IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No.6206 of 2020 (O&M)
Date of Decision.31.05.2022

M/s Guru Nanak Agro Products ...Petitioner

Vs

Union of India and others ...Respondents

CORAM:HON'BLE MS. JUSTICE JAISHREE THAKUR

Present: Mr. Sandeep Khunger, Advocate
for the petitioner.

Mr. Pawan Sharda, Sr. DAG, Punjab.

Mr. Ashish Rawal, Advocate
for UOI.

Mr. Rajesh Garg, Senior Advocate with
Ms. Neha Matharoo, Advocate
for the FCI.

Ms. Vibha Dhiman, Advocate
for respondent No.6-Pungrain.

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JAISHREE THAKUR J. (ORAL)

The grievance of the petitioner, who has approached this Court under Article 226 of the Constitution of India is to the effect that Pungrain-respondent No.6 is illegally withholding an amount of Rs.8,12,235/- along with interest on the amount of Rs.48,65,917/-, despite the fact that the District Manager, Pungrain agreed that an amount of Rs.40,53,682/- had to be released in favour of the petitioner.

In brief, the facts are that the petitioner, who is a miller, apparently delivered custom milled rice with the central pool of FCI in terms of the custom milling policy of 2013-2014 within the extended period. However, the Pungrain while releasing the amount due to it withheld an amount of Rs.48,65,917/- on the ground that there was late delivery of custom milled rice.

Counsel for the petitioner herein would contend that there was no default on the part of the miller as custom milled rice was delivered in the central pool within the specified extended period of time, which extension was allowed by the Union of India.

Appearance has been caused on behalf of Union of India, FCI and Pungrain.

Counsel appearing on behalf of the Union of India would submit that extension was allowed by the Union of India to mill paddy and delivery of the same in the central pool within the extended period does not fully absolve the miller of paying interest on delayed delivery of CMR.

The same stand has been adopted by FCI.

Learned counsel appearing on behalf of the Pungrain would submit that after the writ petition came to be filed, case of the petitioner was reconsidered. As per para 6 of the reply, the petitioner-miller has failed to adhere to the contractual liabilities arising out of the agreement entered by it with the corporation and failed to deliver the entire rice milled out of paddy stored by 30.06.2014. As per the official record, 28234.17 quintal of rice was delivered by the petitioner after the specified date i.e. 30.06.2014 and due to this reason, an amount of Rs.48,65,917/- was recovered by Pungrain as interest as per clause 18-C of the Custom Milling Policy 2013-214 and clause 12-C of agreement duly executed between Pungrain and the petitioner-miller. It is further submitted that later on Government of India partially amended the conditions for payment of interest vide its letter No.192(4)/2003-FCA/cs(vol-III) dated November 5, 2015 endorsed by the

Controller (Finance & Accounts), Food, Civil Supplies & Consumer Affairs, Punjab vide his office Endst. No.PRA-inci3/2015/3573 dated 24.11.2015. Accordingly, as per the revised formula/principal amount of interest for the rice delivered during KMS 2013-2014 was recovered from FCI in December, 2015. After considering the case of the petitioner, the amount recovered from FCI has already been paid to the petitioner.

It is argued that an amount of Rs.40,53,682/- has since been returned to the petitioner, in case he has any other grievance, which survives, it would be open for it to invoke the arbitration clause.

I have heard learned counsel for the parties and have also perused the the arbitration clause, which has been duly entered into between the petitioner and the Pungrain. Admittedly, this Court cannot go into the question whether there was delayed delivery of custom milled rice as per the stand taken by the respondent No.6-Pungrain in the reply so filed. There is dispute that has arisen regarding retention of extra amount of Rs.8,12,235/- along with interest as claimed by the petitioner on the total amount of Rs.48,65,917/-, after balance amount of Rs.40,53,682/- stands released. Therefore, this petition is disposed of, in view of the arbitration clause, by directing the respondents to appoint an Arbitrator within a period of four weeks from today. The Arbitrator so appointed will issue notice thereafter to the petitioner and conclude the proceedings preferably within a period of four month on completion of pleadings.

(JAISHREE THAKUR)
JUDGE

May 31, 2022
Pankaj*

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No