IN THE SUPREME COURT OF BANGLADESH
HIGH COURT DIVISION
(SPECIAL ORIGINAL JURISDICTION)

Present
Mr. Justice Sikder Mahmudur Razi
And
Mr. Justice Raziuddin Ahmed

Writ Petition No. 19612 of 2025

SK Shafiqul Islam and others.
.....Petitioners.

-Versus-

Government of Bangladesh represented by the Secretary, Ministry of Agriculture, Building No. 4, 4th and 5th Floor, Bangladesh Secretariat, Dhaka-1000 and others.
.....Respondents.

Mr. B.M. Elius Kochi, Senior Advocate
Mr. S.M. Atikur Rahman, Senior Advocate
Mr. A.S.M. Sazzad Haider, Advocate with
Mr. Mokarramus Saklan, Advocate
.....For the petitioners.

Mr. Mohammad Mehdi Hasan, DAG with
Mr. Mohammad Rashadul Hassan, DAG
Mr. Kamrul Islam, AAG
Mr. Md. Shagar Hossain, AAG
Mr. Bishwanath Karmaker, AAG &
Mr. Sk. Obaidul Haque (Washim), AAG
.....For the respondents.

The 8th December, 2025

(Sikder Mahmudur Razi, J:)

1. In an application under Article 102 of the Constitution of the People's Republic of Bangladesh a Rule Nisi was issued in the following terms:

"Let a rule Nisi be issued calling upon the respondents to show cause as to why the impugned Fertilizer Distribution related Harmonized Nitimala-2025, should not be declared to have been made without lawful authority and to be of no legal effect and/or such other or further order or orders passed as to this court may seem fit and proper".

2. Tersely the facts leading to the filing of the instant writ petition are that the petitioners are the fertilizer dealers of BCIC, appointed under their respective areas. The petitioners also obtain membership of Bangladesh Fertilizer Association (BFA). The Government created a distribution chain across the country for frequent supply of fertilizers produced and imported by BCIC. The authority also created separate zones on the basis of the locations of the fertilizers factories. Accordingly, dealers were appointed by signing an agreement and renewing the dealership year to year based on performance. Department of Agriculture and extension under the Ministry of Agriculture also monitor the supply systems from root level and for this purpose also issued Registration Certificate for dealers of fertilizer(s) of BCIC. For regulating fertilizer distribution Government enacted সার (ব্যবস্থাপনা) আইন, ২০০৬ and also formulated সার (ব্যবস্থাপনা) বিধিমালা, ২০০৭ and subsequently, on 02.08.2009 concerned Agriculture Ministry also issued the সার ডিলার নিয়োগ ও সার বিতরণ সংক্রান্ত সমন্বিত নীতিমালা-২০০৯. The petitioners asserted that said সমন্বিত নীতিমালা-২০০৯ categorically set a balanced, accountable and transparent distribution process, which establish a responsive system for general and marginal framers. In pursuance of the said nitimala, 2009 respondent No.5, 6 and 7 fertilizer factories of BCIC published advertisement for appointment of dealers and the petitioners filed applications and got dealership for their respective union and accordingly signed agreement with the authority. The agreement was renewed from time to time. Thereafter the petitioners Nos. 1-3 become dealers of BCIC under the Chittagong Urea Fertilizer Ltd., Ghorashal-Polash Urea Fertilizer Factory Ltd. and Jamauna Fertilizer Co. Ltd. respectively and their dealership were renewed from year to year for

their sincerity, honesty and remarkable good performances. The petitioners asserted that the Ministry of Agriculture formulated সার ডিলার নিয়োগ ও সার বিতরণ সংক্রান্ত সমন্বিত নীতিমালা-২০০৯ on 20.08.2009, aiming to establish an accountable and transparent distribution. Thereby, said নীতিমালা was issued for appointment of dealers in union level and mandatorily instructs each dealer to appoint retail sellers for each ward of their respective union, and most of the dealers appointed 9 (nine) retail sellers as per the numbers of wards earlier contained for a union; further for renewing the dealership, the authority also imposes amended security fees of Tk.2,00,000/-, and for successful distribution, it mandatorily instruct to maintain warehouses having particular capacities and also impose the provision mandatorily to renew the dealership on the basis of the performances and for violations set specific provisions of punishments. Following all the formalities the petitioners got renewal of their dealership from time to time. BCIC also supplies fertilizers from its other factories in different zones to mitigate scarcity. But at present due to harmonized Nitimala-2025 other factories are showing reluctance to supply to the petitioners to fill up scarcity. Besides, the respondent Nos. 12-14 are also showing doubts to renew petitioners registrations. That each petitioners in their dealership business already invested huge money to maintain the storage, retail shop and for other expenditure, in which all the dealers have huge loan liabilities from financial institutions. The respondent No.1, issued Fertilizer Dealer Recruitment and Fertilizer Distribution related harmonized Nitimala-2025 and thereby rescinded earlier Nitimala-2009. Because of this nitimala there is huge outcry all over the country against the newly circulated Fertilizer Dealer Recruitment and Fertilizer Distribution related harmonized Nitimala-2025

