

2025.PHHC.160757



102

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

**CWP-31832-2025 (O&M)
Date of Decision: 18.11.2025**

M/s Karan Foods, Jhuner Through Its Partner

..... Petitioner

Versus

State of Punjab and others

..... Respondents

CORAM: HON'BLE MR. JUSTICE HARSII BUNGER

Present: Mr. Japsehaj Singh, Advocate and
Mr. Jasbir Singh, Advocate
for the petitioner.

Mr. Nirmaljit Singh Diwana, Senior DACI, Punjab.

HARSII BUNGER J. (ORAL)

CM-16223-CWP-2025:

Prayer in the present application is for placing on record the
zinni orders dated 27.05.2025 (Annexure P-12), 28.05.2025
(Annexure P-12-A), 05.07.2025 (Annexure P-12-B) and 30.09.2025
(Annexure P-12-C); Civil Appeal (Annexure P-13); as well as zinni orders
dated 05.08.2025 (Annexure P-14), 27.08.2025 (Annexure P-14-A),
10.09.2025 (Annexure P-14-B), 22.09.2025 (Annexure P-14-C) and
06.10.2025 (Annexure P-14-D).

For the reasons mentioned in the application, the zinni
orders dated 27.05.2025 (Annexure P-12), 28.05.2025 (Annexure P-12-A),

05.07.2025 (Annexure P-12-B) and 30.09.2025 (Annexure P-12-C); Civil Appeal (Annexure P-13); as well as zimni orders dated 05.08.2025 (Annexure P-14), 27.08.2025 (Annexure P-14-A), 10.09.2025 (Annexure P-14-B), 22.09.2025 (Annexure P-14-C) and 06.10.2025 (Annexure P-14-D), are taken on record, subject to all just exceptions.

Application is accordingly disposed of.

CM-16809-CWP-2025:

Prayer in the present application is for placing on record the copy of Agreement to Sell dated 11.03.2024 (Annexure P-15), Writing dated 25.06.2024 (Annexure P-16), Agreement regarding extension of time period dated 16.08.2024 (Annexure P-17) and Agreement dated 16.08.2024 (Annexure P-18).

For the reasons mentioned in the application, the copy of Agreement to Sell dated 11.03.2024 (Annexure P-15), Writing dated 25.06.2024 (Annexure P-16), Agreement regarding extension of time period dated 16.08.2024 (Annexure P-17) and Agreement dated 16.08.2024 (Annexure P-18), are taken on record, subject to all just exceptions.

Application is accordingly disposed of.

CWP-31832-2025:

Petition herein is, *inter alia*, seeking a writ in the nature of Certiorari for setting aside order dated 03.10.2025 (Annexure P-4) passed by respondent No.3 – First Appellate Authority-cum-Director, Food, Civil Supplies and Consumer Affairs Department, Punjab; as well as the order dated 24.10.2025 (Annexure P-5) passed by respondent No.2 – Second Appellate Authority-cum-Principal Secretary, Food, Civil Supplies and Consumer Affairs Department, Punjab.

2. Briefly, petitioner – Rice Mill is stated to have been working for several years under the name and style of ‘M/s Karan Foods, Juner, Sandhour, District Malerkotla’. The said Rice Mill was being run as a partnership firm comprising two partners, namely Sh. Karan Garg son of Sh. Hemraj (holding 40% share) and Sh. Rajiv Goyal son of Sh. Krishan Gopal (holding 60% share), in terms of Partnership Deed dated 29.08.2020 (Annexure P-2). It is averred that the petitioner firm had been carrying out custom milling of paddy for Government agencies and was last allotted Custom Milling of Paddy for the crop year 2024-25 under the aforesaid Partnership Deed.

2.1 It is further stated that prior to the commencement of the milling season 2025-26, one of the partners, namely Sh. Karan Garg, retired from the partnership, and in his place, Smt. Lipsy Garg, wife of Sh. Karan Garg, was inducted as a partner vide Retirement-cum-Partnership Deed dated 30.08.2025 (Annexure P-3).

2.2 According to the petitioner – Rice Mill, it applied for *de novo* registration and approval of the newly constituted partnership under Clause 3(c) of the Custom Milling Policy 2025-26 before the District Allotment Committee, Malerkotla (respondent No.4) through the ‘Anaajkharid Portal’. However, the said application was rejected on the portal on 03.10.2025 (Annexure P-4).

2.3 It is the case of the petitioner that the request for *de novo* registration was rejected primarily on the ground that the land of the petitioner – Rice Mill, to the extent of the share of Sh. Karan Garg, had been transferred in favour of his wife, namely Smt. Lipsy Garg, vide Transfer Deed dated 28.10.2024, in violation of the provisions of the Custom Milling

Policy 2024-25.

