(2026) 02 P&H CK 1752

In the Punjab And Haryana At Chandigarh

Case No : Civil Writ Petition No. 3320 Of 2026

M/S United Foods APPELLANT

Vs

State Of Haryana & Others RESPONDENT

Date of Decision : 06-02-2026

Acts Referred:

Constitution Of India, 1950 — Article 226

Citation : (2026) 02 P&H CK 1752

Hon'ble Judges : Jagmohan Bansal, J

Bench : Single Bench

Advocate : Sanjeev Sharma, Vikram Vir Sharda, Jugansh Goyal, Ambika Luthra

Final Decision : Disposed Of

Judgement

Jagmohan Bansal, J

1. The petitioner through instant petition under Article 226 of the Constitution of India is seeking setting aside of communication dated 09.12.2025 whereby Director General, Food Civil Supplies & Consumers Affairs Department, Haryana has decided to shift paddy from its premises to another rice mill. The petitioner is further seeking setting aside of office memo dated 11.12.2025, 15.12.2025, 16.12.2026 & 29.01.2026 whereby directions have been issued to shift stock of paddy from its premises to another mill.

2. Learned counsel for the petitioner INTER ALIA contends that petitioner was allocated 3772 MT paddy for milling during KMS 2025-26. It partially processed the paddy and converted into rice. The respondent made surprise visit to its premises and found shortage of 1005 MT paddy. The respondent lodged FIR against a partner of the petitioner-firm. He filed anticipatory bail before this Court which came to be dismissed vide order dated 04.12.2025. The petitioner filed civil suit seeking mandatory injunction which came to be returned on the application of respondent on the ground that there is arbitration clause and plaintiff has remedy to invoke provisions of Arbitration and Conciliation Act,

1996. The respondent by impugned orders is asking to deliver left over paddy to another mill. The petitioner has already deposited a sum of Rs.2.47 crore towards alleged shortfall of paddy. The petitioner has 5 years' excellent track record. The respondent has passed impugned orders without granting opportunity of hearing. It has no remedy by way of appeal before higher authorities against decision of Director and other authorities of Food Civil Supplies.

3. Learned State counsel submits that as per Clause 13 of the agreement dated 10.10.2025, the respondent is entitled to initiate civil/criminal action in case of theft or misappropriation of the stock. The miller may also be blacklisted. There is breach of trust, thus, respondent has every right to take back its stock. The petitioner has no vested or fundamental right to process paddy supplied by respondent. There is clear violation of terms and conditions of the agreement read with KMS 2025-26, thus, action of respondent is justified.

4. On being pointed out Clause 27(xix) of the Policy which provides for shifting of paddy in case of pledging of stock to bank for availing credit limit, learned State counsel expressed her inability to point out any other clause which provides for shifting of remaining stock in case of sale of partial stock.

5. Heard the arguments and perused the record.

6. From the perusal of record, it is evident that petitioner and respondent entered into agreement dated 10.10.2025 with respect to milling of paddy to be supplied by respondent. The petitioner is a rice mill and respondent is owner of paddy. As per agreement, petitioner is entitled to job work charges. The petitioner received 3772 MT of paddy for milling, however, respondent during physical verification found shortage of 1005 MT paddy. The respondent lodged FIR which is still pending. The petitioner on being pointed out by respondent deposited a sum of Rs.2.47 crore towards aforesaid shortage of paddy. The respondent by impugned communications has directed the petitioner to shift paddy lying in its premises to another mill.

7. The petitioner and respondents are bound by KMS 2025-26 Milling Policy as well as agreement dated 10.10.2025. In the agreement there is arbitration clause. As per said clause, Director, Food Civil Supplies & Consumers Affairs Department or any other person appointed by him would be sole arbitrator. The impugned communication dated 09.12.2025 has been issued in the name of Director General, Food Civil Supplies & Consumers Affairs Department. In such circumstances, at this stage with respect to question of permitting the petitioner to process paddy lying in its premises, it would not be appropriate to relegate the petitioner to proceed for arbitration. There is no reasoned order by respondents to shift paddy lying in the petitioner's premises to another mill. The petitioner was never heard by respondents. The State counsel has not pointed out any clause of the policy or agreement adverting to situation in hand.

8. In the backdrop, this Court finds it appropriate to direct the Director General,

Food Civil Supplies & Consumers Affairs Department to pass a speaking order within 7 days from today after granting opportunity of hearing to the petitioner. To avoid confusion and mis-communication, the petitioner is hereby directed to appear before the Director on 09.02.2026 at 11:00 AM and thereafter as directed by said officer. Till the passing of fresh order by the Director, the respondent would not attempt to shift paddy lying in the premises of the petitioner.

9. Disposed of in the above terms.