

LPA No.2043 of 2016

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

LPA No.2043 of 2016 (O&M)

Date of decision : 24.05.2022

M/s M.B. Rice & General Mills

.....Appellant

VERSUS

Union of India and others

....Respondents

**CORAM:- HON'BLE MR.JUSTICE AUGUSTINE GEORGE MASIH
HON'BLE MR. JUSTICE SANDEEP MOUDGIL**

Present: Mr. Daman Dhir, Advocate
for the appellant.

Mr. Brijeshwar Singh Kanwar, Advocate
for respondent No.1.

Mr. Rajesh Garg, Senior Advocate with
Ms. Neha Matharoo, Advocate
for respondent No.2 – FCI.

Mr. S.P.S. Tinna, Addl. A.G., Punjab
for respondents No.3 and 4.

None for respondents No.5 and 6.

AUGUSTINE GEORGE MASIH, J. (ORAL)

The present appeal has been filed by the appellant challenging the order dated 04.10.2016 passed by the learned Single Judge, whereby the writ petition has been disposed of relegating it to avail of its remedy of arbitration.

Learned counsel for the appellant submits that there is no dispute as such which is cullable from the pleadings and the documents

LPA No.2043 of 2016

which have been placed on record. It has been intended to be projected on the part of the appellant that the interest, which is being charged by the Food Corporation of India (hereinafter referred to as 'FCI'), is not chargeable qua the rice which has been supplied within the extended time by the said agency. Therefore, there being no dispute, the question of referring the matter for arbitration does not arise and the clauses applicable mentioned in the Policy as well as the Agreement between the parties do not come into play.

This contention of the learned counsel for the appellant has been disputed by the learned senior counsel appearing for FCI by asserting that it is not only this aspect but there are other aspects also as the extended period is one of the subject matter which is to be determined on the basis of the evidence to be produced by the parties. His further assertion is that merely on the basis of the statement of the petitioner, the said aspect cannot be said to be the correct position especially when the FCI is not accepting the same rather disputing it on the basis of pleaded facts. He, thus, contends that the order passed by the learned Single Judge, being based upon the terms and conditions of the Policy and the Agreement which has been entered into between the parties, which would govern the field. Arbitration, in case of any dispute between the parties, is the clause provided for as agreed between the parties and therefore, resort to the same is mandatory.

Having considered the submissions made by the learned counsel for the parties especially in the the light of the *prima facie* opinion formed by us that there is a dispute which requires to be resolved between the parties and there being Clause 19 of the Policy and Clause 27 of the

LPA No.2043 of 2016

Agreement, which provide for arbitration in case of such a situation, the parties have been rightly relegated to avail of the said remedy of arbitration.

We, therefore, do not find any ground for interference in the order passed by the learned Single Judge and thus, dismiss the present appeal.

All the pending miscellaneous applications stand disposed of in the light of the above.

(AUGUSTINE GEORGE MASIH)
JUDGE

24.05.2022
Harish

(SANDEEP MOUDGIL)
JUDGE

Whether speaking/reasoned

Yes/No

Whether reportable

Yes/No