

## M/s Divyaahaar Foods Pvt. Ltd Vs The State Of Madhya Pradesh And Others

**Court:** Madhya Pradesh High Court (Jabalpur Bench)

**Date of Decision:** Jan. 28, 2025

**Acts Referred:** Constitution of India 1950 " Article 226

**Hon'ble Judges:** Vinay Saraf, J

**Bench:** Single Bench

**Advocate:** Kailash Chandra Ghildiyal, Manoj Kumar Rajak, Karnik Singh, Amit Mishra, Guru Prasanna Singh Parihar

**Final Decision:** Disposed Off

### Judgement

#### JUDGMENTTAG-JUDGMENT

Vinay Saraf, J

The instant writ petition filed under Article 226 of the Constitution of India by the petitioner seeking following reliefs:

“ (i) A writ, order or direction in the nature of mandamus directing the respondent authorities to allow the petitioner miller to lift the paddy for milling

for the year 2024-25.

(ii) A writ, order or direction in the nature of the mandamus directing the respondent authorities not to cause any obstruction in lifting of the paddy for

milling for the year 2024-25 unless and until the respondent no.4 appellate authority resolves the issue of quality of rice of the previous year which is

pending for adjudication in a time bound manner.

(iii) A writ order or direction in the nature of certiorari quashing the impugned order dated 08.01.2025 (Annexure P-9) as the same is arbitrary and

illegal.

(iv) Any other appropriate writ order or direction which this Hon'ble Court may deem just and proper in the nature and circumstances of the

case.

2. Heard counsel for the parties for the purpose of final disposal.

3. According to the petitioner M/s Divyaahaar Foods Private Limited, the State Government has issued milling policy for providing paddy to Rice

Millers on certain conditions and in pursuance to the milling policy of the year 2023-2024, the petitioner applied for registration for milling which was

accepted and on 02.02.2024 an agreement was executed with M.P. Civil Supplies Corporation Limited, who provides paddy for milling. In furtherance

of the agreement, petitioner performed the milling work and delivered the rice at DEO Warehouse, which was designated by the Respondent

No.3/Corporation and at the time of delivery of the rice, quality was checked by surveyor and it was found of standard quality and duly mentioned in

the acceptance report.

4. As per the petitioner, after depositing the rice in DEO Warehouse located in Gurh, Rewa, the petitioner had no control over the rice. Later on, an

investigation team was constituted by Respondent No.3, which inspected the DEO Warehouse on 30.08.2024 and had taken sample of the rice

deposited by the petitioner in DEO Warehouse, which was found to be of beyond reasonable level (BRL) i.e. of substandard quality. According to

petitioner at the time of inspection conducted by the investigation team, the petitioner was not called for any explanation nor any hearing was provided

to the petitioner and directly by letter dated 27.09.2024 issued by General Manager (Milling), the direction was issued to the petitioner to replace the

alleged substandard quality rice (BRL) with the rice of standard quality. Thereafter, the petitioner raised objection regarding the investigation,

collection of the sample and declaring the rice as substandard quality on the ground that at the time of delivering the rice to warehouse, surveyor

checked the same and rice was found to be fair average quality (FAQ), therefore, no liability can be extended to the petitioner for replacing the rice.

As per the petitioner, the responsibility of the miller was to maintain and protect the quality of the rice till the stock is handed over to warehouse and

thereafter the miller is not responsible for maintaining the quality of the rice after the stage of stacking. The petitioner filed an appeal in terms of

agreement before the Managing Director of the Respondent No.3/Corporation assailing the communication dated 27.09.2024, which is still pending.

5. Thereafter, petitioner applied for the season 2024-2025 and entered into a fresh agreement for the year 2024-2025 in pursuance to the milling policy

floated by the respondent/Corporation for the year 2024-2025. The petitioner provided bank guarantee of Rs.4,77,000,00/- in favour of the Respondent

No.4. A formal agreement was executed between the petitioner and the District Manager, Rewa on 10.12.2024 for providing the lots of paddy to the

petitioner for the purpose of milling, however, no paddy was provided to the petitioner for milling. The petitioner raised the issue before the concerned

authority and came to know that higher authorities have restrained from providing paddy to the petitioner for the purpose of milling and directions were

issued to District Manager to cancel the agreement executed with the petitioner on the ground that the petitioner has failed to replace the BRL rice

with FAQ as demanded by the Corporation by communication dated 27.09.2024. Assailing the same, the petitioner has approached this Court seeking

directions to the respondents/authorities to allow the petitioner to lift paddy for the purpose of milling and for not causing any obstruction in lifting the

paddy and insisting upon the replacement of the rice in furtherance of the communication dated 27.09.2024 until the disposal of the appeal preferred

by the petitioner before the appellate authority.

