



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3333]

**TUESDAY, THE SEVENTH DAY OF OCTOBER
TWO THOUSAND AND TWENTY FIVE**

PRESENT

THE HONOURABLE SMT JUSTICE V.SUJATHA

WRIT PETITION NO: 27252/2023

Between:

- 1.M/S. J.K. RICE TRADERS,, REP. BY ITS PROPRIETOR, K. JAYAKRISHNA, C/O SRI VENKATA SESHADRI MODERN RICE MILL, VENGAI AHGARIPALEM ROAD, BINGINAPALLIVARI STREET, OLD TOWN, KAVALI, SPSR NELLORE DISTRICT.
- 2.RAM REDDY,, S/O SIDDA REDDY, AGE 37 YEARS, OCC. BUSINESS, OWNER OF LORRY BEARING NO. KA 56 6325, RIO D.NO.15, HUNSGERA, HOMNABAD, BIDAR, KARNATAKA STATE - 585353.

...PETITIONER(S)

AND

- 1.THE STATE OF ANDHRA PRADESH, REP. BY ITS SECRETARY, FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT, SECRETARIAT BUILDINGS, VELAGAPUDI, GUNTUR DISTRICT.
- 2.THE DISTRICT COLLECTOR, , NELLORE, SPS NELLORE DISTRICT.
- 3.THE CIVIL SUPPLIES DEPUTY TAHSILDAR, KAVALI, SPSR NELLORE DISTRICT.
- 4.THE INCHARGE, MLS POINT, KAVALI, SPSR NELLORE DISTRICT.

...RESPONDENT(S):

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to may be pleased to issue an order, direction or writ, more particularly one in the nature of writ of Mandamus declaring the action of the 3rd respondent in seizing 330.00 Qtls of Grade A paddy and 906.00 Qtls of Grade A raw rice belongs to the 1st petitioner and the lorry bearing No. KA 56 6325 belongs to the 2nd petitioner from Sri Venkata Seshadri Modern Rice Mill,

Kavali Old Town, SPSR Nellore District under cover of panchanama, dt.19.03.2023 and further order of the respondent passed vide Rc.B2.91/2023, dt.11.10.2023 directing to sell the seized stock of 76.600 MTs of rice through public auction and directing the 1st petitioner to furnish bank FDR for an amount of Rs.3,27,200/- for release of 33.000 MTs of Grade A paddy and 17.000 MTs of Grade A rice and further directing the 2nd petitioner to furnish bank FDR for an amount of Rs.2,50,000/- for release of seized lorry bearing No. KA 56 6325 as illegal, arbitrary, without any authority of law or jurisdiction and violative of Articles 14 and 19(1)(g) of the Constitution of India and contrary to the provisions of the Essential Commodities Act, 1955 and the Orders made there under set aside the order of the 2nd respondent dt.11.10.2023 and consequently direct the respondents to release the seized stocks to the 1st petitioner and lorry to the 2nd petitioner and not to take any action in pursuance of the illegal seizure and pass such

IA NO: 1 OF 2023

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased may be pleased to direct the respondents to release 330.00 Qtls of Grade A paddy and 906.00 Qtls of Grade A raw rice to the 1st petitioner and the lorry bearing No. KA 56 6325 to the 2nd petitioner by suspending the order of the 2nd respondent passed in Rc.B2.91/2023, dt.11.10.2023, pending disposal of writ petition and pass such

IA NO: 2 OF 2023

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased pleased to vacate the interim order dated 18.10.2023 passed in I.A.NO. 1 of 2023 in W.P.No. 27252 of 2023 and dismiss the writ petition in the interest of justice and pass

Counsel for the Petitioner(S):

1.V SUDHAKAR REDDY

Counsel for the Respondent(S):

1.GP FOR CIVIL SUPPLIES

The Court made the following:

HONOURABLE SMT. JUSTICE V.SUJATHA**WRIT PETITION No.27252 of 2023****ORDER:**

The present Writ Petition came to be filed under Article 226 of the Constitution of India seeking the following relief:-

