

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.19034 of 2024

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Dilip Kumar Sah @ Dilip Sah Son of Late Munilal Sah, Resident of Village-
Motipur, P.O.- Tajpur, P.S.- Tajpur, District- Samastipur.

... .. Petitioner/s

Versus

1. The State of Bihar through District Magistrate, Samastipur.
2. District Magistrate, Samastipur.
3. Sub-Divisional Magistrate, Samastipur.

... .. Respondent/s

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Appearance :

For the Petitioner/s : Mr. Sanjeet Kumar, Adv.
For the Respondent/s : Mr. Standing Counsel 16

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CORAM: HONOURABLE MR. JUSTICE A. ABHISHEK REDDY
ORAL JUDGMENT

Date : 10-07-2025

Heard the learned counsel for the parties.

2. This writ petition has been filed for the following
relief(s):-

*“That this present writ application is
being filed for grant of interest over and above the
paid price of the food grains, which was seized on
27.01.2014, in connection with FIR bearing
Tajpur/Police Station Case No. 31/2014, instituted
under Section 7 of the Essential Commodities Act,
Confiscation Case No. 10/2014 for the reason that
the present petitioner is entitled for the interest as
per the Provision contained in section 6- C (2) of
the Essential Commodities Act 1955, particularly
when the petitioner has been Honourably
acquitted in the said criminal proceedings by a
Learned court of competent jurisdiction.”*



3. Learned counsel appearing on behalf of the petitioner has stated that rice and several gunny bags which were seized from the petitioner by the respondent authorities on the allegation that the petitioner is indulging in black marketing of the grains and selling them illegally and at high prices. Thereafter the authorities have initiated confiscation proceedings vide Confiscation Case No. 10 of 2014 and the Collector-cum-District Magistrate, Samastipur has directed the auction of the grains and deposited the sale proceeds in the treasury in the month of August and September 2014. Learned counsel has stated that the learned Sub Divisional Judicial Magistrate, Samastipur has acquitted the petitioner in Tajpur PS. Case No. 31 of 2014, and the petitioner has moved this Hon'ble Court by way of C.W.J.C. No. 13610 of 2024 seeking a direction to the Collector-cum-District Magistrate, Samastipur to decide the pending Confiscation Case No. 10 of 2014 as expeditiously as possible. That the Collector-cum-District Magistrate, Samastipur has directed for the release of the sale proceeds on 07.09.2024 and the said amounts were released on 01.11.2024. However, the interest for the period from August 2014 till October, 2024 i.e. the date of auction proceeds being deposited in the treasury and the date of actual payment to the petitioner has not been paid. Learned counsel has relied on the judgment of this



Hon'ble Court reported in **2011 (4) PLJR 519 (Shyam Jha @ Shyam Kant Jha Vs. State of Bihar & Ors.)** in support of his case and prayed for allowing the C.W.J.C.

4. *Per contra*, the learned counsel appearing on behalf of the Respondent/ State has vehemently opposed the very maintainability of the present writ petition. Learned counsel has stated that the writ petition filed by the petitioner has become infructuous as the amounts rescinded from the sale of the rice have already been paid to the petitioner. Learned counsel has, therefore, prayed this Hon'ble Court to dismiss the present writ petition.

5. Admittedly in the present case, the goods which were confiscated from the petitioner were sold in the public auction in the year 2014 and the sale proceeds were deposited in the treasury account. Thereafter, the petitioner was paid the said amount only after his acquittal in November, 2024. This Court in **2011(4) PLJR 519 (Shyam Jha @ Shyam Kant Jha Vs. State of Bihar & Ors.)** while deciding similar issue involved in the present writ petition has held as under:

“.....the petitioner would accordingly be entitled for payment of price at the rate of Rs. 650/- per quintal payable together with the interest at the rate of 15% w.e.f. the date of allege seizure i.e. 05.10.1998 until the date of its final payment.”



6. Further, the Hon'ble High Court in **2010 (2) PLJR 316 (Gulab Chand Prasad Vs. The State of Bihar & Ors.)** has held that the writ petition therein is entitled for interest at the rate of 15%.

7. The Hon'ble High Court of Patna in CWJC No. 5718 of 2010 has held as under:

“The statutory provisions underlying Section 6C as substituted by the State amendment introduced under Bihar Act 9 of 1978 is self eloquent and needs no explanation. Section 6C(2) is being reproduced for the facility of quick reference and in no uncertain terms casts an obligation on the respondent authorities to make not only the payment of the price of goods so seized but also to pay a reasonable amount of interest.

“**6C.Appeal.** (2) where an order under section 6-A is modified or annulled by such judicial authority, or where in a prosecution instituted for the contravention of the order in respect of which an order of confiscation has been made under section 6-A, the person concerned is acquitted; and in either case it is not possible for any reason to [return the essential commodity seized], [such person shall except as provided by sub-section 3 of section 6-A, be paid] the price thereof as if the [essential commodity] had been sold to the Government with reasonable interest calculated from the day of seizure of [the essential commodity], [and such price shall be determined.-



(i) in the case of foodgrains, edible oilseeds or edible oils, in accordance with the provisions of subsection (3-B) of section 3,

(ii) in the case of sugar, in accordance with the provisions of sub-section (3-C) of section 3, and

(iii) In the case of any other essential commodity, in accordance with the provisions of sub-section (3) of section 3.]”

Considering the case of the petitioner in the background of the circumstances as set forth, any objection to his claim as raised by the respondents, is indefensible. The respondents cannot shirk from their responsibility and obligation to make payment of the price of goods seized from the petitioner together with interest.”

7. In ***Ram Chandra Sah vs. State of Bihar & Ors.*** reported in ***2007 (3) PLJR 395***, this Hon’ble High Court has held as under:

“The Collector was mandatorily required by law in terms of Section 6C(2) of the Act to pass an order in terms thereof directing for the return of the goods and/or if that was not possible for payment of money value alongwith interest thereof. The said section gives no discretion to the Collector in this regard. The obligation cast on the Collector is in mandatory terms and has to be exercised by him suo moto. The petitioner did not even have to make a prayer for the same. It is by



operation of law itself that the relief had to be granted to the petitioner.”

8. Having regard to the above law laid down by this Hon’ble Court wherein it was held that the payment of interest is mandated under the provisions of the Essential Commodities Act more specifically Section 6, this Court is of the opinion that the prayer sought for in the writ petition has to be allowed and the same is allowed. Accordingly there shall be a direction to the Collector-cum-District Magistrate, Samastipur (Respondent No. 2) to calculate simple interest at the rate of 8% per annum on the amount of Rs. 34 lakhs from the date of deposit of the amount in the treasury till October 2024. The authorities are further directed to calculate the interest and pay the same as expeditiously as possible preferably within a period of eight weeks from the date of receipt of the copy of this order.

9. With the above direction, the present writ petition stands allowed to the extent indicated.

(A. Abhishek Reddy , J)

Gauravkr/-

AFR/NAFR	NAFR
CAV DATE	N/A
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