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RUCHI YADAV Digitally signed by RUCHI YADAV

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 5412 of 2026

1 - M/s Tirupati Rice Industries Through Its Partner Mohan Kumar Sahu, Aged About 39 Years, S/o Govardhan Sahu, Situated At Nawapara Rajim, District - Raipur, (C.G.)

... Petitioner(s)

versus

1 - Union Of India Through Secretary, Department Of Food, Civil Supplies And Consumer Protection, Officer 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 Maryadit 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 Raipur (C.G.)

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

7 - Bank Of Maharastra Through Its Branch Manager, Branch - Kendri, District Raipur (C.G.)

... Respondent(s)

(Cause title taken from CIS Periphery)

For Petitioner(s)	:	Mr. Krishna Tandon, Advocate
For Respondent No.1	:	Ms. Anchala Kujur, CGC on behalf of Mr. Ramakant Mishra, DSG, 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
For Respondent No.7	:	Mr. Anumeh Shrivastava, Advocate appears on advance copy

SB: Hon'ble Mr. Justice Amitendra Kishore Prasad

Order on Board

28/10/2026

1. 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 2056/2026 dated 21/09/2026 (Annexure P-1), in the interest of justice.
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> 10.2 That the Hon'ble Court may kindly be pleased to direct the District Marketing Officer Raipur 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."

2. Brief facts of the case are that the petitioner is a registered rice mill firm, namely, M/s Tirupati Rice Industries, through its Partner, Mohan

Kumar Sahu, engaged in custom milling operations. The petitioner entered into a Custom Milling Agreement dated 29.12.2023 with respondent No. 6/District Marketing Officer for the year 2023-2024. It is the case of the petitioner that, pursuant to the said agreement, the petitioner duly carried out the milling operations and deposited 6940.019 quintals of rice, while the remaining quantity of 11151.29 quintals was kept ready for delivery. The petitioner requested the respondent authorities to permit conversion of the remaining stock into the State Pool of Civil Supplies (NAN), particularly in view of the extensions granted for depositing the custom-milled rice. According to the petitioner, despite repeated requests and its readiness to deliver the remaining rice, no permission was granted by the respondent authorities. Instead, vide letter dated 21.09.2026, the District Marketing Officer, Raipur, directed invocation of the bank guarantee furnished by the petitioner under the Custom Milling Agreement.

3. The grievance of the petitioner is that the bank guarantee has been sought to be invoked without issuing any notice to, or affording an opportunity of hearing to, the petitioner, despite its repeated requests to the respondent authorities to accept the remaining stock. It is further submitted that the respondent authorities had permitted conversion of the remaining stock into NAN on account of the non-availability of space in FCI godowns, but the benefit thereof was not extended to the petitioner. Aggrieved by the aforesaid action, the petitioner has approached this Court seeking, inter alia, a direction to the respondent authorities to accept the remaining rice offered for delivery and to quash the letter dated 21.09.2026 directing invocation of the bank guarantee.

4. Learned counsel for the petitioner submits that, in terms of Clause 14.1 of the agreement, the dispute between the parties is required to be considered by the concerned Collector. He, therefore, submits that the petitioner may be permitted to approach the competent authority for redressal of its grievance in accordance with 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 invoking or encashing the bank guarantee until the petitioner's grievance is decided by the concerned Collector in accordance with law.

5. Learned counsel appearing for the respondents submits that there is no objection to the limited prayer made on behalf of the petitioner, insofar as it pertains to seeking redressal of the petitioner’s grievance before the concerned Collector in accordance with law.

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

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

8. 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 receipt of

such representation/claim, the concerned Collector shall consider and decide the same, 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 from the date of receipt thereof.

9. Till the aforesaid decision is rendered by the concerned Collector, the respondent authorities shall not take any further steps pursuant to the impugned letter dated 21.09.2026 for invocation or encashment of the bank guarantee furnished by the petitioner.

10. It is further observed that Clause 15.1 of the agreement provides for arbitration in respect of the order/decision that may be passed by the concerned authority. Therefore, in the event the petitioner remains aggrieved by any order/decision 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.

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

12. Pending interlocutory applications, if any, shall stand disposed of.

Sd/-

(Amitendra Kishore Prasad)
Judge

Ruchi