“...to issue an order, direction or writ, more particularly one in the nature of writ of Mandamus declaring the action of the 3rd respondent in seizing 330.00 Qtls of Grade A paddy and 906.00 Qtls of Grade A raw rice belongs to the 1st petitioner and the lorry bearing No.KA 56 6325 belongs to the 2nd petitioner from Sri Venkata Seshadri Modern Rice Mill, Kavali Old Town, SPSR Nellore District under cover of panchanama, dt.19.03.2023 and further order of the 2nd respondent passed vide Rc.B2.91/2023, dt.11.10.2023 directing to sell the seized stock of 76.600 MTs of rice through public auction and directing the 1st petitioner to furnish bank FDR for an amount of Rs.3,27,200/- for release of 33.000 MTs of Grade A paddy and 17.000 MTs of Grade A rice and further directing the 2nd petitioner to furnish bank FDR for an amount of Rs.2,50,000/- for release of seized lorry bearing No.KA 56 6325 as illegal, arbitrary, without any authority of law or jurisdiction and violative of Articles 14 and 19(1)(g) of the Constitution of India and contrary to the provisions of the Essential Commodities Act, 1955 and the Orders made there under and set aside the order of the 2nd respondent dt.11.10.2023 and consequently direct the respondents to release the seized stocks to the 1st petitioner and lorry to the 2nd petitioner and not to take any action in pursuance of the illegal seizure...”

2. The 1st petitioner is doing business in food grains such as paddy and rice in the name and style of M/s J.K.Rice Traders and has got his name registered under and obtained a registration certificate bearing No.37CVMPK9211N1ZX. The 1st petitioner purchases paddy from ryoths, mills the same in different mills and sells the resultant rice and brokens to different traders, shops, hotels and individuals.

3. While so, the 1st petitioner took Sri Venkata Seshadri Modern Rice Mill situated in Kavali Old Town, on lease from its owner, Kurapati Venkatareddy, vide agreement dated 04.07.2022 and since then, he has been running the said rice mill.

4. While so, during the course of his business, he received a rice purchase order from PWIP Food Tech Pvt. Ltd., Bengaluru, for supply of 135 MTs of rice to be delivered at Balmer Lawrie, CFS Manali, Chennai. As part of the said order, the 1st petitioner raised a bill invoice No.246, dated 19.03.2023, for 676 bags of sortex raw rice, each weighing 50kgs and engaged a lorry bearing No.KA 56 6325 belonging to the 2nd petitioner, instructing his clerk to load the rice into the said lorry.

5. While the lorry was about to start, the Civil Supplies Deputy Tahsildar, Kavali, i.e., the 3rd respondent herein along with Revenue and Civil Supplies Officers, surprisingly checked the mill in the absence of the petitioner. At that time, the owner of the mill, who had leased out the said mill to the petitioner, was present and produced B Register, which was kept on the table, before the Inspecting Officers. Though there were no variations between the closing balances shown in the B-Register and physical stocks available in the mill, the Inspecting Officials illegally and high-handedly seized the rice, paddy and brokens available in the mill, as well as the lorry bearing No.KA 56 6325 along with stock, under cover of panchanama dated 19.03.2023, on the alleged ground that it was PDS rice. Thereafter, the 3rd respondent handed over the lorry as well as the seized products to the incharge MLS Point, Kavali, i.e., the 4th respondent,

for safe custody and filed 6A report before the District Collector, Nellore i.e., the 2nd respondent herein.

6. Thereafter, both the petitioners filed a petition on 31.03.2023 before the 2nd respondent, categorically stating that the 3rd respondent and the inspecting team had no authority or jurisdiction to size the paddy and rice available in the mill and in the lorry along with lorry, in view of GOI S.O.No.3543 (E), dated 29.11.2013, whereby the A.P. Scheduled Commodities Dealers (License, Storage & Regulation) Order, 2008, was made inapplicable in respect of 'Paddy' and 'Rice' from 01.12.2014. Therefore, no food license is required to carry on such business. The 1st petitioner has been purchasing paddy, milling the same in the aforesaid rice mill and selling it to different traders etc., as per the purchase orders and requested for release of the seized paddy as well as the lorry.