which was published in the national and local news media. The petitioners and others made an application dated 16.11.2025 raising various irrationality and impracticality of the Fertilizer Dealer Recruitment and Fertilizer Distribution related harmonized Nitimala-2025. That the Fertilizer Dealer Recruitment and Fertilizer Distribution related harmonized Nitimala-2025 made provision for 03 (three) dealer with 03 (three) Retail Sale Center in one Union instead of 01 Dealer and 09 (nine) retailers omitting difference of BCIC and BADC and such changes shall unduly increase the management and transportation costs and will be disproportionate to the investment of the dealers without increasing the rate of commission. That if the Fertilizer Dealer Recruitment and Fertilizer Distribution related harmonized Nitimala-2025 merge the BADC dealers with the BCIC dealers, then experienced dealer for fertilizer of BCIC will be unduly deprived and equalized with inexperienced seed dealer of BADC.

3. Mr. B M Elius Kochi, learned Senior Advocate, Mr. S.M. Atikur Rahaman, learned Senior Advocate, Mr. A.S.M. Sazzad Haider along with Mr. Mohammad Mosharraf Hossain, learned advocates appeared on behalf of the petitioners. The learned Senior advocates submitted that Parliament promulgated The Fertilizer (Management) Act, 2006 to regulate and ensure proper control over the production, import, storage, distribution, marketing, transportation and sale of fertilizers and fertilizer-related substances used in agricultural activities. This Act is mandatory for all matters relating to fertilizer management and serves as the fundamental legal framework governing the orderly production and marketing of fertilizers in Bangladesh. Under Section 4 of the Fertilizer (Management) Act, 2006, the Government

is required to constitute a National Fertilizer Standardization Committee by notification in the official Gazette. The Committee is to be headed by the Secretary of the Ministry of Agriculture as its Chairperson and shall consist of not more than 15 members, including a representative from the Ministry of Industries and other experts with experience in fertilizer-related matters. The Committee is entrusted with key responsibilities, including advising the Government on issues relating to the procurement, import, distribution, sale and business management of fertilizers, and determining and maintaining standards of fertilizers in accordance with national needs. Therefore, any policy, guideline or Nitimala relating to the sale, distribution or management of fertilizers must be formulated exclusively through, and in consultation with, the National Fertilizer Standardization Committee as mandated by law. The learned advocates next submitted that an Additional Secretary has no lawful authority to issue any policy or Nitimala in this regard. However, the impugned Nitimala has been issued by an Additional Secretary which is completely without jurisdiction and in clear violation of Section 4 of the Fertilizer (Management) Act, 2006. The learned advocates next submitted that the impugned Nitimala- 2025 is without lawful authority and is of no legal effect inasmuch as it has been framed without consultation with the National Fertilizer Standardization Committee, which under Section 4(1) of the Fertilizer (Management) Act, 2006, and as required by Section 4(2)(ka) of the said Act, must be consulted. The learned advocate next submitted that the impugned Nitimala- 2025, which provides for the appointment of three dealers for each Union as opposed to one dealer per Union under the earlier Nitimala, is arbitrary, unreasonable, and issued for collateral purposes, inasmuch as it permits the authority to discriminate between dealers within

the same territory in allocating fertilizer. This is particularly so because the Nitimala- 2025 does not prescribe or authorize any objective criteria for the apportionment of fertilizer among multiple dealers within the same Union. The learned advocates while advancing their arguments underscored that Fertilizer Dealer Recruitment and Fertilizer Distribution Related Harmonized Nitimala-2025 made provision for 03 (three) dealers with 03 (three) Retail Sale Center in one Union instead of 01 Dealer and 09 (nine) retailers omitting difference of BCIC and BADC and such changes shall unduly increase the management and transportation costs and disproportionate to the investment of the dealers and will reduce the existing commission. The learned advocates further argued that the Nitimala-2025 merge the BADC dealers with the BCIC dealers and because of this, the experienced dealer for fertilizer of BCIC will be unduly deprived and equalized with inexperienced seed dealer of BADC. They further contended that the Nitimala-2025, imposes security money of Tk.5,00,000.00 which is unjust, irrational and unfair. The learned advocates concluded their arguments submitting that the impugned Nitimala-2025 effectively violates the right to conduct business in accordance with law. With these submissions the learned advocates prayed for making the Rule absolute.

