

LPA No.274 of 2017

IN THE HIGH COURT OF PUNJAB AND HARYANA AT  
CHANDIGARH

LPA No.274 of 2017 (O&M)

Date of decision : 24.05.2022

M/s Vijay Rice & General Mills, Jaitu

.....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 01.02.2017 passed by the learned Single Judge, whereby the writ petition has been disposed of relegating it to avail of its alternative remedy.

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

LPA No.274 of 2017

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, which provides for

LPA No.274 of 2017

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**

|                                  |               |
|----------------------------------|---------------|
| <i>Whether speaking/reasoned</i> | <i>Yes/No</i> |
| <i>Whether reportable</i>        | <i>Yes/No</i> |