

**SUPREME COURT OF INDIA**

Kanchan and Others

Vs

State Transport Appellate Tribunal and Others

Civil Appeal No. 7305 of 2003 with C.A.Nos. 7306 of 2003 and Contempt Petition (c) No. 159/05  
In C.A.Nos. 7306 of 2003)

(Arijit Pasayat and Tarun Chatterjee, JJ)

17.01.2006

**JUDGMENT**

**ARIJIT PASAYAT, J.**

Challenge in these appeals is to a composite order of a learned single Judge of the Allahabad High Court dismissing the writ petitions filed by the present appellants. The basic question the High Court was whether the permits granted to the appellants by the State Transport Authority, U.P. Lucknow (in short 'the S.T.A') could be legally sustained. It is to be noted that on a revision filed by the non-official respondents, the State Transport Appellate Tribunal, U.P., Lucknow (in short 'the Tribunal') set aside the grant of permits and held that the action of STA was male fide; it has acted in clear contravention of the statutory requirements and, Theodore, the grant of permit was an exercise which had no legal sanction. This order of the Tribunal was the subject matter of challenge in the writ petitions. The High Court essentially came to record three findings; (a) in respect of notified routes, the permits could not have been granted; (b) action of the STA in taking over the route was impermissible, male fide and (c) and exercise of power by the STA in granting the permits was equally unsustainable, being mala fide.

2. In support of the appeals, learned counsel for the appellants submitted that the High Court did not take note of the fact that the revisions petition filed before the Tribunal was not maintainable as the existing operators who had filed the revisions petition, has no locus standi to file the same. It was further submitted that the High Court proceeded on an erroneous impression as if the routes were notified routes. The STA, in exercise of power under Section 68 (3) (b) of the Motor Vehicles Act, 1988 (in short 'the Act') had taken over the power of grant of permits and in fact in bona fide exercise of that, directed issue of permits. It was pointed out that there was not specific challenge in the revision petition before the Tribunal about the so called infirmities which the High Court has highlighted. It was in essence, submitted that the exercise of jurisdiction by the Tribunal was bona fide and there was no reasonable ground for interference by the Tribunal, as affirmed by the High Court.

3. In response, Mr. Rakesh Dwivedi, learned senior counsel for the respondents submitted that the whole exercise clearly smacked of non-transparency and mala fide. It was pointed out that 48 permits were granted and in some cases, the files which were produced before the Tribunal indicated that even applications for grant of permits were not there. Further, the fact that the permits were granted on the very same day on which the STA purportedly took over the power to grant permits in exercise of powers under Section 68 (3) (b) leaves no manner of doubt that the STA was acting contrary to law. It is pointed out that the even assuming that there was any Resolution, which according to the learned counsel for the respondents is also not a fact, there was no notification about the taking over of the jurisdiction of the STA. It is also not clear as to how the applications could be made to the STA much before it assumed power in exercise of powers under Section 68 (3) (b) of the Act. Finally, the applications are to be made to RTA and one does not know under what circumstances the applications were made to the STA.

4. We do not consider this to be a fit case for interference. The findings of the High Court about the mala fide:, of the STA are clearly borne out from the records seen by the Tribunal. It is to be noted that the Tribunal and the High Court have recorded categorical findings that there were not even applications for grant of permits in such cases. It baffles one as to how the permits could be granted even without applications. The STA for reasons best know to it, did not produce all the 48 files relating to the grant of permits. A plea was taken that some of the files were take by the vigilance authorities inquiring into the allegations of corruption. Be that as it may, the fact remains that in some cases elaborated by the Tribunal and the High Court, the applications were not there. The stand of learned counsel for the appellants that relief may be denied to only those persons is clearly unacceptable. While deciding the question of mala fides, the very fact that in certain cases, the authorities have acted without application of mind, is itself sufficient to attach vulnerability to the action. Therefore, we do not think it necessary to go into the other questions and the appeals are dismissed. All the interim orders consequently passed stand vacated. The contempt proceedings initiated shall stand quashed.

5. An application for intervention has been filed taking a stand that certain observations made by this Court in U.R State Road Transport Corporation through its Chairman v. Omaditva Verma and others 2005 (4) SCC 424 = 2005 (3) SCJ 403 are not correct. We do not consider it necessary to

deal with that question in this application. The application for intervention is, therefore, rejected...