

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH****216****RSA-3667-2013 (O&M)****Date of decision: 30.04.2026****M/s. Krishna Rice Mill****...Appellant(s)****Vs.****Hafed through its Managing Director, Panchkula
and others****...Respondent(s)****CORAM: HON'BLE MS. JUSTICE NIDHI GUPTA****Present:-** Mr. Narayan Prasad Gupta, Advocate
for the appellant.Mr. Indresh Goel, Advocate
for respondents No.1 and 2.Mr. K.K.Gupta, Advocate
for respondents No. 3 to 5.*********NIDHI GUPTA, J.**

Plaintiff is in Second Appeal against the judgment of reversal; whereby suit filed by the appellant for declaration and mandatory injunction although decreed by learned Trial Court, has been dismissed by learned First Appellate Court.

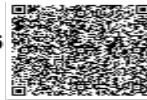
2. Brief facts of the case are that the plaintiff had filed instant Civil Suit seeking declaration and mandatory injunction. It was the pleaded case of the appellant that defendants No. 1 & 2/Hafed had entered into an Agreement with the plaintiff Miller vide Contract No. 65 dated 30.01.2004 for custom milling of Govt. paddy from the plaintiff Miller. It was pleaded that plaintiff had duly supplied consignment of rice after custom milling to Hafed by delivering the said consignment directly



in the godowns of Food Corporation of India (hereinafter referred to as 'FCI'). Therefore, Hafed was under obligation to pay a sum of Rs.2,81,969/- (actual amount Rs.2,68,380/- + interest Rs.13,589/-) to the plaintiff Miller. It was stated that although defendants No.1 and 2/Hafed had made the said payment to the plaintiff however subsequently, they had made a deduction of Rs.2,81,969/- from other bills of the plaintiff vide letter No. FCI/BG/NRW/Proc-3/2004/1259 dated 17.07.2004 Ex.D12. It was accordingly pleaded that impugned letter dated 17.07.2004 be declared illegal; and decree for mandatory injunction be passed directing the defendants to pay a sum of Rs.2,81,969/- to the plaintiff alongwith interest @ 12% p.a. i.e. total amount of Rs.3 lacs. Hence, present suit was filed on 12.12.2005.

3. Upon appraisal of the pleadings and the evidence led by the parties, the Civil Judge (Senior Division), Narwana had decreed the suit of the plaintiff vide judgment and decree dated 24.02.2011 as follows: -

"43. As a sequel of findings on all the issues, suit of the plaintiff is hereby decreed with costs. Defendants No.1 & 2 (Hafed) are directed to pay sum of Rs.2,81,969/- to the plaintiff Miller with pendelite and future interest 6% per annum. However, defendants No.1 & 2 (Hafed) shall be at liberty to recover said amount from defendants No.3 to 5 (FCI) in accordance with law. Further defendants No.3 to 5 (FCI) shall also be within its right to resort to recover said amount from Kapil Rice Mills, Kalayat in accordance with law. In the peculiar circumstances of the case in hand, limitation to recover aforesaid amount by defendants shall commence



*from the date of decree. Decree sheet be drawn accordingly.
File after due compliance be consigned to the record room.”*

4. Against the same, defendants No.1 and 2 had preferred Civil Appeal before the learned Additional District Judge, Jind which came to be accepted vide judgment and decree dated 19.02.2013; thereby dismissing the suit of the plaintiff. Hence, the present second appeal by the plaintiff.

5. It is *inter alia* submitted by learned counsel for the appellant that the learned First Appellate Court was in error in non-suiting the appellant. It is contended that the judgement and decree passed by Id. first appellate court are totally wrong, illegal, without jurisdiction, perverse & misreading of evidence & law and are based on illegal, irrelevant, insufficient, erroneous and conjectural grounds.

6. It is accordingly prayed that the present Appeal be allowed; and the impugned judgment and decree dated 19.02.2013 passed by learned First Appellate Court be set aside.

7. *Per contra*, learned counsel for the respondents/defendants vehemently oppose submission of the appellant and submit that judgment of the learned Trial Court is based on a patent misreading of facts and has therefore, rightly been set aside by the learned First Appellate Court. It is submitted that in actual fact, there were 2 contracts, the same being custom milling Contract No. 65 dated 30.01.2004 between the plaintiff and Hafed; and second Agreement being direct rice milling Contract No. 84 dated 02.03.2004 between FCI and one Kapil Rice Mills. It is submitted that confusion arose in the matter as one Suresh Kumar is Power of Attorney of



both the said Millers i.e. the plaintiff-Krishna Rice Mill and Kapil Rice Mills. As a result of the said confusion, respondents had mistakenly made payment to the plaintiff under the wrong impression. It is submitted that in actual fact no rice had been delivered by the plaintiff to the defendant. Neither to Hafed, nor to FCI. Delivery had actually been made by Kapil Rice Mills. As such, when the mistake came to light, said deductions were made from the account of the plaintiff. Thus, the impugned judgment suffers from no error. It is accordingly prayed that the present Appeal be dismissed.

8. No other argument is raised on behalf of the parties. I have heard learned counsel and perused the case file in detail. I find merit in the submissions advanced on behalf of learned counsel for the respondents.