2.4 It is further stated that upon inquiry, the petitioner was also informed that the request for change in the constitution of the petitioner Mill had been declined on account of the pendency of a civil suit for recovery of Rs.1.35 crores, filed by Sh. Kamaljit Singh Pandher against the petitioner – Rice Mill.

2.5 Feeling aggrieved by the rejection of the *de novo* registration of the petitioner – Rice Mill, the petitioner – Rice Mill preferred an appeal before respondent No.2 (Second Appellate Authority-cum-Principal Secretary, Food, Civil Supplies and Consumer Affairs Department, Punjab). However, the said appeal was dismissed vide order dated 24.10.2025 (Annexure P-5). The relevant extract of the said order reads as under:-

“5. During the hearing, Sh. Karan Garg from Appellant side was present along with his Counsel who reiterated the request for allowing registration and allotment of their rice mill and contended that since Court case against them might go on for long and barring the mill from custom milling till settlement of Court case would be arbitrary and illegal. Sh. Harpreet Singh, Junior Auditor from District Controller Office, Malerkotla was also present.

As per the documents on record, there is an ongoing Court Case against the Appellant rice mill before the Court of Civil Judge (Senior Division), Malerkotla on a complainant by the name Kamaljit Singh Pandher for recovery of Rs. 1 Crore 35 Lakh along with interest. A reading of the copy of plaint attached by the Appellant with his appeal, it comes to fore that Complainant has also sought permanent prohibitory injunction restraining the mill owners from alienating the 40% share in M/s Karan Foods and land of the said mill and restraining the rice owners from running the rice mill.

Further, DFSC Malerkotla through its report Memo

No.A 4-2025-630 dated 17.09.2025 has also raised apprehension regarding the possible outcome of this Court Case impacting the sale/purchase of mill's land.

I have heard the appellant, and have perused the relevant record. That the changing the existing partnership deed and transferring the mill's land to a third person during the pendency of the Custom Milling also attracts violation of the CMP provisions of KMS 2024-25. The ongoing Court proceedings against the mill also involve the question over ownership of the mill's land.

In view of the above, I, Rahul Tewari, Principal Secretary-cum-Second Appellate Authority hereby uphold the orders of the First Appellate Authority-cum-Director Food, Civil Supplies and Consumer Affairs, Punjab and hereby reject the instant appeal.”

3. In the aforementioned circumstances, petitioner has filed the present writ petition seeking relief(s) as noticed hereinabove.
4. Learned counsel for the petitioner submits that the ground on which the *de novo* registration of the petitioner – Rice Mill has been rejected is wholly arbitrary. It is contended that the transfer of land by the erstwhile partner, namely Sh. Karan Garg, to the extent of his 40% share, in favour of his wife, Smt. Lipsy Garg, is an internal family matter and it cannot be made a basis for rejecting the petitioner's *de novo* registration.
5. Heard.
6. Concededly, the petitioner – M/s Karan Foods was allocated paddy for custom milling for the crop year 2024-25 under Partnership Deed dated 29.08.2020 (Annexure P-2), whereunder the petitioner – Rice Mill comprised two partners, namely Sh. Karan Garg (40% share) and Sh. Rajiv Goyal (60% share). It is not in dispute before this Court that prior to the settlement of accounts of the custom milling for the crop year 2024-25, the

erstwhile partner, Sh. Karan Garg, transferred the land underneath the petitioner – Rice Mill in favour of his wife, Smt. Lipsy Garg, vide Transfer Deed dated 28.10.2024, which *prima facie* appears to be in violation of the provisions of the Custom Milling Policy 2024-25.

7. Although the petitioner has not placed on record a copy of the Punjab Custom Milling Policy for Crop Kharif 2024-25, however, it is submitted that the provisions governing registration therein are similar to those contained in the Punjab Custom Milling Policy for Crop Kharif 2025-26, wherein Clause 3(D) reads as under:-

“3(D). Ensure and undertake that there shall be no sale or transfer in any manner of the property or the right of use of the property of the mill premises or any pledge, hypothecation, use of the property as collateral or surety of any form or manner till the settlement of account of custom milling.”

7.1 Further, Clause 4(H) *ibid* provides that the mill premises and miller should be free from litigation/legal dispute which attaches to the title, ownership or possession of the mill premises of the miller. A similar provision is also contained in Clause 6(f)(xv), which reads as under:-

“6(f)(xv). The Title/ownership of the mill must be free from any litigation and there should be no dispute between the management of the business entity.”

