

HON'BLE SRI JUSTICE R. KANTHA RAO

Writ Petition No.6066 of 2015

ORDER:

Heard Sri J. Janaki Rami Reddy, learned counsel appearing for the petitioner and the learned Government Pleaders for Agriculture and Civil Supplies.

2. This writ petition is filed seeking Writ of *Mandamus* to declare the action of the 2nd respondent in issuing orders in Procs.No.CS6/108/2014 dt.03.03.2015 directing the 5th respondent to conduct public auction of seized stocks, without affording reasonable opportunity to submit their explanation to the show cause notice dt.3.3.2015 bearing No.CS6/108/2015, as illegal and arbitrary.

3. The petitioner Company has been carrying business of a dealer in seeds at National level under valid Licence issued by the Licensing Authority. On 22.01.2015, the 4th respondent along with Vigilance and Enforcement Officials, Hyderabad, inspected the processing unit of the petitioner Company at Paramala Village and seized the stock of 404.62 quintals of raw cotton seeds, which were under testing and processing, and whose value is Rs.1,67,91,730/-, on the ground that the petitioner Company failed to maintain books of records. As to this, the version of the petitioner Company is that it is maintaining all the records by computerized system as per the Circular issued by the 3rd respondent dated 12.03.2013. It is submitted on behalf of the petitioner that the stocks were seized at the processing unit and they were not put for sale and they ought not to have been seized by the concerned authorities. The 2nd respondent issued a show cause notice dated 03.03.2015 to the petitioner Company to represent its case on 13.03.2015 at 10.30 a.m. before the Joint Collector, Mahabubnagar either in person by its agent or through the counsel. But on the same day, the 2nd respondent also issued

proceedings ordering disposal of the seized seeds under the provisions of 6A(2)(ii) of the Essential Commodities Act, 1955, under the supervision of the Assistant Director of Agriculture, Gadwal, which was kept under safe custody of Mandal Agriculture Officer, Gadwal, as the commodity is subject to speedy and natural decay.

4. As the Collector, Mahabubnagar (CS) issued show cause notice to the petitioner Company to appear before the Joint Collector, Mahabubnagar either in person or through the counsel on 13.03.2015, this Court is of the view that he ought not to have issued proceedings dated 03.03.2014 directing sale of seized stock of seeds in public auction. Learned counsel appearing for the petitioner submits that if the seeds are sold in the public auction, they will not fetch any reasonable amount and ultimately if the petitioner succeeds, it would result in huge loss to the petitioner. Further the charge only relates to maintenance of records.

5. Under these circumstances, the 2nd respondent is directed to release the seized stock to the petitioner Company on furnishing bank guarantee in respect of 100% of the value seized stock to the satisfaction of the 2nd respondent. The bank guarantee shall be with the 2nd respondent, till the conclusion of the enquiry before him.

6. The writ petition is accordingly disposed of. No order as to costs. Pending miscellaneous petitions, if any, shall stand closed in consequence.

R. KANTHA RAO, J

Date: 11.03.2015
Note: Furnish CC today
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URGENT

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