IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

101 **CWP-11271-2019** (O&M)
Date of Decision: 24.07.2025

Gurmukh Singh and others
... Petitioners

V/S

State of Punjab and others
... Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present: Mr. Jaspal S. Pannu, Advocate for the petitioners.

Mr. Vikas Arora, DAG, Punjab.

Mr. Ranjit Singh Kalra, Advocate
for respondents No. 2 and 3.

Mr. H.S. Dhandi, Advocate
for respondent No.4-FCI.

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SUVIR SEHGAL, J.

1. By way of present writ petition, petitioners have sought issuance of a writ in the nature of mandamus directing the respondent authorities to settle their outstanding dues and for directing them to consider legal notice dated 31.08.2018, Annexure P-1, and pass appropriate orders thereon.

2. Mr. Jaspal S. Pannu, counsel for the petitioners submits that the petitioners had entered into agreements with the respondent-Corporation for one year w.e.f. 01.04.2017 to 31.03.2018, for supply of trucks to transport foodgrains and other articles to various grain markets in District Tarn Taran. Counsel asserts that the petitioners fulfilled their

contractual obligations, but respondent authorities withheld substantial amount of payment due to the petitioners. Counsel submits that legal notices, Annexure P-1 collectively, were served, to which responses, Annexure P-2, collectively, have been received from Punjab Agro Industries Corporation, denying the payment on ground of shortfall in the delivery of wheat to Food Corporation of India (FCI). Counsel emphasizes that in their responses, respondents have admitted that amount is due, but payment is not being disbursed.

3. Upon notice, writ petition has been contested by the respondents by filing separate written statements. In their short reply, Punjab State Civil Supplies Corporation Ltd. (PUNSUP)-respondent No.3 has taken a stand that the dispute has arisen out of a private contract between the parties and writ petition is not maintainable. It has been submitted that an agreement dated 05.06.2017, Annexure R-3/1 was entered into between the parties, which contains an arbitration clause. It has been stated that there was a short delivery of goods by the petitioners, on account of which payment has been withheld. Reference has also been made to notices addressed to the petitioners to explain the shortfall. In its written statement, FCI-respondent No.4, has admitted the agreement between the parties and has stated that a committee of senior officials was appointed, who submitted their report dated 13.06.2017, Annexure R-4/2. The committee found that the vehicle numbers shown to have been used for transporting foodgrains actually pertain to motorcycles, mopeds and other light vehicles. It was further found that the petitioners are involved in the embezzlement of about 3523 bags of foodgrains. It

has been stated that an amount of Rs.31,313/- has been deducted from the amount payable to Markfed; Rs. 19,78,722/- from Punjab Agro Industries Corporation and Rs.25,47,149/- from PUNSUP, which has been communicated to the said agencies vide letter dated 07.03.2018, Annexure R-4/3. A similar stand has been taken by Punjab Agro Industries Corporation-respondent No.2, in its short reply.

4. I have heard counsel for the parties and considered their respective submissions.

5. It is not in dispute that the petitioners were awarded the contract for transportation of foodgrain during the year 2017-2018 and an agreement Ex.R-3/1 has been entered into between the parties. Petitioners transported the foodgrains in terms of the agreement, but on account of a short fall, some payments have been withheld. Respondents have taken a stand that an inquiry was conducted and it was found that petitioners were not only responsible for the embezzlement of the stock, but even the vehicle numbers given by them, did not pertain to trucks or other heavy vehicles, which are used for transportation. Respondents have withheld some of the payments due to the petitioners on account of loss caused to them. This has resulted in a dispute between the parties, which has arisen out of a private agreement between them. Clause 7 of the agreement, Annexure R-3/1 provides for resolution of dispute between the parties through the medium of arbitration. Petitioners therefore, have an equally efficacious alternate remedy, which can be resorted to sort out the differences between the parties.

6. In view of the stand taken by the respondents, and the material placed by them along with their respective responses, this Court is not inclined to exercise the extraordinary writ jurisdiction vested in it under Article 226 of the Constitution.

7. Petition is dismissed. However, liberty is granted to the petitioners to avail the remedies in accordance with law, if so advised.

24.07.2025 **(SUVIR SEHGAL)**
pooja saini **JUDGE**

Whether Speaking/Reasoned	*Yes/No*
Whether Reportable	*Yes/No*