6. During the pendency of the petition, the respondents cancelled the agreement on 08.01.2025 on the ground that as the material supplied by the

petitioner in the last year was found BRL and the petitioner has not replaced the material as per the terms of the policy and agreement, consequently,

the petitioner is not entitled to carry out the milling work in the year 2024-2025. The petitioner was informed to take back his security deposit from the

Respondent No.8.

7. Petitioner moved an I.A.No.332/2025 seeking amendment in the writ petition, which was allowed by this Court and petitioner was permitted to

amend the petition. By the amendment, petitioner assailed the order dated 08.01.2025, by which the agreement was cancelled on various grounds and

sought the relief of quashment of the cancellation order.

8. Respondent Nos. 3, 4, 5, 7 and 8 submitted the common reply whereby the action of the respondent no.8 was justified. It is submitted by the

respondent/Corporation that the paddy was provided to the petitioner for the purpose of milling and after completing the milling work, the petitioner

supplied the rice which was found substandard i.e. BRL therefore, the communication was issued on 27.09.2024 to the petitioner to replace the rice by

good quality material in furtherance of the Clause 10.11 of the milling policy of the year 2023-2024. However, petitioner failed to comply with the

communication, therefore, the petitioner is not entitled to lift further material for the purpose of milling as per the policy. As per Corporation, petitioner

was under obligation to supply the rice of standard quality, but the petitioner failed to supply the same and material supplied by the petitioner was found

of BRL quality, therefore, the petitioner was not eligible to enter into the fresh agreement 2024-2025 and the agreement executed with the petitioner

was liable to be cancelled as the same was executed dehors the policy. Petitioner has already filed an appeal as per Clause 13 of the agreement,

which will be decided by the appellate authority in accordance with law and in this way, the petitioner has already availed the available alternate

remedy, therefore, the present petition is liable to be dismissed.

9. Additional reply has been filed by the Corporation, wherein the Corporation has stated that the District Manager of the Corporation erroneously

entered into an agreement with the petitioner for 2024-2025 though the petitioner was not eligible for the same and when the matter came to the

knowledge of the higher officers, directions were issued to District Manager, Rewa to cancel the agreement executed with petitioner, as also the

agreements executed with other defaulter millers. As per respondent, huge quantity of 21260 bags of rice was found of BRL quality therefore, until

and unless the petitioner replaces the same with FAQ, petitioner cannot be permitted to lift further material. The Corporation prays for dismissal of the

petition.

10. So far as the cancellation of the agreement executed for the year 2024-2025, the learned counsel for the Corporation submits that petitioner is

having alternate efficacious remedy of appeal as per the terms of the contract therefore, no relief can be granted to the petitioner in the present

petition.

11. Learned Panel Lawyer for the respondent/State has not filed any reply in the matter and supported the reply submitted by the Corporation.

12. The following facts are admitted in the present case;

(i) Petitioner, Company entered into an agreement with the Respondent No.3, Corporation for the purpose of milling of paddy, for the year 2023-2024

on 02.02.2024, whereby it was decided that the Corporation will provide paddy to the petitioner and after milling FAQ rice will be deposited by the

petitioner with DEO Warehouse and the CMR (custom milled rice) should not be of BRL quality.

(ii) Petitioner lifted paddy and deposited rice with the designated DEO Warehouse and at the time of deposition of rice, the quality was checked by

surveyor who found rice of FAQ. An investigation team was constituted by the Corporation, which inspected the DEO Warehouse on 30.08.2024 and

sample of rice supplied by the petitioner was taken and after examination rice was found to be BRL i.e. substandard quality. As per terms no.2(V)(1)

and 9 (II)9 of the agreement dated 02.02.2024, miller is under obligation to replace BRL quantity by FAQ at his own expenses. As per terms of the

agreement, the communication was issued to the petitioner for replacing the 21,260 bags of rice which was found of BRL quality but the petitioner has

not accepted the liability to replace the same and assailed the communication in appeal filed before the Managing Director of the Corporation as per

term no.12 of the agreement, which is still pending.

(iii) Fresh policy was issued for the year 2024-2025 and petitioner registered itself upon the portal of the Corporation for the purpose of fresh milling

contract for the year 2024-2025, which was executed between the petitioner and Corporation on 10.12.2024. The petitioner supplied the bank

guarantee of Rs.4,77,000,00/- . The agreement executed on 10.12.2024 was valid w.e.f. 10.12.2024 to 25.01.2025. Despite the execution of the

agreement with the petitioner, the petitioner was not permitted to lift the paddy for the purpose of milling and no paddy was supplied to the petitioner in

furtherance of the agreement dated 10.12.2024 on the ground that the petitioner has failed to replace the rice of BRL quality with FAQ. Complaining

the same, the petitioner filed the present petition before this Court and during pendency of the petition on 08.01.2025, the agreement executed for the

year 2024-2025 was cancelled by the Corporation. Petitioner has not preferred any appeal assailing the order of cancellation dated 08.01.2025 and

challenged the same by amending the present petition.

