

THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH
(Special Original Jurisdiction)

FRIDAY THIS THE SEVENTEENTH DAY OF JULY
TWO THOUSAND AND FIFTEEN

PRESENT

**THE HON'BLE MR JUSTICE A.RAMALINGESWARA
RAO**

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**WRIT PETITION Nos.20084, 20092, 20116, 20122,
20126, 20149, 20171, 20178, 20187 and 20202 of 2015**

Between:
S.Srinivas and 9 other individuals

.....
PETITIONERS

AND
State of Telangana,
Rep.by its Principal Secetary,
Consumer Affairs, Food and Civil Supplied
Department, Secretariat,
Hyderabad and 7 others

.....RESPONDENTS

DATE OF JUDGMENT PRONOUNCED: **17.07.2015**

SUBMITTED FOR APPROVAL:

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**THE HON'BLE SRI JUSTICE A.RAMALINGESWARA
RAO**

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|----|---|--------|
| 1. | Whether Reporters of Local newspapers
may be allowed to see the Judgments? | Yes/No |
|----|---|--------|

2. Whether the copies of judgment may be marked to Law Reporters/Journals Yes/No

2. Whether Their Ladyship/Lordship wishes to see the fair copy of the Judgment? Yes/No

**THE HON'BLE SRI JUSTICE A.RAMALINGESWARA
RAO**

**WRIT PETITION Nos.20084, 20092, 20116, 20122,
20126, 20149, 20171, 20178, 20187 and 20202 of 2015**

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COMMON ORDER:

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Heard the learned counsel for the petitioners and the learned Government Pleader for Civil Supplies.

2. These 10 writ petitions are filed by the Fair Price Shop Dealers within the Nizamabad Urban revenue division, Nizamabad individually. These writ petitions are filed challenging the orders passed by the 5th respondent on 08.06.2015 cancelling their authorizations.

3. The learned Government Pleader obtained written instructions, which disclose that, the Deputy Tahsildar (Enforcement), Nizamabad verified the list of SKS references numbers with reference to UID (Aadhar) numbers data and found that some of the SKS references are placed with "B" series instead of "NZU" series which is the unique code allotted to Nizamabad urban. So, he has submitted the list of 10 fair price shop dealers in which "B" series SKS are found and submitted a report for deleting the cards in the monthly allotment

and shifted the same to a dummy shop. He reported the matter to the Collector (CS), Nizamabad. The Collector (CS), Nizamabad took the matter seriously and issued instructions to the Revenue Divisional Officer, Nizamabad to suspend the said 10 dealers holding that they have indulged in malpractice by getting other SKS references allotted to their shops by influencing the computer operators who know the process of the Electronic Public Distribution System Site.

4. Accordingly, orders were passed on 30.03.2015 suspending the authorizations of all the dealers and pending enquiry, all the dealers approached this Court by filing writ petitions and this Court directed the 5th respondent to conduct enquiry and pass final orders. After receipt of the orders of this Court on 11.05.2015, the 5th respondent entrusted the matter to the Tahsildar, Nizamabad on 12.05.2015 to enquire into the matter and submit a report. It appears that the Tahsildar, Nizamabad issued a show cause notice on 18.05.2015 to all the 10 fair price dealers and after submission of explanations by the petitioners, he submitted a report to the 5th respondent on 28.05.2015. After receipt of the report from the Tahsildar, Nizamabad, the 5th respondent issued notices on 28.05.2015 itself asking the petitioners to appear personally on 04.06.2015. On the basis of the report submitted by the Tahsildar, Nizamabad and the explanations submitted by the petitioners on 04.06.2015, the impugned orders of cancellation of their authorizations were passed on 08.06.2015. Challenging the said orders, the present writ petitions are filed.

5. A perusal of the impugned orders show that the matter relating to the petitioners was consulted with the officials of the National Informatics Centre, Nizamabad and after noticing that there is no provision in District Level Administration login, the 5th respondent suspected some irregular activities being conducted by the Dealers in

collusion with the staff of E+PDS Admin System. The impugned orders further disclose that when the Tahsildar along with his staff inspected the shops, one of the employees of the shops admitted the illegal activities being conducted by the Dealers. Ultimately, the impugned orders were passed by the 5th respondent-Revenue Divisional Officer, Nizamabad individually holding as follows:

“....I have examined the records made available before me and explanation of dealer and found that the FPS dealer intentionally colluded with the Computer Programmer/Operator and got entered fake SKS data for FSC cards and for claiming ECs on such cards though they are not *bona fide* beneficiaries. The explanation offered by FPS dealer is not convincing. Thus the FPS dealer has contravened Clause 17 of the AP PDS (Control) Order, 2008 as such the authorization of dealership is liable for cancellation.”

6. A perusal of the narration of events and the impugned orders show that there was some suspicion with regard to the irregular activities conducted by the dealers and what were the irregularity activities are not ultimately settled. No finding was recorded. The dealers appeared before the 5th respondent on 04.06.2015 and the impugned orders were passed on 08.06.2015 without conducting any enquiry. This Court speaking through a Division Bench in ***M.Kalyani v District Collector, Prakasam District***^[1] held that the report, which formed basis for the order of cancellation, should be supplied to the dealers, and in the present case such an effort appears to have not been made. In another case a Division Bench of this Court in ***Ambati Srinivasulu v. District Collector, Nellore***^[2] held that it is necessary to record reasons in support of the findings and conclusions, which

should form part of the order of cancellation.

7. Since the orders of cancellation violate the said law laid down by this Court and apparently no enquiry was conducted before passing the final orders of cancellation of authorizations, this Court is inclined to allow these writ petitions by setting aside the impugned orders dated 08.06.2015, but giving liberty to the 5th respondent to conduct an enquiry pursuant to the explanations submitted by the petitioners and complete the same, within a period of 3 (three) months from the date of receipt of a copy of this order.

8. These 10 Writ Petitions are allowed to the extent indicated above. No order as to costs.

Pending miscellaneous petitions, if any in all these 10 writ petitions, shall stand closed in consequence.

A.RAMALINGESWARA RAO,J

Date: 17.07.2015

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[\[1\]](#) 2006(5) ALD 796 (DB)

[\[2\]](#) 2006(1) ALT 273 (DB)