



2026:CGHC:20772

NAFR**HIGH COURT OF CHHATTISGARH AT BILASPUR****WPC No. 584 of 2026**

1 - M/s Saraswati Chawal Udhyog Through Its Proprietor Shri Kedarnath Agrawal, Aged About 65 Years, S/o Banwarilal Agrawal, Situated At Paikmall Road, Akhrabhata, Basna, District Mahasamund Chhattisgarh.

... 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, Mantralay, Atal Nagar, New Raipur, District Raipur Chhattisgarh.

3 - Chhattisgarh State Market Federation Maryadit Through Managing Director, Office At Atal Nagar, New Raipur, District Raipur Chhattisgarh.

4 - Food Corporation Of India Regional Office Chhattisgarh Through General Manager, Office At Mowa, Kapa, Vidhan Sabha Marg, Raipur Chhattisgarh.

5 - Collector District Mahasamund Chhattisgarh.



6 - District Marketing Officer Chhattisgarh State Market Federation
Maryadit, District Mahasamund Chhattisgarh.

7 - Punjab National Bank Through Its Branch Manager, Branch Basna,
District Mahasamund Chhattisgarh

... Respondent(s)

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| For Petitioner(s) | : | Mr. Anand Shukla, Advocate. |
| For Respondent(s)/State | : | Mr. Soumitra Kesharwani, Panel Lawyer. |
| For Respondent/UOI | : | Mr. Abhishek Banjare, CGC. |
| For Respondent No. 3 | : | Mr. Lukesh Kumar Mishra, Advocate appears through video conferencing. |
| For Respondent No. 4 | : | Mr. R.S. Patel, Advcoate. |
| For Respondents No. 7 | : | Mr. Sudhanshu Upadhyay, Advocate on behalf of Mr. Sharad Mishra, Advocate. |

Hon'ble Mr. Justice Amitendra Kishore Prasad

Order on Board

04/05/2026

1. By way of this petition, the petitioner has prayed for following reliefs:-

"i. That the Hon'ble Court may kindly be pleased to Direct Respondent No. 06-District Marketing Officer, Mahasamund to immediately accept the pending delivery of rice from the petitioner, in the interest of justice.

ii. 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 dated 28.01.2026 (Annexure P-1), in the interest of justice.

iii. 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.

iv. That, Cost of the petition may also be awarded to the petitioner.”

2. Brief facts of the case, is that, the petitioner is aggrieved by the arbitrary and unjust inaction on the part of the respondent authorities in not accepting the paddy/rice offered for delivery by the petitioner, and is further challenging the letter dated 28.01.2026 issued by the District Marketing Officer, Mahasamund, addressed to the Branch Manager, Punjab National Bank, whereby invocation of the bank guarantee furnished by the petitioner pursuant to the milling agreement dated 15.12.2023 has been sought; that the petitioner had entered into a formal agreement dated 15.12.2023 with respondent No. 6, namely the District Marketing Officer, for custom milling of paddy for the procurement year 2023–2024, under which the petitioner was obligated to deliver milled rice in accordance with the terms and conditions stipulated therein; that the petitioner duly undertook the milling operations in compliance with the agreement and successfully delivered 9631.24 MT of rice, leaving a balance of



7273.27 MT which was ready for delivery; that in respect of the remaining quantity, the petitioner requested the respondent authorities to permit conversion of the balance rice into NAN and to accept the same, vide representations dated 12.05.2025 and 02.06.2025; that pursuant to the communication dated 02.06.2025, the District Marketing Officer addressed a letter to the Managing Director, State Cooperative Marketing Association Ltd., seeking opening of the grid for depositing the rice in the Civil Supplies Department, particularly as the time for deposit had been extended till 30.06.2025; however, no action was taken on the said request and the petitioner was left waiting without any fault on his part; that despite repeated representations and requests made by the petitioner for acceptance of the remaining rice, the respondent authorities failed to take any steps, and instead, after lapse of time, issued the impugned letter dated 28.01.2026 for invocation of the bank guarantee, which is wholly arbitrary, unjust, and contrary to the terms of the agreement; that the petitioner has thus been left with no efficacious alternative remedy and has been compelled to approach this Hon'ble Court seeking appropriate directions to the respondents to accept the remaining stock offered for delivery and to quash the impugned letter directing encashment of the bank guarantee.

3. 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, and



therefore the petitioner may be permitted to approach the competent authority for resolution of the dispute 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.

4. Learned counsel 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.
5. I have heard learned counsel for the parties and perused the material available on record.
6. Considering the facts and circumstances of the case, and further taking into account that Clause 14.1 of the agreement specifically provides that any dispute arising between the parties shall be resolved by the concerned Collector, it is directed that the petitioner shall approach the said authority 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 in accordance with law within a period of 30 days thereafter; and, till such decision is rendered, no coercive steps shall be taken by the respondent authorities with regard to



encashment of the bank guarantee.

7. It is further observed that, against any order that may be passed by the Collector, there exists an arbitration clause, namely Clause 15.1 of the agreement; accordingly, in the event of any grievance or exigency arising from such order, the petitioner shall be at liberty to avail the remedy of arbitration in terms of the said clause, in accordance with law.
8. With this observation and direction, the writ petition is disposed of.

Sd/-

(Amitendra Kishore Prasad)

Judge

Raghu Jat