7. In pursuance of which, the 2nd respondent passed the impugned orders on 11.10.2023, rejecting the request for release of the seized stock of 76.600 MTs of alleged PDS rice and ordering its sale through public auction, while directing that 33.000 Mts of grade A paddy and 17.000 Mts of grade A rice be released on production of a Bank FDR for an amount of Rs.3,27,200/- from any nationalized bank and that the seized lorry be released on production of a Bank FDR for an amount of Rs.2,50,000/-. Challenging which, the present writ petition has been filed.

8. When the matter came up for admission, on 18.10.2023, this Court passed the following interim order:-

"3. The direction given by the Respondent No.2 in the Proceedings bearing Rc.B2.91/2023 dated 11.10.2023 (Ex.P.1) to the extent "The Petition filed by the respondent through his counsel for release of the seized stock of 76.600 MTs of PDs Rice is hereby rejected and it is

ordered to sold through Public Auction, in order to avoid deterioration. The Asst. Manager (Technical), O/s the District Manager, APSCSCL, SPS Nellore is hereby ordered to obtain samples from MLS Point Incharge, kavali and send conduct analysis and send report at an early date for taking further action in this regard" is stayed till the next date of listing."

9. However, the interim order was not extended thereafter. The 2nd respondent has filed a counter-affidavit duly admitting the facts as stated by the petitioners and further stated that the respondents never insisted for any F.G.L license. As no documents were produced relating to the huge quantity of physical stocks available in the rice mill and the lorry bearing No.KA 56 6325, which was loaded with 676 rice bags amounting to 338 quintals found during the course of inspection, besides the entries in B-Register updated only upto 28.02.2023 and as the same were not tallying with the physical stocks found during the course of inspection and in view of the involvement of lorry bearing No.KA 56 6325, in the diversion of scheduled commodities, the inspecting authority- 3rd respondent herein seized the available stocks and vehicle and such act is in accordance with law viz., provisions of Clause 20 (a) of A.P. State Targeted Public Distribution System (Control) Order, 2018.

10. It is further stated that it has been clearly envisaged that A.P. Rice Procurement (Levy) Order, 1984, is in force and action can be taken against the Millers/ Traders for violation of the provisions of Levy Order. The relevant extract is submitted hereunder:

"In view of lapse of the GOI S.O.No.3543(E) dt. 29.11.2013, the APSCD (LS&R) Order, 2008 is not applicable in respect of 'Paddy' and 'Rice' from 01.12.2014.

But the AP Rice Procurement (Levy) Order, 1984 is in force and action can be taken against the millers/ traders for violation of the provisions of levy order.

As per the G.O.Ms.No.22, dt.03.11.2015, the clauses 3 and 4 were deleted and amended time to time. Hence, the seizure that took place on 19.03.2023 is in accordance with law only and thereby, the averments made by the petitioners are false and baseless.

11. It is submitted that the three (3) samples of seized rice, which were collected at the time of inspection on 19.03.2023, were already sent for analysis on 27.03.2023. Thereupon, the District Manager, APSCSCL, Nellore, furnished the Analysis Report on 02.08.2023. As per findings of Analysis Report, the 2nd respondent took action and passed the impugned order dated 11.10.2023, ordering the seized stocks to be sold through public auction, pending finalization of 6-A proceedings.

12. As the seized stock is perishable in nature, it shall be disposed of through Public Auction by the Committee constituted for the purpose, duly fixing the rate and the sale proceeds shall be deposited into Revenue Deposits. After finalization of the 6-A proceedings, if the petitioner succeeds, the said amount will be returned to the petitioner. Hence, the impugned order is in accordance with law and the averment made by the petitioner that 'seizure is illegal' is false.