7.2 Still further, under Clause 7 of the said Policy, the events for default have been mentioned which includes Clause (a)(i), which reads as under:-

“7(a)(i). Any of the condition set out in Clause 3 to 6.”

8. It is also not in dispute before this Court that Sh. Kamaljit Singh Pandher has instituted a Civil Suit for Specific Performance of the Agreement dated 11.03.2024 against the petitioner – Rice Mill, Sh. Karan

Garg (erstwhile partner of the petitioner – Rice Mill), and Smt. Lipsy Garg, wife of Sh. Karan Garg, wherein the following prayer has been made:-

*“It is therefore, respectfully prayed that **decree for specific performance** of agreement dated 11/03/2024 and writings dated 25/06/2024 and 16/08/2024 of 40% share of defendant no.1 in land measuring 11 bighas bearing khewat no.29/28 Khatauni No.34 Khasra No.1382/8-5, 1383/8-5, 1384/7-9, 1385/5-12, 1386/6-5, 1387/6-5 as per Jamabandi for the year 2019-20 situated at Village Jhuner, Tehsil Ahmedgarh, District Malerkotla alongwith motor connecting, building, machinery, fitting, stock, debris etc. that stands constructed and installed on the said land i.e. M/s Karan Foods including right of passage and all rights appurtenant thereto for a total sale consideration of Rs.1,35,00,000/- (one crore thirty five lakhs) which already stands paid to the defendant no.1 on the expenses of the sale and registration to be borne by the plaintiff after directing the defendants to join hands with each other or in the alternative, **decree for the recovery of Rs.1,35,00,000/-** alongwith interest past, present and pendente lite at the rate of 12% per annum and for declaration that the decretal amount is charge upon the 40% share of defendant no.1 in defendant no.3 alongwith land measuring 4 bighas 8 biswas fully detailed in head note (A) of the plaint and **decree for declaration** to the effect that alleged transfer deed bearing vasika no.2024-25/130/1/1226 dated 28/10/2024 executed by defendant no.1 Karan Garg in favour of defendant no.2 Lipsy Garg of land measuring 4 bighas 8 biswas alongwith motor connection, security, machinery and everything that is existing at the spot is illegal, result of fraud, without possession, null, void, liable to be set aside is having no effect on the legal and valuable rights of the plaintiff and the revenue record is liable to be rectified accordingly and is ineffective qua the rights of the plaintiff and **decree for permanent prohibitory injunction** restraining the defendants illegally, forcibly, without due*

course of law from further alienating the 40% share in M/s Karan Food which is in the name of defendant no.1 and the land fully detailed in head note 'A' of the plaint by way of sale, mortgage, gift, transfer or in any manner whatsoever in favour of any person except the plaintiff or restraining the defendants from handing over the possession of the aforesaid land to any third person and further restraining the defendant no.1 from running rice shellar defendant no.3 i.e. M/s Karan Foods any further or any other relief, which this Hon'ble Court may deem fit and proper may kindly be passed in favour of the plaintiff and against the defendants with costs. Any other additional, alternative or ancillary relief, which the Hon'ble Court thinks fit and proper on the facts and circumstances of the case be kindly granted in favour of the plaintiff."

9. When the contents of the aforesaid suit filed by Sh. Kamaljit Singh Pandher are considered in the context of the fact that Sh. Karan Garg (erstwhile partner of the petitioner – Rice Mill) had transferred his 40% share in the land underneath the petitioner – Rice Mill in favour of his wife, Smt. Lipsy Garg, vide Transfer Deed dated 28.10.2024, it *prima facie* appears that such transfer was effected to overcome the alleged Agreement to Sell dated 11.03.2024, claimed to have been executed in favour of Sh. Kamaljit Singh Pandher, and that too prior to the settlement of accounts of custom milling for the crop year 2024-25.

10. Considering the totality of the circumstances, particularly the fact that Sh. Karan Garg (erstwhile partner of the petitioner – Rice Mill) had transferred his 40% share in the land underneath the petitioner – Rice Mill in favour of his wife, Smt. Lipsy Garg, prior to the settlement of accounts of custom milling for the crop year 2024-25, and further that a civil suit for specific performance is pending in respect of the said property, this Court finds no infirmity in the rejection of the petitioner's application for *de novo*

registration under the Custom Milling Policy for Kharif 2025-26.

- 11. Accordingly, the instant writ petition, being devoid of merit, is dismissed.
- 12. All the pending application(s), if any, shall also stand closed.

18.11.2025
Apurva

(HARSH BUNGER)
JUDGE

- 1. Whether speaking/reasoned : Yes/No
- 2. Whether reportable : Yes/No