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WA-2355-2025

IN THE HIGH COURT OF MADHYA PRADESH
AT JABALPUR

BEFORE

HON'BLE SHRI JUSTICE SANJEEV SACHDEVA,
CHIEF JUSTICE

&

HON'BLE SHRI JUSTICE VINAY SARAF

ON THE 12th OF JANUARY, 2026

WRIT APPEAL No. 2355 of 2025

*THE MADHYA PRADESH STATE CIVIL SUPPLIES CORPORATION
LTD AND OTHERS*

Versus

M/S KISAN RICE MILL AND OTHERS

.....
Appearance:

Shri Shobhitaditya - Advocate for appellants.

*Shri Brian D'Silva, Senior Advocate with Shri Gaurav Sharma and
Shri Sarabvir Singh Oberoi - Advocates for respondent.*

Shri Anubhav Jain -Government Advocate for respondent/State.
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ORDER

Per. Hon'ble Shri Justice Sanjeev Sachdeva, Chief Justice

1. Appellants impugn order dated 17.05.2025, whereby the writ petition filed by the respondent no.1, challenging the order of blacklisting has been allowed and the blacklisting order has been quashed.

2. Appellants had supplied paddy to respondent no.1 for the purpose of milling, as per the procurement policy of the State Government for the year 2021-22. A contract dated 28.07.2022 had been executed between the parties. The grain was processed by respondent no.1 and supplied to appellants however as per the appellant the same did not satisfy the quality conditions specified by FSSAI and was found to be beyond the limit.



Respondent no.1 was directed to replace the stock and also blacklisted for a period of three years.

3. Respondent challenged the blacklisting order and contended that in terms of the agreement between them an opportunity had to be given to respondent to replace the stock and only if the replaced stock also failed to meet the prescribed standard, the order of blacklisting could be issued.

4. In the impugned order, learned single Judge has noticed the relevant clause which is clause 15.2, which reads as under:-

"15.2 किसी भी स्तर पर निरीक्षण में सीएमआर के Beyond FSSAI लिमिट के चावल पाए जाने पर स्टॉक मिलर को वापस नहीं किया जावेगा, बल्कि भारत शासन द्वारा Beyond FSSAI लिमिट के सी.एम.आर स्कंध के निराकरण के संबंध में जारी दिशा निर्देश अनुसार कार्यवाही की जावेगी। मिलर द्वारा ऐसे Beyond FSSAI लिमिट के पाए गये सी.एम.आर स्टॉक की संपूर्ण मात्रा के स्थान पर नया एफएक्यू मापदण्ड का स्टॉक जमा किया जावेगा। इस प्रकार के स्टॉक को मिलर द्वारा रिप्लेस करने का कोई प्रावधान नहीं होगा, एवं Beyond FSSAI लिमिट का स्कंध पाये जाने पर मिलर को कम से कम 03 वर्ष के लिये ब्लेकलिस्ट किया जाएगा। "

5. On interpretation of clause 15.2, learned Single Judge has held that the order of blacklisting could have been issued only if, the replaced stock of rice also did not meet the FSSAI standards.

6. Learned counsel for appellant contends that the penalty of blacklisting could be issued even for the first default and the replacement order is also, as a penalty.

7. Per contra, learned senior counsel for respondent no.1, who appears on advance notice, submits that the clause does not contemplate blacklisting in case of first default and the only penalty that could be



imposed is to replace the rice at their own expenses and only if the replaced material is also of sub-standard quality, the order of blacklisting could be issued.

8. We find force in the submission of learned senior counsel for respondent for the reason that reading of the clause shows that in case, the first supply is of sub-standard quality, the miller is required to replace the same. The clause stipulates that there is no provision for further replacement of the replaced stock if that does not meet the specified quality. It further contemplates that in case, the replaced stock is of sub-standard quality, the miller would be blacklisted for a period of minimum three years.

9. We note that the consequence of blacklisting is immediate termination of the contract. If the consequences of failure of the first supply to meet the specified quality standard is blacklisting, then there would be no question of the miller being required to replace the stock, as the contract would stand terminated. Furthermore, the clause stipulates that there will be no replacement of the replaced stock. In such a circumstance, if the contract was to be terminated in the first instance itself then there is no logic as to why a miller would make a subsequent supply to replace the first supplied sub-standard material. If the miller is to suffer the consequence in any event, there will be no reason for the miller to comply with the requirement to replace the stock.

10. Consequently, we are of the view that learned Single Judge has correctly interpreted the clause to hold that in case the first supply is sub-standard, the only penalty that could be imposed is requiring the miller to



replace the said stock at its own cost and only if the replaced stock is also found to be sub-standard then the penalty of blacklisting for a minimum period of three years can be imposed.

11. Accordingly, we find no merit in the appeal. The appeal is consequently dismissed.

(SANJEEV SACHDEVA)
CHIEF JUSTICE

(VINAY SARAF)
JUDGE

VPA