13. In the present matter, the aforesaid facts are admitted and the following question arises for consideration:

“Whether the action of the Respondent/Corporation for not supplying the paddy to the Petitioner for the purpose of milling despite execution of the

agreement on 10.12.2024 was in accordance with the terms of the contract and the prevailing policy of 2024-2025?”

14. Learned Senior Counsel appearing for the petitioner has pointed out several provisions of the contract, and argued that the Corporation is under

obligation to provide the paddy to the miller in furtherance of the agreement and the supply of the paddy for the purpose of milling cannot be withheld

upon the allegation that in last season, the petitioner supplied the rice of BRL quality and not replaced upon the demand with the FAQ quality. He

further submits that the policy and agreements are separate for both the years and the petitioner has already furnished the bank guarantee of

Rs.4,77,00000/- in furtherance of the agreement dated 10.12.2024 to the Corporation, therefore, the action of the Corporation by not supplying the

paddy to the petitioner is not only contrary to the provisions of contract but also arbitrary, illegal, incorrect and unjust. He further submits that so far as

the demand of replacing of 21260 rice bags of BRL quality is concerned, the issue is pending before the Managing Director in appeal and the same

has not attained finality therefore, the same cannot be made basis of depriving the petitioner from fresh supply. As per the petitioner,

respondent/Corporation entered into an agreement with the petitioner for the year 2024-2025 even after having the knowledge that petitioner has not

complied with the demand dated 27.09.2024 and has assailed the same in appeal therefore, the Corporation cannot deny to fulfill the obligation under

the contract. He further submits that even as per the policy issued for the year 2024-2025, there is no clause to the effect that if miller has failed to

replace the rice of BRL quality with FAQ quality, no fresh agreement should be executed. He has pointed out Clause 5.1 of the policy and submits

that as per the policy, the petitioner was competent to enter into a fresh agreement. He also submits that the issue of replacing alleged BRL by FAQ

is pending before the appellate authority therefore, the same cannot be made basis for the purpose of cancellation of agreement. The action of the

respondent by which they cancelled the agreement during the pendency of this petition is highly objectionable, ex facie arbitrary, illegal and has been

taken with malafide intention to pressurize the petitioner to succumb to the illegal demand of the Corporation.

15. Learned Senior Counsel relied on the judgment delivered by Supreme Court in Subodh Kumar Singh Rathour Vs. The Chief Executive Officer &

Ors. reported as 2024 SCC Online 1682 whereby the Apex Court has held that the cancellation of a contract deprives a person by his valuable rights

and is a drastic step, often due to significant investment having already made by the parties involved during the subsistence of the contract. The public

authorities should be circumspect in disturbing or wriggling out of its contractual obligations through means beyond the terms of the contract in

exercise of their executive powers and if the Court is of the view that powers have been exercised arbitrarily by public authority in canceling the

contract, which was issued in favour of the private entity, the interference under Article 226 of the Constitution of India is permissible. The relevant

paras of the judgment are as follows:

“58. Thus, the demarcation between a private law element and public law element in the context of contractual disputes if any, may be assessed by

ascertaining whether the dispute or the controversy pertains to the consensual aspect of the contract or tender in question or not. Judicial review is

permissible to prevent arbitrariness of public authorities and to ensure that they do not exceed or abuse their powers in contractual transactions and

requires overseeing the administrative power of public authorities to award or cancel contracts or any of its stipulations.

59. Therefore, what can be culled out from the above is that although disputes arising purely out of contracts are not amenable to writ jurisdiction yet

keeping in mind the obligation of the State to act fairly and not arbitrarily or capriciously, it is now well settled that when contractual power is being

used for public purpose, it is certainly amenable to judicial review.

x x x x x

65. The meaning and true import of arbitrariness is more easily visualized than precisely stated or defined. The question, whether an impugned action

is arbitrary or not, is ultimately to be answered on the facts and in the circumstances of a given case. An obvious test to apply is to see whether there

is any discernible principle emerging from the impugned act and if so, does it satisfy the test of reasonableness. Where a mode is prescribed for doing

an act and there is no impediment in following that procedure, the performance of the act otherwise and in a manner which does not disclose any

discernible principle which is reasonable, may itself attract the vice of arbitrariness. Every State action must be informed by reason and it follows that

an act uninformed by reason, is arbitrary. Rule of law contemplates governance by laws and not by humour, whims or caprices of the men to whom

the governance is entrusted for the time being. It is trite that be you ever so high, the laws are above you.