4. On the other hand, Mr. Mohammad Mehdi Hasan learned Deputy Attorney General, along with Mr. Md. Rashadul Hassan learned Deputy Attorney General for Bangladesh submitted that issuing the Nitimala-2025 is a policy decision of the Government. The Government earlier issued Nitimala-2009 for this purpose and the petitioners were doing their dealership business following the said nitimala-2009. He next submitted that

the way and the process followed in formulating the nitimala-2009 has also been followed while formulating nitimala-2025 and therefore, there is no procedural impropriety and violation of any law in formulating the nitimala-2025. He next submitted that the petitioners who are running their dealership under nitimala-2009 has no locus standi to challenge the nitimala-2025 on mere ground of reduction of their business profit and apprehended disorder. He next submitted that the existing dealers can also apply under the new nitimala-2025 and the existing dealers may continue operations under the old nitimala until 31st March, 2026. The learned DAG further submitted that under the new nitimala the commission has not been reduced rather it remains the same and it is the fixed income of the dealers. The learned DAG concluded by submitting that the nitimala-2025 is a policy decision of the Government and there is no element of discrimination, unconstitutionality in the nitimala-2025 and therefore, he prays for discharging the Rule.

5. We have heard the learned Senior Advocates for the petitioners as well as the learned Deputy Attorney General. We have also perused the writ petition, supplementary affidavit and the related law, rule and nitimalas. It appears to us that, for proper adjudication of the instant Rule the following issues require determination (though some of the points were not argued by the learned advocates for the petitioners):

(i) To what extent the Court can or should exercise its power of judicial review over an executive policy decision of this nature, particularly in the domain of economic and distributive policy.

(ii) Whether the *Integrated Policy on Fertilizer Dealership and Distribution 2025* was issued with lawful authority and is *intra vires* the

Fertilizer (Management) Act, 2006, or whether it amounts to a regulation made without legal sanction.

(iii) Whether the petitioners possess any "vested rights" in continuing as fertilizer dealers under the previous policy framework, and if so, whether such rights have been unlawfully taken away by the new Policy.

(iv) Whether the doctrine of legitimate expectation is applicable on the facts, i.e. whether the petitioners had a legitimate expectation that the prior policy or their dealership status would continue, and if yes, whether the Government's actions defeated that expectation unfairly or illegally.

(v) Whether the impugned Policy is arbitrary or lacking in reasonableness to the extent that it infringes constitutional guarantees of equality as enshrined in Article 27 and protection of law as enshrined in Article 31, 40 of the Constitution, thus warranting judicial interference under Article 102.

6. At the very outset it is worth mentioning that to regulate, control and supervise the production, importation, preservation, distribution, storage, sale, transportation of fertilizer and similar types of items which are being used for agricultural purpose, Parliament enacted Fertilizer (Management) Act, 2006 (as amended up to 2018) [সার (ব্যবস্থাপনা) আইন, ২০০৬]. Subsequently, the Government under the Rules making authority as provided in section 30 formulated Fertilizer (Management) Rules, 2007 [সার (ব্যবস্থাপনা) বিধিমালা, ২০০৭]. Subsequently, following the approval of the National Coordination and Advisory Committee on Fertilizers Ministry of Agriculture to ensure timely and readily availability of fertilizer formulated *Integrated Policy on Fertilizer Dealership and Distribution 2009*. The exact Bengali language

that was used is কৃষকের নিকট যথাসময়ে সারের সহজলভ্যতা নিশ্চিত করার লক্ষ্যে সার বিষয়ক জাতীয় সমন্বয় ও পরামর্শক কমিটির অনুমোদনক্রমে "সার ডিলার নিয়োগ ও সার বিতরণ সংক্রান্ত সমন্বিত নীতিমালা-২০০৯ প্রণয়ণ করা হয়েছে।" Subsequently, the Ministry of Agriculture upon taking approval of the National Coordination and Advisory Committee on Fertilizers to ensure timely and readily availability of fertilizer and for bringing more discipline in the distribution process formulated *Integrated Policy on Fertilizer Dealership and Distribution 2025*. The exact Bengali language that has been used is সার বিতরণ ব্যবস্থা সুশৃঙ্খল করে কৃষকের নিকট যথাসময়ে সার সহজলভ্য করার লক্ষ্যে সার বিষয়ক জাতীয় সমন্বয় ও পরামর্শক কমিটি'র অনুমোদনক্রমে "সার ডিলার নিয়োগ ও সার বিতরণ সংক্রান্ত সমন্বিত নীতিমালা-২০২৫ প্রণয়ণ করা হয়েছে।" The Policy, 2025 was signed by the Secretary of Ministry of Agriculture as contained in Memo No. 12.00.0000.031.40.001.25-81 dated 09.11.2025 and circulated/published vide memo No. 12.00.0000.031.40.001.25-82 dated 13.11.2025 under the signature of an Additional Secretary.

