

03.11.2025

Present : Shri Dheeraj Jagwani, Counsel for Appellant.
: Shri P.N. Mishra, Counsel for Respondent, F&S.

1. The Counsel for Appellant contended that although gunny bags belonging to its FPS were found at other FPS's premises during raid on 09.12.2010 but during the inspection by the Civil Supplies Department on 13.12.2010 of the premises all the Specified Food Articles (SFA) were found intact. Appellant contended that if there were irregularities found by the Respondent then why FPS sale was opened on 24.12.2010. In fact, sale of SFA was opened by Food & Supply Inspector on 24.12.2010 & 29.12.2010 to the card holders. He however failed to respond to clarification in this regard from FSO on the last dated of hearing. Appellant further stated that an FPS is allowed to sell the empty bags can be sold in the market. Also, even if truck which dropped goods at his FPS on 09.12.2010 was found at raided shop on the very same date, it did not prove anything against him.
2. The counsel for Appellant further contended that the gunny bags do not mention any serial numbers but only FPS number is mentioned which is duly stamped by Food Corporation of India (FCI).
3. The Counsel for Respondent, F&S submitted that Appellant's contentions raised herein were rejected by Hon'ble High Court of Delhi vide order dated 02.11.2011 on the ground that the Petitioner had sufficient opportunity to make good the deficiency, in the period of four days, when its premises was inspected on 13.12.2010 i.e. four days after the raid on 09.02.2010. The Respondent further added that the Hon'ble High Court rejected the petitioner's submissions and explanation, by ruling that the Petitioner failed to establish even a prima facie case that the food grains collected on December 9, 2010, were delivered to their own godown. This failure

stemmed primarily from the withholding of crucial transportation documents that would specify the time and place of delivery. The release orders submitted were deemed insufficient because they lacked both the place of delivery and an endorsement of receipt by the petitioner. Consequently, the Hon'ble High Court maintained the adverse inference that the petitioner was involved in the diversion of essential supplies intended for the Public Distribution System (PDS) beneficiaries.

4. The court reaffirmed its earlier view that this window provided the petitioner with "sufficient opportunity to make good the deficiency," thus nullifying the weight of the 'no shortage' finding during the later inspection. The court noted that these were not criminal proceedings, implying a lower evidentiary threshold for finding the petitioner responsible for the diversion of food grains. The Respondent refuted the contention of the Appellant that all the SFA was found intact during inspection on 01.12.2010 and the sale was opened for the same reason on 24.12.2010 and 29.12.2010. It is contended that the sale was opened for maintaining distribution supply among the poor section of the society, keeping in view, the large interest of the society.
5. The Respondent, F&S Department is directed to explain the delay of four days in conducting the raid on Appellant's shop and also confirm whether the same truck which supplied SFAs at Appellant's FPS was having the goods of another FPS. Also, whether any FPS number or any serial number is printed on gunny bags carrying the SFA. The Counsel for Respondent is also directed to appear with official who is well conversant with the process of department.
6. Adj. to 24.11.2025 for final arguments.

**Financial Commissioner
Delhi**

Case No. 51 of 2023

03.11.2025

Present : Shri Shahrukh Inam, Counsel for Appellant.
 : Shri Ashok Kumar Sabarwal, Counsel for LRs of Respondent.

1. Partly heard both the sides.
2. It is noted that the Appellant M/s. Banarsi Dass Vijay Kumar Jain failed to deposit a cost of Rs. 2000/- which was imposed on him on the last date of hearing. Petitioner once again directed to deposit the same in the Account of DDO, GAD, GNCTD before the next date of hearing. He assured compliance before the next date of hearing.
3. As directed, Counsel for Appellant filed site plan which is taken on record. Appellant contended that no relationship was established between tenant and landlord during the hearing before the competent authority and the present appellant has claimed that the respondent herein had shown the premises No. 340 as 341 before Competent Authority and had won the case for eviction from property with premises no. 341-344.
4. Upon query by the Court, the Counsel for the Appellant was however not able to explain why this point was not raised before the Competent Authority and if his premises address is not covered by the order of Competent Authority, why he should feel aggrieved at all. Appellant only stated that he is not contesting against the premises nos. 341-344 and he is agitating for the premises no. 340d which he possesses. He further sought rent receipts from the Respondents to show the lack of locus of the

respondent as he was paying rent to the sisters of Late Satish Kumar Oswal to Smt. Uma Jain & Smt. Usha Jain and not to Shri Satish Kumar Oswal.

