opinion the answer can only be in the negative. The analogy is furnished by the decision relating to the licenses granted for running businesses--or for import or export. Apart from statute, they might involve questions of Art. 19. But here as I said earlier the petitioner had no legal right to insist on the supply of rice for purposes of his business by the Government and that should decide. The petition fails and is dismissed. No costs.

(3) Petition dismissed.

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