6.1 Now, by this writ petition the petitioners has challenged the legality of the "*Integrated Policy on Fertilizer Dealership and Distribution 2025*" (hereinafter the *"2025 Policy"*). The 2025 Policy is set to replace the previous integrated policy of 2009 and the same takes effect from 16th November, 2025. On going through the aims and objectives of formulating the new policy it appears to us that the new policy unifies the fertiliser distribution system under one umbrella, eliminating the prior bifurcation between dealers of Bangladesh Chemical Industries Corporation (BCIC) and Bangladesh Agricultural Development Corporation (BADC). Under the unified framework, all existing dealers will be recognized simply as government-registered fertiliser dealers authorized to sell all types of

fertilizer at government fixed prices. Key changes include appointment of three dealers per union, prescribed application process for new dealer licenses, strict eligibility criteria, bank solvency certificate of having Tk.10 lac, license renewal requirements on regular interval, and an increased security deposit (from Tk. 2,00,000 to Tk. 5,00,000). The policy's stated objectives are to dismantle entrenched dealer syndicates, curb retail-level malpractices, and to ensure that farmers can obtain fertiliser at subsidized prices without undue price escalation.

6.2. It is undisputed that fertiliser distribution in Bangladesh is a regulated sector. Section 8 of the Fertilizer (Management) Act, 2006 prohibits any person from engaging in the production, sale, distribution, or storage of fertiliser without obtaining a valid registration or license from the Government. Thus, the petitioners' authority to operate as fertiliser dealers has always been contingent on government issued licenses and regulatory compliance. The impugned 2025 Policy introduces significant restructuring of fertiliser distribution. All fertilizer dealers will now be directly accountable to the Ministry of Agriculture, rather than operating under separate BCIC or BADC oversight. Each union (the smallest rural administrative unit) will have exactly three licensed dealers. This effectively means a reallocation of dealership territories and a likely reduction or redistribution of some existing dealerships to meet the "three per union" rule. Further, existing "sub-dealers" or retailers at the village level are to be eliminated; only the appointed union level dealers may sell fertilizer to farmers, in an effort to shorten the supply chain and prevent mark ups. The security deposit for dealership has been increased, and stringent eligibility

criteria are imposed for example, no government officials, elected representatives, convicted criminals, or multiple members of the same family may hold dealer licenses. New applicants will be invited and selected through a committee based screening process at Upazila and District levels, with final approval by the Ministry. Dealers must renew their licenses in every two years with a prescribed fee, failing which their dealership will be cancelled. It further appears that these measures continue the essence of the 2009 Policy's regulatory framework while addressing its shortcomings, by introducing a more harmonized and transparent system across the country.

7. Before further screening the legality of the Policy, 2025 we consider it expedient to reiterate the well-established limits of judicial review in matters of policy, especially socio-economic-political policy set by the executive. It is not the function of the Court to assess the wisdom or efficaciousness of governmental policy decisions so long as they are within the bounds of law and not violative of fundamental rights. The separation of powers enshrined in our Constitution envisions that policy making is the domain of the executive and legislative branch, and the judiciary's role is principally to ensure that the actions of those branches conform to the Constitution and laws, and do not infringe rights in an unlawful manner. Our Appellate Division has emphatically observed in the case of *Bangladesh Govt. vs. Salim Khan, reported in 72 DLR(AD) (2020) 253* that *the policy decision of the Government may be interfered with only when the same is illegal or unconstitutional or shockingly arbitrary in the Wednesbury sense*. In the case of *BADC Vs Md. Abdur Rashid & Others, reported in 2 SCOB [2015] AD 24* our Appellate Division also held that, *the court would be slow from*

interfering with the economic decisions as it has been recognized that the economic expediencies lack adjudicative decision and unless the economic decision, based on economic expediencies, is demonstrated to be so violative of constitutional or legal limits. It is the administrators and legislators who are entitled to frame policies and take such administrative decisions as they think necessary in the public interest. The court should not ordinarily interfere with policy decisions, unless clearly illegal. In the case of *Monowarul Huq vs Bangladesh, 33 BLD (AD) 49* it has been held that, *the courts of law have to be very wary and must exercise their jurisdiction with circumspection for, they must not transgress into the realm of policy making, unless the policy is inconsistent with the Constitution and the laws or the action is arbitrary, irrational or in abuse of power, the Court will not interfere with the matters*"

7.1 Unless one of those high thresholds is met i.e. illegality, unconstitutionality, or manifest absurdity, the Court will not substitute its judgment for that of the executive on how a particular policy ought to be designed. Similarly, the Supreme Court of India in a plethora of cases held that *"the policy decision must be left to the Government as it alone can decide which policy should be adopted after considering all points from different angles. So long as no fundamental rights are infringed, the courts will have no occasion to interfere and should not substitute their own judgment for that of the executive in such matters.* As ready reference we can relied on *Himalayan Wine & Others Petitioners v. State Of H.P. & Others, reported in ILR 2016 4 HP 99: MANU/HP/0539/2016; Maharashtra*

State Board of Secondary and Higher Secondary Education and Ors. Vs. Paritosh Bhupeshkumar Sheth and Ors, reported in AIR1984SC1543.