5. Counsel for LRs of Respondents requested for adjournment to prepare for arguments. Request is allowed with the direction to come prepared and clarify whether this premises for which he is agitating is the same as that for which the Competent Authority has issued the order, on the next date of hearing.
6. Both the sides are directed to come prepared for arguments so that the arguments can be concluded.
7. Adj. to 24.11.2025 for arguments.



**Financial Commissioner
Delhi**

03.11.2025

Present : Shri Sunil Dutt, Counsel for Appellant.
: Shri Mukesh Kumar, Counsel alongwith Shri Anand Vardhan Mishra, Assistant Commissioner for Respondents, Excise Department.

1. Counsel for Appellant at the outset informed that the Company and none of its employee is named in CBI chargesheet. Further, Company has appealed against the ED chargesheet naming it in the Hon'ble High Court of Delhi. He contended that the predecessor of this Court vide order dated 13.02.2025 had directed categorically the Excise Commissioner to revisit the impugned order dated 23.07.2024 taking into consideration the clear law laid by the Hon'ble Supreme Court of India on the point that in order to take adverse inference against any accused person who had been named in the FIR/Chargesheet, there has to be a clear finding that the person is guilty of committing such offence by a Competent Court. But the Excise Commissioner has failed to do so while passing the present impugned orders dated 09.05.2025. In fact, the Excise Commissioner assessed the 'moral character' of Appellant on the anvil of a pending criminal case.
2. Counsel for Appellant further contended that the Excise Commissioner while passing the impugned order has yet again only relied upon the view taken by the Hon'ble Allahabad High Court in case titled "**Jugal Kishore Pandey Vs State of U.P. and Ors.**", to the effect that "a person/entity against whom a criminal case is pending, cannot be conclusively said to be a person/entity having no criminal background". This went against the order of Financial Commissioner dated 13.02.2025 that "*..the Excise Department wrongly relied on judgment of Hon'ble Allahabad High Court in Jugal Kishore Pandey v. State of U.P. the Excise Department mis-interpreted Section 13 (1)(c) of the Delhi Excise Act, 2009 as mere registration of an FIR or pendency of criminal proceedings cannot be ground to declare the appellant*

ineligible...". The Appellant has relied upon the following judgments of the Hon'ble High Court of Delhi :

- a. Govt. of NCT of Delhi & Anr. Vs. Robin Singh
- b. Anees Ahmad Vs. Union of India & Ors.

and also relied upon the following judgments of the Hon'ble Supreme of India :

- a. Manoj Narula Vs. Union of India
- b. Raja Naykar Vs. State of Chhattisgarh
- c. Satender Kumar Antil Vs. Central Bureau of Investigation & Anr.

The Counsel contended that even if an FIR had been lodged against the employees of the Company but who had not been convicted by any Court of Law, the Department should have challenged and filed a Writ Petition before the Hon'ble High Court and could not have rejected its application for L-1 license. He has relied upon the judgment of the Hon'ble Supreme Court of India titled "**Bhopal Sugar Industries Ltd Vs Income Tax Officer, Bhopal**" wherein it was held that "8. *We think that the learned Judicial Com fest injustice resulted from the order of the respondent conveyed in his letter dated March 24, 1955. By that order the respondent virtually re-fused to carry out the directions which a superior tribunal had given to him in exercise of its appellate powers in respect of an order of assessment made by him. Such refusal is in effect a denial of justice, and is furthermore destructive of one of the basic principles in the administration of justice based as it is in this country on a hierarchy of Courts. If a subordinate tribunal refuses to carry out directions given to it by a superior tribunal in the exercise of its appellate powers, the result will be chaos in the administration of justice and we have indeed found it very difficult to appreciate the process of reasoning by which the learned Judicial Commissioner while roundly condemning the respondent for refusing to carry out the directions of the superior tribunal, yet held that no manifest injustice resulted from such refusal..*"

3. On query raised by this Court to the Counsel for Appellant, as to which direction of this Court has not been complied by the Excise Commissioner while passing the present impugned orders, the Counsel stated that the Excise Commissioner has again upheld its previous decision dated

23.07.2024, on the ground that the mere existence of the allegations against the appellant justify rejection of its L-1 applications and he did not consider the judgments/orders passed by the Hon'ble Apex Court as well as Delhi High Court cited by the predecessor of this Court.

