



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

[3333]

MONDAY, THE FIRST DAY OF DECEMBER
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE SMT JUSTICE V.SUJATHA

WRIT PETITION NO: 42410/2022

Between:

1.U PARVATHI, W/O GOVINDA RAJULU, AGE 38 YEARS, OCC FAIR PRICE SHOP DEALER, R/O VENKATANAYANIPALLI VILLAGE, DHONE MANDAL, NANDYAL DISTRICT

...PETITIONER

AND

1.THE STATE OF AP, , REP. BY ITS PRINCIPAL SECRETARY, FOOD AND CIVIL SUPPLIES DEPARTMENT, SECRETARIAT BUILDINGS, VELAGAPUDI, AMARAVATHI.

2.THE JOINT COLLECTOR, NANDYAL, NANDYAL DISTRICT.

3.THE REVENUE DIVISIONAL OFFICER, , DHONE, NANDYAL DISTRICT.

4.THE TAHSILDAR, DHONE MANDAL, NANDYAL 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 issue an appropriate Writ, Order or direction more particularly one in the action of the 2nd respondent in issuing the impugned proceedings vide Rc.F.338/2022, dated 25-11-2022, cancelling the petitioner's dealership to the Fair Price Shop No.50 of Venkatanayanipalli Village, Dhone Mandal, Nandyal District, basing on the report of the 4th respondent dated 21-06-2021, as illegal, arbitrary, unjust and violation of principles of natural justice and consequently set aside the proceedings vide Rc.F.338/2022, dated 25-11-

2022 and direct the respondents to supply the Essential Commodities to the the petitioner's Fair Price Shop No.50 of Venkatanayanipalli Village, Dhone Mandal, Nandyal District and pass

IA NO: 1 OF 2022

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 to direct the respondents to supply the Essential Commodities to the the petitioner's Fair Price Shop No.50 of Venkatanayanipalli Village, Dhone Mandal, Nandyal District by suspending the operation of impugned proceedings vide Rc.F.338/2022, dated 25-11-2022, pending disposal of the writ petition and pass

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 to vacate the Interim order dated 05-01-2023 passed in IA.No. 1 of 2022 in WP.No. 42410 of 2022 and dismiss the writ petition and to pass

Counsel for the Petitioner:

1.U RAMANJANEYULU

Counsel for the Respondent(S):

1.GP FOR CIVIL SUPPLIES

The Court made the following:

HONOURABLE SMT. JUSTICE V.SUJATHA**WRIT PETITION No.42410 of 2025****ORDER:**

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

“...to issue an appropriate Writ, Order or direction more particularly one in the action of the 2nd respondent in issuing the impugned proceedings vide Rc.F.338/2022, dated 25-11-2022, cancelling the petitioner's dealership to the Fair Price Shop No.50 of Venkatanayanipalli Village, Dhone Mandal, Nandyal District, basing on the report of the 4th respondent dated 21-06-2021, as illegal, arbitrary, unjust and violation of principles of natural justice and consequently set aside the proceedings vide Rc.F.338/2022, dated 25-11-2022 and direct the respondents to supply the Essential Commodities to the petitioner's Fair Price Shop No.50 of Venkatanayanipalli Village, Dhone Mandal, Nandyal District...”

2. The petitioner was appointed as a temporary Fair Price Shop dealer for Shop No.1349050 of Venkatanayanipalli Village, Dhone Mandal, Nandyal District, vide proceedings Rc.B.354/2017, dated 30.03.2017. The case of the petitioner is that the 4th respondent conducted an enquiry behind the back of the petitioner and submitted a report to the 3rd respondent on 21.06.2021 alleging that the petitioner is not residing in the village and is running the Fair Price Shop in the benami name of one Smt Venkata Lakshamma. Basing on the said report, the 3rd respondent issued a show cause notice on 19.09.2022 calling for an explanation from the petitioner. For which, the petitioner submitted an explanation on 30.09.2022 stating that she submitted a representation to the 4th respondent on 16.12.2021 stating that she was

pregnant and requesting that her mother-in-law's name be entered in e-POS machine and the said request was considered by the 4th respondent.

3. The grievance of the petitioner in the present writ petition is that, solely basing on the enquiry report submitted by the 4th respondent without considering the explanation submitted by the petitioner, the 3rd respondent straightaway cancelled the petitioner's authorization vide proceedings dated 25.11.2022.

4. When the writ petition came up for admission on 05.01.2023, this Court passed an interim direction, directing the respondents to supply Essential Commodities to the petitioner's Fair Price Shop by suspending the impugned proceedings dated 25.11.2022. In pursuance of the interim order granted by this Court, the petitioner continued to run the Fair Price Shop.

5. Heard learned counsel for the petitioner as well as learned Assistant Government Pleader for Civil Supplies appearing for the respondents.