These principles has been reverberated in numerous precedents in both jurisdictions, showing judicial deference to executive economic policy choices, recognizing that the Government is best positioned to assess the needs of the public and the means to address them.

7.2 In the present case, the impugned instrument is a policy decision concerning the distribution of fertilizer, a vital agricultural input which directly affects the national interest of food security and the welfare of millions of farmers. This is quintessentially an area involving expert planning and socio-economic judgment. We are mindful that we are not sitting in appeal over the policy's merits. Our task is to assess its legality and constitutionality, and to ensure that the decision making process has not transgressed the law or violated the rights of the petitioners in a manner that warrants intervention. With this framework, we proceed to examine the specific grounds raised.

8. The petitioners have challenged the 2025 Policy as being "without lawful authority" or ultra vires, primarily because it allegedly goes beyond the Act of 2006. We find this contention to be untenable. The Fertilizer (Management) Act, 2006 (as amended up to 2018) is the governing law in this field. It provides a broad mandate for regulating fertilizer production, import, sale, distribution, and quality control. Notably, Section 8 of the Act prohibits unlicensed activity in fertilisers, effectively requiring all dealers to be registered by the Government. The Act further authorizes the Government to make rules to implement its provisions and accordingly the

Government formulated Rules in 2007. Pursuant to its authority, earlier the Government also issued *"Integrated Policy on Fertilizer Dealership and Distribution 2009"* under which the dealerships of the petitioners were regulated. That policy had legal force as an expression of the Government's administrative authority under the Act, and it remained in operation for over a decade. The new 2025 Policy, replaces the 2009 Policy but retains the same legal foundation. It has been approved at the highest levels of the Ministry of Agriculture and by the National Fertilizer Coordination and Advisory Committee. By referring section 4 of the Act, 2006 the learned advocate for the petitioners submitted that the policy has been framed without consultation with the National Fertilizer Standardization Committee. Though not relevant but it is noteworthy to mention that the petitioners annexed the un-amended version of the law, where the maximum number of members were 15 (fifteen). However, now because of the amendment in 2018 the maximum number of members of the committee stands 17 (seventeen). It further appears that the primary function of the said committee is to standardize fertilizers to ensure quality, promote proper usage, and regulate related activities to support agricultural development and food production in the country. Furthermore, new fertilizers or bio-fertilizers require standardization approval from the committee, involving a formal application process to the Ministry of Agriculture which details the product's identity, physical characteristics, and country of origin. Moreover, the long title of the Policy, 2009 and the long title of the Policy, 2025 are almost identical. The long title of the Policy, 2009 provides that কৃষকের নিকট যথাসময়ে সারের সহজলভ্যতা নিশ্চিত করার লক্ষ্যে সার বিষয়ক জাতীয় সমন্বয় ও পরামর্শক কমিটির অনুমোদনক্রমে "সার ডিলার নিয়োগ ও সার বিতরণ সংক্রান্ত সমন্বিত নীতিমালা-২০০৯ প্রণয়ণ করা হয়েছে।"

Whereas, the long title of the Policy, 2025 provides that সার বিতরণ ব্যবস্থা সুশৃঙ্খল করে কৃষকের নিকট যথাসময়ে সার সহজলভ্য করার লক্ষ্যে সার বিষয়ক জাতীয় সমন্বয় ও পরামর্শক কমিটি'র অনুমোদনক্রমে "সার ডিলার নিয়োগ ও সার বিতরণ সংক্রান্ত সমন্বিত নীতিমালা-২০২৫ প্রণয়ণ করা হয়েছে।" Therefore, as observed above the policy, 2025 retains the same legal foundation as that of Policy, 2009. The declaration made in the long title sufficiently indicates that due process has been followed, and the publication/circulation of the *Nitimala* under the signature of an Additional Secretary suffers from no legal infirmity, particularly when the earlier *Nitimala, 2009* had been validly circulated under the signature of a Deputy Secretary without raising any objection. It is further worth mentioning that The Policy, 2025 was signed by the Secretary of Ministry of Agriculture as contained in Memo No. 12.00.0000.031.40.001.25-81 dated 09.11.2025 and circulated/published vide memo No. 12.00.0000.031.40.001.25-82 dated 13.11.2025 under the signature of an Additional Secretary. More so, the Policy appears to advance the Act's objectives by tightening the regulatory regime in service of better distribution and prevention of misuse.

8.1 It is a misconception that a policy must be issued as "rules" under an Act to be valid. There is a distinction in administrative law between binding delegated legislation and policy guidelines. The Government may choose to implement certain schemes through policy decisions, circulars, or notifications, which do not rise to the status of formal rules but nonetheless are valid so long as they are consistent with the parent law and not arbitrary. Here, the 2025 Policy does not confer any new punitive power or create any new offence beyond the Act; it primarily reorganizes the distribution mechanism, a task well within the administrative competence of the Ministry

under the Act's broad provisions. Therefore, we hold that the issuance of the 2025 Policy was supported by lawful authority. It is an administrative order in aid of the Fertilizer (Management) Act, 2006, not in derogation of it. The petitioners' argument of *ultra vires* fails on this count.