4. On query to the Counsel for Respondents, as to how the 'moral character' test of L-1 applicant has been assessed, the Counsel for Respondents submitted that Section 56 of Delhi Excise Act is the relevant portion and further relied upon the judgment of Hon'ble High Court of Allahabad in this regard. He stated that as per Section 13 (1)(c) of the Delhi Excise Act, 2009 the moral character and criminal antecedents have to be separately assessed. However, he was unable to clearly bring out the basis on which 'moral character' of the Appellant has been held as not worthy of being issued a L-1 license.
5. The Counsel for Appellant contended that the Appellant has a statutory right that his application for L-1 license be considered when it has been doing business for last three decades in Delhi without any allegation against him, including on loss of revenue. The Respondents have unlawfully and arbitrarily rejected the L-1 application. The Counsel for Appellant further submitted that neither his company name nor his employee names are there in chargesheet filed by the CBI. Appellant further quoted Allahabad High Court judgment (Writ C.No. 984 of 2024) dt. 13.12.2025 para 10, with regard to rule 8(3) of UP Excise Act, which also refers to moral character and criminal background which held that *"10. Upon perusal of Rule 8(3) of the Rules, the requirement is to disclose that the licensee should not be convicted of an offence whereas, admittedly, the petitioner as a licensee was never convicted of any offence, rather he has been acquitted subsequently. The orders impugned are premised upon the pendency of criminal cases against the petitioner which is neither prescribed in Rule 8(3) of the said Rules nor the State has justified the action of permitting the petitioner to continue for a span of three years during which period, the criminal case was pending against the*

petitioner. Clearly, the order forfeiting the license fee and security deposit of the petitioner is contrary to the rules and without justification..”

6. The Counsel for Appellants further contended that they are supplying the liquor in Delhi over 3 decades and no complaints whatsoever has ever been filed against their company and even they are supplying liquor in more than 160 countries all over the world and also in most other States and UTs of India. To this effect, the appellant is directed to file an affidavit on the next date of hearing.
7. The Counsel for Respondents, Excise Department further submitted that the ED has charge-sheeted two employees namely Binay Babu and Manoj Kumar Rai of the Appellant Company. The Counsel for Respondents further relied upon Section 56 of Delhi Excise Act regarding the criminal charges framed at the time of filing of L-1 application and further relied upon the judgment of “The State of Jharkhand and Others” regarding morality in liquor case. On specific query by this court regarding matters of excise cases where Hon’ble High Courts or the Apex Court have issued directions regarding moral characters, the Counsel for Respondents sought time to revert.
8. One final opportunity is given to the Appellant to file an affidavit mentioning therein that in how many states they are supplying the liquor in India and in other countries. Secondly, the Appellant to further mention as if there is any complaint lodged against the said company including in context of excise revenue shortfall, during last 30 years anywhere in the country before the next date of hearing.
9. Respondents are also directed to file the judgments pertaining to assessment of moral character in excise cases passed by the Hon’ble High Courts and as well as Hon’ble Apex Court in this context. Further, he may clarify the basis for contemplating possible “revenue loss” in the case and basis to judge moral character, as averred in the impugned order by the Excise Commissioner. He will also file the status of Appellant’s Company’s conduct

over the past 30 years in Delhi and inform whether any other state/UT in India has denied license to the appellant company on the basis of Delhi Excise case.

10. Both the parties are directed to file their written submission in brief before the next date of hearing.
11. Adj. to 24.11.2025 for final arguments.

**Financial Commissioner
Delhi**

Case No. 88 of 2025

03.11.2025

Present : None for Appellant.

: Shri Deepak Singh, Proxy Counsel for R-1, DUSIB.
: Shri Ujjwal Gupta, Counsel for R-2.

1. None appeared for Appellant today.
2. The Counsel for R-2 submitted that the cost imposed upon the Appellant on 22.09.2025 has not been deposited till date and the amended appeal has also not been filed despite directions by this Court. The Counsel for R-2 further submitted that if the Competent Authority passed an order against the landlord, then he can approach this Court by filing an appeal under Section 20 and if the C.A. has passed against the tenant, then the tenant can file appeal before the Hon'ble High Court only and filed judgment dated 18.02.1997 passed in "Lachchmi Devi Vs Rukmani Devi". Accordingly, the Counsel for R-2 submitted that this appeal is not maintainable before this Court.
3. Final opportunity is given to the Appellant to appear and argue the matter on the issue of maintainability on the next date of hearing. Issue notice to the Appellant.
4. Adj. to 10.11.2025 for arguments.

**Financial Commissioner
Delhi**