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IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH

CWP-17517-2025

Date of decision : 24.06.2025

M/s Hira Foods

... Petitioner

Versus

Union of India and others

... Respondent

CORAM: HON'BLE MR. JUSTICE VIKAS BAHL

Present: Mr.Arav Gupta, Advocate
for the petitioner.

Mr.Sudhir Nar, Advocate
for respondent no.1 (through V.C.)

Mr.Salinder Kumar Saini, Advocate and
Mr.Vikas Lochab, Advocate
for respondent no.2, 3 and 6 (through V.C.).

Mr.Vivek Chauhan, Addl.A.G. Haryana.

VIKAS BAHL, J.(ORAL)

1. The following prayers have been made in the present petition:-

“(CIVIL WRIT PETITION under Articles 226/227 of Constitution of India praying for issuance of writ in the nature of Mandamus directing Respondents to accept the Custom Milled Rice (CMR) of the Petitioner firm amounting to the tune



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of 9520 quintals approximately corresponding to 67% of 14207.62500 quintals of paddy and 5728.7 quintals of CMR, total 15247.80 quintals of CMR, lying ready with the Petitioner firm after milling in pursuance to the Agreement dated 16.10.2024, Annexure P/3, for which the Petitioner firm has represented to the Respondents several time for accepting the same since the non-acceptance of custom milled rice is causing great heavy financial, mental and physical loss to the Petitioner firm and thereby violating the fundamental rights of the Petitioner enshrined under Articles 14, 19(1)(g), 300-A and 21 of the Constitution of India;

AND

Further, with a prayer that during the pendency of the present writ petition, the petitioner be allowed to transport the CMR in a time bound manner subject to outcome of the writ petition, being perishable item and the respondents be restrained from taking any coercive action against the petitioner firm;

AND/OR

Any other writ, order or direction which this Hon'ble Court may deem fit and proper in the circumstances of the case may kindly be issued in favour of the petitioner firm and against the respondents."

2. Learned counsel for the petitioner has highlighted the order passed by the Coordinate Bench of this Court on 16.09.2020 in CWP-12228-2020, which is reproduced hereinbelow:-

“M/s Papneja Exports vs. State of Haryana and others

Present:- Mr. V.K. Sachdeva, Advocate for the petitioner.



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Mr. Sharan Sethi, Addl. A.G. Haryana.

*Mr. Naveen Chopra, Advocate
for respondents No.3 and 4.*

This case has been taken up through Video Conferencing via Webex facility in the light of Pandemic Covid-19 situation and as per instructions.

The short grievance raised by the petitioner is that despite extension of time having been granted by the Government of India for delivery of stocks of custom milled rice till 31.08.2020, respondents have refused to accept the delivery of the balance stock of custom milled rice inspite of repeated representations having been made.

Learned counsel representing respondent-Food Corporation of India as also the State have taken a stand that pursuant to a physical verification exercise, having been conducted at the premises of the petitioner- rice mill a short fall of stock has been noticed and which indicates pilferage.

Counsel for the respondent-Food Corporation of India as also counsel representing the State were repeatedly called upon to refer to the particular clause under the contract entered into with the petitioner-firm and on the strength of which delivery of custom milled rice can be refused in the eventuality of their being a short fall in the stock/pilferage. By way of response, counsel representing respondent-FCI has adverted to Clause 11, 12, 13 and 19 of the agreement at Annexure P-1 entered into between the State of Haryana acting through the District Food & Supplies Controller (First party) and the petitioner miller (Second party).



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Suffice it to observe that the clauses that have been referred to by counsel for the respondents vest with the first party to initiate certain coercive/penal action as also criminal prosecution against the miller in the case of short-fall/pilferage. These clauses do not vest with the respondents a right to refuse delivery of custom milled rice. Needless to observe that the respondents would accept the custom milled rice only subject to the same conforming to quality norms as per Government of India instructions/specifications.

*Counsel for the petitioner has referred to an order dated 28.08.2020 passed by a Coordinate Bench of this Court in **CWP No.12580 of 2020 (M/s Saraswati Rice Mill, Kurukshetra, Vs. State of Haryana and ors.)** and whereby 15 days time was given for delivery of custom milled rice beyond the date of 31.08.2020 which was the extended time granted by Government of India.*

In view of the given facts and circumstances and as noticed hereinabove, the petitioner-mill is granted 15 days time from today for making delivery to custom milled rice and the respondents are directed to accept the same subject to such custom milled rice conforming to the quality norms as per Government of India's instructions/specifications.

Such interim directions are without prejudice to the rights of the respondents to initiate penal action against the rice millers in terms of the various clauses of the contract/agreement.

List on 16.10.2020 for further consideration.”

It is submitted by learned counsel for the petitioner that the case of the petitioner is on higher footing than the case of the petitioner M/s

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Papneja Exports in the above case inasmuch as in the case of the petitioner there is no pilferage or shortage and has further submitted that as per the PV report, the entire quantity and quality of the rice is complete and is adhering to the standard as prescribed and all the parameters as per the agreement between the parties have been met. It is further submitted that the petitioner is ready to deliver the said rice within a period of 15 days from today and has prayed that the said rice be accepted by the respondents no.1, 2, 3 and 6 subject to quality tests.

3. Learned counsel appearing for respondents no.1,2, 3 and 6, who are the contesting respondents, have submitted that any acceptance of the said rice should not be construed as an estoppel against the respondents for taking action against the petitioner, in case of any violation of the terms of the agreement entered into by the petitioner and of any law. It is submitted that the respondents would only accept the rice which meets the quality standards in accordance with the agreed terms.

4. Keeping in view the above said facts and circumstances and the limited prayer made by the learned counsel for the petitioner and the fair stand taken on behalf of both the sides, the present petition is disposed of in the following terms:-



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- i) It would be open to the petitioner to supply the custom milled rice amounting to 15247.80 quintal of CMR within a period of 15 days from today.
- ii) On the petitioner doing the same, the same would be accepted by respondents no.1, 2, 3 and 6 subject to such custom milled rice conforming to the quality norms as per Government of India instructions / notifications.
- iii) The present order would not prejudice the rights of the respondents to initiate any action against the petitioner in case any clause of the agreement / contract / law has been violated by the petitioner. In case any action is taken, it would be open to both the parties to raise all pleas, in accordance with law.

(VIKAS BAHL)
JUDGE

June 24, 2025.
Davinder Kumar

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