8.2 The Act, 2006 (as amended up to 2018) lays down the governing principles (e.g. need for licensing and registration, appointment of inspectors, penalties for violations, etc.), and it leaves the *modus operandi* of dealer appointment and distribution to be handled administratively. This is normal and indeed necessary in such a technical field, where conditions might change year to year. The impugned Policy can be seen as an administrative implementation of the Act, which does not require a separate Act of Parliament. There is thus no question of the executive usurping of legislative power. We are satisfied that the 2025 Policy is within the scope of that permissible delegation. It is also worth noting that during arguments, learned advocates for the petitioners conceded that if the policy is found to be authorized by the Act and not violating any specific provision, their main grievance reduces to one of perceived unfairness and reduction of commission rather than outright illegality.

9. Now, let us examine whether the petitioners have any vested right in dealership. The concept of a "vested right" in legal parlance usually refers to a right that has become unconditionally owned by or accrued to a person, typically in context of property or entitlement that cannot be revoked without due process. However, not every benefit or privilege enjoyed under a previous policy amounts to a vested legal right against any future change. Especially in regulated sectors, participants cannot claim a vested right in

the stability of regulatory conditions. In the context of licenses and regulatory permissions, the jurisprudence is clear that a licensee has no vested right to renewal or to perpetual continuation of the license on the same terms. A classic illustration is found in the Indian Supreme Court decision in *Howrah Municipal Corporation and others v. Ganges Rope Co. and Others reported in (2004) 1 SCC 663: MANU / SC / 1073 / 2003* where a company had applied for a building sanction under old rules, but while the application was pending the rules changed imposing new restrictions. The company asserted a "vested right" to have the sanction as per old rules, or at least a settled expectation. The Court unequivocally held that such a settled expectation did not create any vested right and could not be enforced against the changed rules. The change in law overriding the expectation was upheld because public interest justified it. The principle that follows from that case is that a policy or rule can be altered by the competent authority, and those operating under the old policy do not acquire a legal right to freeze the policy in time.

9.1 In the present case, the petitioners' licenses were time-bound authorizations, typically subject to regular renewal. The terms of their dealership made it clear that the Government retained ultimate control over distribution policy. Indeed, the Fertilizer (Management) Act, 2006 (as amended up to 2018) by necessary implication negates any permanent private right in fertiliser distribution, since no one can trade without registration and that registration is a matter of permission, not right. The Act and guidelines empowered the Government to revoke or refuse renewal if conditions were breached or if policy required changes. The petitioners

cannot point to any contract or statutory guarantee of renewal or perpetuity. Thus, legally, when their last license term expired, they had no further right except to apply anew under whatever policy existed at that time. The fact that for many years the policy remained unchanged and renewals were routine work does not elevate their interest to a vested right immune from regulatory reform.

9.2 We acknowledge that from a business perspective, the petitioners had an interest in continuing, but in law, this amounts to an expectancy at the discretion of the authority, not a vested entitlement. By analogy, a government contractor at best has a right to be considered for extension, not a right to perpetual contracts. Here, the Government has decided not to extend the old arrangement but to overhaul it. As long as that decision is lawful (as we have found it to be), and not tainted by malice or discrimination (since no such allegations has been proved), the petitioners cannot successfully invoke the doctrine of vested rights.

10. This brings us to the nuanced doctrine of legitimate expectation. Do the petitioners have any legitimate expectation in getting renewal of their dealerships as of right? Legitimate expectation, as developed in our jurisdiction (drawing from English and Indian law), protects procedural or sometimes substantive expectations arising from a public authority's promises or regular practices, provided that such expectation is reasonable and not contrary to law. Our Appellate Division has recognized the doctrine in cases like *Bangladesh v. Idrisur Rahman*, reported in 15 BLC (AD) 49 where it was held that an Additional Judge of the High Court had a legitimate expectation to be appointed permanently as a Judge based on

established constitutional convention. Also, in *Dhaka City Corporation v. Firoza Begum, reported in 65 DLR (AD) 145*, the doctrine was reinforced in the context of municipal administration, underscoring that public authorities should not frustrate an individual's reasonable expectation without compelling justification. We fully acknowledge the doctrine's applicability in Bangladesh law: when a public body leads an individual to believe through a promise or consistent conduct that it will act in a certain way, the individual may expect that promise or practice to continue, and the court may intervene if a change in policy unfairly defeats that expectation resulting in hardship.

