

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

1. CWP No.21678 of 2014(O&M)
Date of Decision:-30.03.2016

M/s Malwa Rice Mill

..... Petitioner

Vs.

State of Punjab and others

..... Respondents

2. CWP No.21756 of 2014(O&M)

M/s Guru Harkrishan Cotton & Rice Mills and another

..... Petitioners

Vs.

State of Punjab and others

..... Respondents

CORAM: HON'BLE MR.JUSTICE RAKESH KUMAR JAIN

Present: - Mr.K.S. Sidhu, Advocate,
for the petitioner (in CWP No.21678 of 2014).

Mr.Puja Chopra, Advocate,
for the petitioners (in CWP No.21756 of 2014).

Mr.Vinod S. Bhardwaj, Addl.A.G. Punjab.

Mr.Vikas Kuthiala, Advocate,
for respondents No.2, 3 & 4(in CWP No.21678 of 2014).
for respondents No.3 & 4(in CWP No. 21756 of 2014).

Mr.Nitin Kaushal, Advocate, for respondents No.5 & 6.

Ms.Deepali Puri, Advocate,
for respondent No.7 (in CWP No.21678 of 2014).

Mr.Vivek Singla, Advocate, for the UOI.

Mr.Satinder Khanna, Advocate, for the FCI.

RAKESH KUMAR JAIN, J. (ORAL)

This order shall dispose of two petitions bearing **CWP No.21678 of 2014** titled as **“M/s Malwa Rice Mill Vs. State of Punjab and others”** [for short ‘the 1st petition] and **CWP No.21756 of 2014** titled as **“M/s Guru Harkrishan Cotton & Rice Mills and another Vs. State of Punjab and others”** [for short ‘the 2nd petition]. Both the petitions are being disposed of by way of this common order because the issue involved in both the petitions is similar. However, the facts are being extracted from the 1st petition.

The petitioner-mill was recommended for custom milling of paddy crop for the year 2014-15 as per the custom milling policy 2014-2015 issued on 14.7.2014. It is alleged that the petitioner-mill was at No.1. There was no allotment of paddy to the petitioner and on 14.10.2014 the entitlement of the petitioner for the purpose of allotment of paddy was cancelled. The petitioner approached this Court by way of this petition in which notice of motion was issued and the order Annexure P-5 was suspended. It is submitted that still the respondents did not allot the paddy to the petitioner, therefore, the petitioner had to file CM No.13271 of 2014 for that purpose in which even after notice, the petitioner was not allocated 80000 bags. The grievance of the petitioner is that the respondents have illegally cancelled the allotment of the petitioner on account of being a defaulter. It is submitted that no *show cause notice* much less opportunity of hearing was granted to the petitioner before taking the extreme step of cancellation of the allotment. Admittedly, the milling season has already been over and at this stage, the petitioner has prayed for compensation and litigation expenses.

The allegations made by the petitioner have been strongly refuted by the respondents. It is however, admitted that there is an arbitration clause in the agreement entered into between the parties, which can be resorted to by the petitioner for the purpose of compensation and litigation expenses.

After hearing learned counsel for the parties and keeping in view the facts emerging from the record much less the policy a schedule has been laid down for the purpose of allotment, which is alleged to have been violated by the respondents because cancellation order has been passed on 14.10.2014 whereas as per Clause (c) of the policy, the allotment of rice mills was to be completed by 27.8.2014. The case of the petitioner is that till the cancellation order was passed, no allotment was made.

Be that as it may, this Court does not have the mechanism to award compensation in case of violation of terms and conditions of the agreement, which depends upon the interpretation of the policy, therefore, parties are relegated to the remedy of invoking the arbitration clause.

For the aforesaid reasons, both the petitions i.e. 1st petition [**CWP No.21678 of 2014** titled as **“M/s Malwa Rice Mill Vs. State of Punjab and others”**] and 2nd petition [**CWP No.21756 of 2014** titled as **“M/s Guru Harkrishan Cotton & Rice Mills and another Vs. State of Punjab and others”**] are hereby disposed of.

30.03.2016

Vivek

(RAKESH KUMAR JAIN)
JUDGE