6. On a perusal of the impugned proceedings, it can be observed that basing on the report submitted by the Tahsildar on 21.06.2021, which, in fact, was behind the back of the petitioner, a show cause notice was issued by the 3rd respondent on 19.09.2022 calling for an explanation from the petitioner. Though, the petitioner submitted an explanation on 30.09.2022, without conducting any further independent enquiry and even without furnishing a copy of the Tahsildar's enquiry report dated 21.06.2021, the petitioner's authorization was cancelled. As the petitioner's authorization was cancelled

without furnishing requisite material and without conducting an independent enquiry, the impugned proceedings are liable to be set aside.

7. In ***B. Manjula vs. District Collector, Civil Supplies, Kurnool and others***¹ observed as extracted hereunder:

“9. This Court is conscious of the fact that the law discussed above was laid down by the Courts in the context of disciplinary proceedings against Government servants and it may not be possible to adhere to the same rigors of procedure in an enquiry against a fair price shop dealer. However, this Court is of the considered opinion that since an order of cancellation of fair price shop visits the dealer with adverse consequences, the appointing authority must adhere to the fundamental Ingredients of an enquiry. The enquiry need not be too elaborate as in the case of a disciplinary proceeding against a Government servant, but it shall follow the basic requirement of an enquiry which in my view must be as described infra.

10. An ‘enquiry’ pre-supposes an opportunity of personal hearing to the dealer to explain his/her case based on the records such as sales and stock registers. If need be, such enquiry must also include recording the sworn statement of the dealer and witnesses, if any, from his/her side. In cases where either card holders or other persons sent any complaint, they must also be examined in the presence of the dealer or his/her lawyer and the dealer shall be given an opportunity of cross- examining such persons. The licensing /disciplinary authority shall also supply to the dealer all the reports on which he is likely to place reliance to the detriment of the dealer. Unless the dealer has no explanation at all to offer, the licensing/disciplinary authority is bound to hold a detailed enquiry.

11. The experience of this Court reveals that the appointing authorities of fair price shop dealers are dispensing with the requirement of making personal enquiry by summoning the dealers. They are merely relying upon the reports sent by their subordinates i.e., Deputy Tahsildars and Tahsildars, behind the back of the dealers and resting their decisions solely upon those reports. This procedure is anathema to the concept of

¹ 2015 (4) ALT 572

enquiry which otherwise means affording the dealer an opportunity of a fair hearing.”

8. As rightly pointed out by the learned counsel for the petitioner, the impugned proceedings of cancellation of authorization by the 3rd respondent without considering the explanation of the petitioner and no reasons were assigned and no enquiry was conducted in relation to the objections and contentions raised in the explanation, which is against the principles of natural justice. In ***K. Prabhavathi v. State of A.P., represented by its Principal Secretary and others***², it was observed as under:

“11. Since the appointing authority acts as a quasi judicial authority, he must give cogent reasons specifying the need for placing the dealer under suspension pending disciplinary enquiry. The mere cryptic order that the report of the inspecting authority reveals a prima-facie case against the petitioner of his committing certain irregularities and thereby violating the Control Order, 2018 is not sufficient to justify suspension. The suspension order shall not just signify the subjective satisfaction of the Officer but it should demonstrate compulsive need for suspension. It should be noted that not all follies of a dealer, invariably require his suspension pending enquiry. Therefore, appointing authority must carefully differentiate between the prima-facie case for holding disciplinary enquiry and a compulsory case which requires not only disciplinary enquiry but also suspension pending enquiry.”

9. Under similar circumstances, when the authorization of a fair price shop dealer was suspended even without considering her explanation, the writ petition (W.P.No.18006 of 2024) preferred by the fair price shop dealer was dismissed on the ground that there is an efficacious alternative remedy by way of a revision before the District Collector. Aggrieved by the same, the fair price

² 2020 SCC OnLine AP 755

shop dealer preferred a writ appeal (W.A.No.122 of 2025) before the Division Bench of this Court, wherein, on examining the facts and circumstances of the said case, the Division Bench observed that as the authorization of the appellant therein was suspended without trying to test the veracity of the explanation offered, the said writ appeal was allowed by setting aside the suspension order passed by the authorities and the matter was remitted back to the original primary authority for fresh consideration for conducting proper enquiry.

10. Once the petitioner submits an explanation pursuant to a show cause notice, the concerned authorities must evaluate it thoroughly and shall issue a reasoned order to justify their actions. Without doing so, the 3rd respondent has issued the impugned proceedings suspending the authorization of the petitioner, as such, the same has to be set-aside.

11. In the result, the writ petition is allowed and the impugned order dated 03.07.2020 of the 2nd respondent and the proceedings dated 23.03.2020 are set-aside. Further, the matter is remanded to the 3rd respondent for conducting fresh enquiry in accordance with law, after affording reasonable opportunity to the petitioner and to record reasons thereof. It is need less to state that the respondents shall restore the authorization of the petitioner's fair price shop bearing No.1349050 of Venkatanayunipalli Village of Dhone Mandal, till finalization of proceedings, if an enquiry is conducted afresh.

12. Accordingly, this writ petition is allowed. There shall be no order as to costs.

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

JUSTICE V.SUJATHA

Date :01.12.2025

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THE HONOURABLE SMT JUSTICE V.SUJATHA

WRIT PETITION NO: 42410/2022

Date :01.12.2025

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