However, not every anticipation amounts to a legally enforceable legitimate expectation. There are critical limitations. Firstly, the expectation must be legitimate, in the sense of being clear, unambiguous, and founded on conduct or representation by the authority. Secondly, even if an expectation is legitimate, it does not grant an absolute right; the government can change policy if public interest so requires, provided the change is made fairly and the authority weighs the impact on those who relied on the prior policy. Thirdly, an expectation cannot override a statutory power or an express provision of law; nor can it prevent the authority from pursuing a new policy mandated by and for the public good. The courts ultimately perform a balancing act between the individual's expectation and the larger interest or legal empowerment of the authority to change course/policy.

10.1 In the case at hand, what can the petitioners legitimately expect? They can expect that as fertilizer dealers under the 2009 Policy, they would continue to be allowed to operate and renew their licenses, or that if changes

came, they would not be ousted or their commission is not going to be reduced. This expectation was perhaps nurtured by the long duration of the 2009 Policy. But crucially, there was no specific promise from the Government that the policy regime would never change or that existing dealers would always be protected. The petitioners have not cited any memorandum, contract, or official undertaking guaranteeing them a right to automatic renewal regardless of new policy. At most, they point to the practice of regular renewals being routinely granted in the past. That practice lasted as long as the policy remained the same. Now the policy itself has changed. Even on going through the nitimala, 2009 (clause 17) as well as nitimala, 2025 (clause 19) it appears that Ministry of Agriculture reserves the right to give explanation, to amend, to refine, revise and improve the nitimala. Therefore, it stands that, if the Government's decision to change policy is lawful and taken in public interest, then individuals cannot insist on the old policy continuing just because they expected it; the expectation must yield to the change, provided the change is not itself irrational or done without fair procedure. Here, as analyzed, the change was policy driven, not targeting any individual unfairly, and the existing sub-dealers and retailers are allowed to continue till 31st March, 2026.

10.2 We also find guidance in *Maharashtra State Board of Secondary and Higher Secondary Education and Ors. Vs. Paritosh Bhupeshkumar Sheth and Ors, reported in AIR1984SC1543* where the Indian Supreme Court held that in matters of academic policy, expectations (like a student's hope for re-evaluation of exam papers) cannot invalidate a regulation unless the regulation is shown illegal. By analogy, the petitioners' hope that the

dealership *status quo* would continue is not a substantive right the Court can enforce against a legitimate policy change. While we sympathize that abrupt changes can disrupt businesses, we must apply the law. A policy of general application, introduced for valid reasons, cannot be struck down on the nebulous ground of *legitimate expectation* when it does not single out individuals for unfair treatment.

10.3 It is noteworthy that the new Policy does not outright blacklist existing dealers. It sets a new playing field where they have to compete or qualify alongside others. The petitioners' grievance, as it appears to us, that they no longer have the patronage they enjoyed. That is indeed a loss of comfort, but not a breach of a legal entitlement. *In Moniruzzaman Khan (Md.) v. Bangladesh, reported in 65 DLR (HCD) 310,* the High Court Division observed that since no legally enforceable right was established, a claim of legitimate expectation could not stand. The scenario is similar here: in absence of a concrete promise of renewal or retention, the petitioners cannot claim an entitlement to have the old policy freeze in their favor.

Even assuming for argument's sake that a legitimate expectation arose (from long practice of renewals), the Court would still have to consider the public interest behind the change. The Appellate Division in *Idrisur Rahman* (supra) recognized legitimate expectation of judges' appointment because public interest in an independent judiciary supported that expectation. But in cases where public interest clearly points towards a new policy (for example, economic reform, removal of inefficiencies), the individual expectation carries less weight. The greater the element of public welfare in the policy change, the heavier the counterweight against any individual's expectations.

In the instant case, the materials on record strongly indicate that the impugned Policy's aim is to rectify systemic issues that ultimately harm farmers. When weighed against this broad public interest, the petitioners' expectation to remain privileged dealers does not justify judicial intervention. Following the approach of the Indian Supreme Court in *Union of India v. Hindustan Development Corp.* (1993) 3 SCC 499: *MANU/SC/0219/1994* we hold that the petitioners' claim founded on legitimate expectation is a "weak form of right" which cannot be allowed to thwart a policy decision taken for valid public policy considerations. The Government must, of course, implement the change fairly, for instance, by ensuring transparent selection of new dealers and allowing existing ones to compete without bias. We have no reason to presume the authorities will act otherwise, especially as the policy itself lays down objective criteria. Should any specific irregularities occur in implementation, aggrieved persons can seek legal remedy at that time. But the policy on its face does not violate fairness.