13. It is submitted that as envisaged in A.P. Rice Procurement (Levy) Order, 1984, read with G.O.Ms.No.26, CA, F&CS (CS.I) Department, dated: 13.10.2022, clause 10 provides that 'the millers shall maintain the details of paddy purchased, rice produced, sold, balance stock available in the mills etc., duly computerized in

real time in form 'A' and 'B' registers prescribed in the A.P. Rice Procurement (Levy) Order, 1984 and make all information available online for verification.

14. However, there were no entries in the key columns from 4A to 4E in B-Register maintained at Sri Venkata Seshadri Modern Rice Mill, which was produced at the time of inspection. In the entire B-register, the columns from 4A to 4E were left blank, without noting the details of ryots/ brokers/ millers/traders from whom paddy/raw rice or other food grains were purchased and without enclosing connected bills or documents. Hence, it is clear that the recitals mentioned in Col.No.2, 3A, 3B, 3C are fictitious and not supported by any valid evidence and thereby the entries made at Col.No.12 as closing balances have no genuineness.

15. It is further submitted that as such the Civil Supplies Deputy Tahsildar - 3rd respondent herein seized the stocks available in the rice mill and the lorry bearing No.KA 56 6325 and filed a 6A case under the E.C. Act, 1955, besides registering a criminal case against the petitioners and other persons involved in this issue.

16. It is further submitted that 'Rice (including paddy)' is a scheduled commodity, in terms of Clause 2 and the schedule appended to A.P. State Targeted Public Distribution System (Control) Order, 2018, enacted In exercise of the powers conferred by Section 2 r/w section 5 of the Essential Commodities Act. 1955 (Central Act 10 of 1955), read with G.S.R. No. 213 (E) dated 20th March, 2015, Ministry of Consumer Affairs, Ministry of Consumer Affairs, Department of Food and Public Distribution, New Delhi.

17. Further, all rice millers are required to strictly maintain A and B registers as envisaged in A.P. Rice Procurement (Levy) Order, 1984, read with G.O.Ms.No.26, CA, F&CS (CS.I) Department, dated: 13.10.2022. The inspecting team further noticed that there are no traces of husk in the rice mill and no evidentiary traces of paddy in hopper of rice mill.

18. It is further submitted that the above proved prima-facie that the 1st petitioner herein is conducting illegal business by purchasing PDS rice from the middlemen at low prices, then repacked/recycling the same and diverting into black market to get unlawful income. Hence, requested to dismiss the Writ Petition.

19. Heard learned counsel for the petitioners as well as learned Assistant Government Pleader for Civil Supplies representing the respondents.

20. The learned Assistant Government Pleader has brought to the notice of this Court that 6-A proceedings have not been finalized by the District Collector i.e., the 2nd respondent and as such, requested to grant some time for completing the enquiry under 6A proceedings. However, further stated that to the request made by the petitioner for release of the seized stock on the condition of his furnishing immovable property as security shall be considered by the respondent, subject to the result of the finalization of the 6A proceedings before the 2nd respondent.

11. Though 6A proceedings were initiated on 11.10.2023 itself, as the respondents have failed to complete the enquiry till date, instead of going into the merits of the case, the Writ Petition is disposed of directing the petitioner to furnish self or 3rd party immovable property as security for release of the seized

stock as well as lorry, within a period of two (02) weeks from the date of receipt of copy of the order. On receipt of the same, the 2nd respondent shall release the seized stock as well as lorry. The 2nd respondent is further directed to complete the enquiry under 6A of the E.C. Act, as expeditiously as possible, preferably within a period of two (02) months from the date of receipt of copy of the order.

No costs.

As a sequel, miscellaneous applications, pending, if any, shall also stand closed.

JUSTICE V.SUJATHA

Date :07.10.2025

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THE HONOURABLE SMT JUSTICE V.SUJATHA

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Date :07.10.2025

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