CGHC010387432026 2026:CGHC:43384

RUCHI YADAV Digitally signed by RUCHI YADAV

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 5040 of 2026

1 - M/s Sapneshwar Rice Industries Through Its Proprietor Smt Rajkumari Sahu, Aged About 53 Years, W/o Miniketan Sahu, Situated At Narsinghpur (Jagdishpur), Basna, District - Mahasamund, (C.G.) Through Power Of Attorney Holder Shri Nitesh Kumar Sahu Aged About 35 Years, S/o Miniketan Sahu Village Jiradabari Rasoda, Basna District Mahasamund (C.G.)

... Petitioner(s)

versus

1 - Union Of India Through Secretary, Department Of Food, Civil Supplies And Consumer Protection, Office At Krishi Bhavan, New Delhi.
2 - State Of Chhattisgarh Through Secretary, Department Of Food, Civil Supplies And Consumer Protection, Office At Mahanadi Bhawan, Mantralaya, Atal Nagar, New Raipur, District Raipur (C.G.)
3 - Chhattisgarh State Market Federation Maryaadit Through Managing Director, Office At Atal Nagar, New Raipur, District Raipur (C.G.)
4 - Food Corporation Of India Regional Office Chhattisgarh, Through General Manager, Office At Mowa, Kapa, Vidhan Sabha Marg. Raipur (C.G.)
5- Collector District Mahasamund (C.G.)

6 - District Marketing Officer Chhattisgarh State Market Federation Maryadit, District Mahasamund (C.G.)

7 - Punjab National Bank Through Its Branch Manager, Branch Basna, District Mahasamund (C.G.)

... Respondent(s)

(Cause title taken from CIS Periphery)

For Petitioner(s)	**:**	Mr. Sanjay Agrawal, Advocate
For Respondent No.1	**:**	Ms. Anmol Sharma, CGC, appears on advance copy
For Respondents No. 2 and 3	**:**	Mr. Anil S. Pandey, G.A., appears on advance copy
For Respondent No.4	**:**	Mr. R.S. Patel, Advocate, appears on advance copy

SB: Hon'ble Mr. Justice Amitendra Kishore Prasad

Order on Board

07/10/2026

1. Heard on I.A. No. 02/2026, an application seeking exemption from filing typed/faint/side-marked/underlined copies.

2. Learned counsel for the petitioner submits that the typed and legible copies of the documents have since been filed and, therefore, he is not pressing I.A. No. 02/2026.

3. In view of the aforesaid submission, I.A. No. 02/2026 stands dismissed as not pressed.

4. With the consent of learned counsel for the parties, the matter is heard finally.

5. By way of the present petition, the petitioner has prayed for following reliefs:-

> “10.1 That the Hon'ble Court may kindly be pleased to Restrain Respondent No. 06 from encashing the bank guarantee furnished by the petitioner in pursuance of the milling agreement and quash the impugned letter No 2223/2026 dated 23.09.2026 (Annexure P-1), in the interest of justice.
>
> 10.2 That the Hon'ble Court may kindly be pleased to direct the District Marketing Officer Mahasamund to immediately accept the pending delivery of rice from the petitioner.
>
> 10.3 To kindly make any other order or writ that may be deemed fit and just in the facts and circumstances of the case including awarding of the costs to the petitioner.
>
> 10.4 That, Cost of the petition may also be awarded to the petitioner.”

6. Brief facts of the case are that the petitioner is a registered rice mill firm, namely, M/s Sapneshwar Rice Industries, through its Proprietor Smt. Rajkumari Sahu, represented through her authorized representative and son, Shri Nitesh Kumar Sahu. The petitioner entered into a Custom Milling Agreement dated 30.01.2025 with respondent No.6/District Marketing Officer for undertaking custom milling operations. It is the case of the petitioner that, pursuant to the said agreement, it received 9152 quintals of paddy and duly carried out the milling operations. According to the petitioner, a balance quantity of 1298.250 quintals of rice remained to be deposited. The petitioner submits that it was ready and willing to deposit the remaining stock and

that, pursuant to the State policy, a Consent Letter dated 17.07.2026 was executed for conversion of the remaining stock meant for FCI into the State Pool of Civil Supplies (NAN), with the extended timeline for deposition.

7. The grievance of the petitioner is that, despite its readiness and willingness to deposit the remaining stock and its representation seeking acceptance/conversion thereof, the respondent authorities neither opened the online portal/grid nor facilitated acceptance of the remaining stock. It is further submitted that, without affording any opportunity of hearing to the petitioner or deciding its pending representation, respondent No.6 issued the impugned letter dated 23.09.2026 to the Punjab National Bank for invocation/encashment of the petitioner's bank guarantee. The petitioner has, therefore, challenged the aforesaid action primarily on the ground that the bank guarantee has been sought to be invoked arbitrarily, without considering the petitioner's request for deposit/conversion of the remaining stock and without affording an opportunity of hearing.

8. Learned counsel for the petitioner submits that, in terms of Clause 14.1 of the agreement, any dispute arising between the parties is required to be adjudicated by the concerned Collector. He, therefore, submits that the petitioner may be permitted to approach the competent authority for resolution of its grievance in the manner contemplated under the said clause. It is further submitted that, in the meantime, as the respondent authorities are proceeding to invoke and encash the bank guarantee furnished by the petitioner, appropriate interim protection may be granted by restraining the respondents from encashing the bank

guarantee until a decision is taken by the concerned Collector in accordance with law.

9. Learned counsel appearing for the respondents submits that they have no objection to the limited prayer made by learned counsel for the petitioner, insofar as it pertains to seeking redressal of the petitioner's grievance before the concerned Collector in accordance with law.

10. I have heard learned counsel for the parties and perused the material available on record.

11. Considering the facts and circumstances of the case and, further, taking into account that Clause 14.1 of the agreement specifically provides for resolution of disputes arising between the parties by the concerned Collector, this Court is of the view that the petitioner's grievance may appropriately be considered by the said authority in accordance with the terms of the agreement.

12. Accordingly, the petitioner is permitted to approach the concerned Collector by filing an appropriate representation/claim within a period of 10 days from the date of receipt of a copy of this order. Upon such approach, the concerned Collector shall consider and decide the petitioner's grievance, after affording due opportunity of hearing to all concerned parties, in accordance with law and the terms of the agreement, preferably within a period of 30 days thereafter.

13. Till the aforesaid decision is rendered by the concerned Collector, no coercive steps shall be taken by the respondent authorities for invocation or encashment of the bank guarantee furnished by the petitioner.

14. It is further observed that Clause 15.1 of the agreement provides for arbitration against the order/decision that may be passed by the concerned authority. Therefore, in the event the petitioner remains aggrieved by any order passed by the Collector, it shall be at liberty to avail the remedy of arbitration in terms of Clause 15.1 of the agreement, in accordance with law.

15. With the aforesaid observations and directions, the writ petition stands **disposed of**.

Sd/-

(Amitendra Kishore Prasad)

Judge

Ruchi