11. Finally, let us examine the petitioners' case from fundamental rights perspective i.e. Articles 27, 31, 40 of the Constitution. As to the question of arbitrariness, we recall that Article 27 of our Constitution demands that all citizens are equal before the law and are entitled to equal protection of law i.e. State actions must be free from caprice or irrational discrimination. The petitioners have labelled the new policy arbitrary mainly because of its uniform "3 dealers per union" rule and the financial burdens imposed and apprehension of less commission. These aspects are so devoid of reason that judicial intervention is un-warranted. The standard for finding a policy

arbitrary is stringent: the decision must be shown to be manifestly without reasonable justification, or in the language of administrative law, “on the face of it, so absurd that no reasonable authority could ever have adopted it.” This is akin to the *Wednesbury* principle referred to earlier. Having scrutinized the contents of the 2025 Policy and the context in which it was made, we are not persuaded that it crosses that high threshold.

11.1 The rule capping “three dealers” in each union appears to be a core structural choice made by the policy-makers to ensure equitable distribution. Unions in Bangladesh are fairly standardized administrative units. By allocating an equal number of dealers to each union, the Government intended to achieve a balanced reach to every union, regardless of size. The Government’s choice of three was based on its assessment of optimal coverage without proliferating dealerships uncontrollably. We cannot say it is absurd or wholly arbitrary. Therefore, the policy withstands the challenge under Article 27 on this point.

The increasing of security deposit (from Tk. 2 lac to Tk. 5 lac), apprehension of reduction of commission and increasing the cost of management has been argued to be arbitrary. In policy matters, economic considerations of this nature lie primarily within executive discretion. The security deposit acts as a performance guarantee and buffer against malpractice (e.g., if a dealer hoards or diverts fertilizer, the Government might forfeit the deposit). Raising its amount after 16 years (2009 to 2025) is not *per se* irrational; it may reflect inflation adjustments and the need to ensure that only serious persons (with some financial stability) enter the field. The dealers’ apprehension of reduction in the commission or increased

cost of management does not render the policy arbitrary, it is a question of adequacy which the Government can review.

11.2 Overall, when examining arbitrariness, we also weigh the object of the policy against the means. The object here is to break the back of collusive practices and make fertilizer affordable and accessible to farmers. The means adopted appears to be more controlled, transparent distribution network and reasonably related to that goal. The petitioners provided no compelling evidence that the policy choices were taken in bad faith or with improper motive (such as favouring a certain group arbitrarily). On the contrary, the policy is neutral and impersonal in its application: all current and prospective dealers are subject to the same rules nationwide. Some level of hardship to those accustomed to the old system does not, in itself, prove arbitrariness if the changes are logically connected to solving an acknowledged problem. Some news reports and Government statements also came to our notice which highlighted rampant irregularities under the prior system (e.g., same families controlling multiple licenses, price gouging by middlemen). We have noticed through these contemporaneous reports, a rational basis for such change. For instance, prohibiting multiple family members from holding licenses prevents nepotistic concentration of market power; removing independent sub-dealers ensures accountability (farmers buy directly from licensed dealers at fixed rates, cutting out unofficial retailers). These appear to be very useful measures to combat the evils identified. We, therefore, conclude that the impugned Policy is not “arbitrary” in the constitutional sense. It is founded on legitimate considerations of public policy, and the petitioners failed to show that the

decision is so unreasonable or against accepted standards that it can be called arbitrary.

11.3 On the other hand, Article 31 i.e. right to protection of law essentially assures that actions affecting one's life, liberty, property or profession will be taken under the authority of law and not in an arbitrary manner. Here, as elaborated, the impugned actions are under the authority of law (Act of 2006) and not arbitrary. Article 40 i.e. freedom of profession or occupation is subject to regulation by law as may be necessary in the public interest. The Fertilizer Management Act is exactly such a regulatory law in public interest, and the policy is an incident of its administration. Therefore, the limitations imposed on petitioners' business are lawful restrictions under Article 40, not an infringement of it. It is settled principle that where one's ability to carry on a trade stem from a license, the non-renewal or cancellation of that license *per se* does not violate Article 40 or equivalent provisions, so long as due process is followed.

12. We noticed that the main goals of the Policy- 2025 are to deliver fertilizer directly to farmers' doorsteps and prevent black marketing or price manipulation. It is very significant and timely steps on the part of the Government and if this policy can be implemented, it will be a revolutionary development for Bangladesh

13. In light of the above discussions, we conclude that the petitioners have not made out a case for interference with the *Integrated Policy on Fertilizer Dealership and Distribution- 2025*. The policy was issued with lawful

authority. It is not arbitrary or discriminatory in the constitutional sense; rather, it has a rational nexus with legitimate governmental aims. The petitioners possess no vested right to be dealers under an old scheme when that scheme is lawfully replaced. Any expectations they had, while understandable, cannot override the imperative of public interest that underpins the new policy. The policy does not appear to suffer from any procedural impropriety or bad faith; on the contrary, it seems to have been formulated through a deliberative process focusing on the welfare of end-beneficiaries i.e. the farmers.

In the result, the Rule is discharged. However, there is no order as to costs.

Communicate the Judgment at once.

(Sikder Mahmudur Razi, J:)

I agree.

(Raziuddin Ahmed, J:)