9. It is a proven fact on record that the Contract No. 65 dated 30.01.2004 Ex.D7 has been executed between the plaintiff i.e. Krishna Rice Mills and defendants No.1 and 2 i.e. Hafed. The said Contract was for custom milling of Govt. Paddy. Plaintiff witness PW1 Pawan Kumar has admitted in his cross-examination that although contract was with Hafed yet delivery was made at FCI godown.

10. It is also an undisputed fact on record that a direct rice milling Contract No. 84 was executed between defendants no.3 to 5/FCI and one Kapil Rice Mills. Admittedly, one Suresh Kumar was POA holder of the plaintiff as proved from the copy of SPA Ex.D6 executed by deceased plaintiff Kapoor Chand in favour of Suresh Kumar. Said Suresh Kumar was also POA holder of the abovesaid Kapil Rice Mills as proved from copy of



SPA dated 21.10.2003 Ex.D6/A executed by Sandeep Garg of said Kapil Rice Mills in favour of Suresh Kumar.

11. Moreover, except for the said Memo of weight check Ex.P-1, plaintiff has produced no other proof of delivery. Whereas, in the Rice Acceptance Register of FCI Ex.D2, delivery is recorded to have been made by Kapil Rice Mills Kalayat. This fact has been admitted by official witness DW1 Laxmi Narain, Manager, Hafed who has stated in his examination in chief Ex. DW1/A that the consignment in question was in actual fact delivered by Kapil Rice Mills and payment had also been made to the said rice mill and therefore recovery by Hafed was justified as impugned payment had been wrongly paid to the plaintiff miller. This aspect of the matter has not been dealt with at all by the trial court while decreeing the suit of the plaintiff. In fact, this factor has been brushed side by the learned trial court by observing that *“Further in view of clear cut admissions of witnesses of defendant admitting authenticity of weight check memo Ex.P1 in favour of plaintiff Miller (Krishna Rice Mills), appearance of name of Kapil Rice Mills in the Rice Acceptance Register Ex.D2 maintained by FCI, didn’t make any difference”* It is my view that such important evidence could not have been discarded so casually.

12. Plaintiff has been unable to explain as to why against 6000 MT of paddy given to him for milling, only 500 bags were delivered. Even no other pertinent information, except for Weight Check Memo, has been submitted by the plaintiff. Case of plaintiff has to be proved on its own

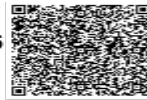


strength and plaintiff cannot rely on weaknesses and deficiencies in case of defendants.

13. The alleged admissions on part of the defendant witnesses are that it had been contended on behalf of the plaintiff before the District Courts that mistakenly FCI had incorporated the said consignment in the name of Kapil Rice Mills, Kalayat; and that this mistake has been admitted by official witness DW1 Laxmi Narain, Manager, Hafed; and DW2 Surender Kumar Gosain, Manager (QC), FCI, by admitting that initial payment of the disputed amount was made to the plaintiff. However, it is my view that the same is a misreading or piecemeal reading of the evidence by the Trial Court.

14. This is especially so in view of the fact that the defendants in their evidence had also produced an investigation report Ex.D3 wherein it was concluded that on reconciliation of stock amount, impugned deduction was found to have been made in the best interest of FCI.

15. The errors in the findings returned by the trial Court are further fortified from the fact that plaintiff has failed to produce any record whatsoever, which was required to be prepared for milling and delivery of Paddy. As noted above, except for weight check memo Ex.P-1, appellant has not produced any documentary evidence whatsoever to show any details with regard to receipt of stock of paddy, milling details, and then delivery details of rice. As per the plaintiff, they have supplied 500 bags of rice after milling to FCI under Contract No. 65. Whereas as per the respondents, it was Kapil Rice Mills, Kalayat, which has delivered this rice. To prove its case,



plaintiff has not produced any evidence except for the Weight Check Memo Ex.P1, as per which 6000 MTs of paddy was supplied to the plaintiff. As such, plaintiff was required to prove that the 500 bags allegedly supplied by the plaintiff to FCI, were part of 6000 MTs. However, except that the Weight Check Memo, the plaintiff has produced no other evidence. Plaintiff has also failed to produce entire record establishing that he had returned 6000 MTs to FCI. Needless to say, as rightly observed by the learned first Appellate Court, plaintiff case has to stand on its own legs and cannot rely upon any weaknesses in the case of the defendant.

16. Furthermore, case of the plaintiff was further weakened from the fact that his own GPA Suresh Kumar had admitted that this delivery was from Kapil Rice Mills on account of Contract No. 84. Plaintiff has denied execution of GPA in favour of said Suresh. However, plaintiff is then unable to explain the letter dated 9.5.2005 Ex.D5 written by Suresh Kumar, wherein it was affirmed that he was duly appointed attorney of plaintiff miller as well as Kapil Rice Mills. Plaintiff has also been unable to explain the copy of SPA Ex.D6/A executed by deceased plaintiff Kapoor Chand in favour of Suresh.

17. Learned counsel for the appellant is unable to controvert or dispute the above said facts and findings.

18. In view of the discussion above, no ground is made out to interfere in the impugned judgment and decree dated 19.02.2013 passed by learned Additional District Judge, Jind. The present Regular Second Appeal is hereby **dismissed**.

19. Pending applications, if any, stand disposed of.

30.04.2026

Divyanshi

(NIDHI GUPTA)
JUDGE

Whether speaking/reasoned:

Whether reportable:

Yes/No

Yes/No