x x x x x

69. To ascertain whether an act is arbitrary or not, the court must carefully attend to the facts and the circumstances of the case. It should find out

whether the impugned decision is based on any principle. If not, it may unerringly point to arbitrariness. If the act betrays caprice or the mere

exhibition of the whim of the authority it would sufficiently bear the insignia of arbitrariness. In this regard supporting an order with a rationale which

in the circumstances is found to be reasonable will go a long way to repel a challenge to State action. No doubt the reasons need not in every case be

part of the order as such. If there is absence of good faith and the action is actuated with an oblique motive, it could be characterised as being

arbitrary. A total non-application of mind without due regard to the rights of the parties and public interest may be a clear indicator of arbitrary action.

70. One another way, to assess whether an action complained of could be termed as arbitrary is by way of scrutinizing the reasons that have been

assigned to such an action. It involves overseeing whether the reasons which have been cited if at all genuinely formed part of the decision-making

process or whether they are merely a ruse. All decisions that are taken must earnestly be in lieu of the reasons and considerations that have been

assigned to it. The Court must be mindful of the fact that it is not supposed to delve into every minute details of the reasoning assigned, it need not to

go into a detailed exercise of assessing the pros and cons of the reasons itself, but should only see whether the reasons were earnest, genuine and had

a rationale with the ultimate decision. What is under scrutiny in judicial review of an action is the decision-making process and whether there is any

element of arbitrariness or mala fide.Ãçâ,~â€œ

16. Learned Senior Counsel further submits that the cancellation of the agreement be quashed and the respondents be directed to comply with the

terms of the contract dated 10.12.2024 by supplying the paddy to the petitioner for the purpose of milling.

17. Learned counsel appearing on behalf of the respondent/Corporation supported the action of the Corporation by referring Clause No.4.3 of the

policy and submits that as per the policy, if the miller has failed to replace the material of BRL quality with FAQ, further supply is not permissible to

the miller. He further submits that in the present matter, opportunity was granted to the petitioner to replace the material but the petitioner failed to

replace the BRL quality rice with FAQ and therefore, the action taken by the Corporation is in accordance with the policy. He further submits that as

per the policy, the petitioner was not competent to enter into an agreement for the year 2024-2025 as the petitioner was not entitled to lift paddy for

the purpose of milling as per Clause 4.3 of the policy as well as Clause 9 (ii)(9) of the agreement. He submits that the petitioner registered itself on the

portal of the Corporation for the purpose of entering into a fresh agreement after knowing the terms and conditions of the policy, the agreement and

the petitioner was aware of that in the absence of replacement of the BRL quality of rice by FAQ the petitioner will not be entitled to lift paddy for the

purpose of milling and therefore, the petitioner cannot raise any grievance against the Corporation for not supplying the paddy and cancellation of the

contract.

18. He further submits that petition is having alternate efficacious remedy of appeal against the cancellation order dated 08.01.2025 as per per Clause

18 and 20 of the agreement and no relief can be granted to the petitioner in writ petition. He further submits that petitioner is a defaulter, who entered

into a contract on 02.02.2024 for the purpose of milling of paddy and supply FAQ CMR, but failed to supply the standard quality rice and upon

inspection the rice was found of BRL quality therefore, as per terms of the agreement and policy, the communication was issued and opportunity was

granted to the petitioner to replace the material with standard quality rice however the petitioner instead of complying with the communication

challenged the same before the appellate authority and registered itself again on the portal for the next season in a routine manner and succeed to

enter into fresh agreement with the Corporation on 10.12.2024. When this fact came to the knowledge of the higher authorities of the Corporation that

the petitioner executed fresh agreement with the Corporation, the same has been cancelled in accordance with law. He further submits that in the

present matter, no relief can be granted to the petitioner and petition is liable to be dismissed.

19. Learned P.L. appearing on behalf of the State supported the arguments advanced by the learned counsel for the Corporation and prays for

dismissal of the petition.

20. Having heard learned counsel for the parties and having gone through the material on record, it appears that upon inviting online applications for

registration of millers for the purpose of milling of paddy, petitioner applied and registered itself for the year 2023-2024 and an agreement was



executed on 02.02.2024. However, the allegation against the petitioner is that CMR (custom milled rice) deposited by the petitioner with designated

warehouse was upon inspection found BRL quality and, consequently, as per the terms of the policy and contract dated 02.02.2024, the petitioner was

asked to replace 21260 bags of BRL quality with FAQ (fair average quality). The relevant provisions of policy enabling the Corporation to make the

demand of FAQ reads as under:

The relevant clauses of agreement dated 02.02.2024 reads as under:

21. When the Corporation came to know that the CMR supplied by the petitioner was of BRL quality, communication was issued on 27.09.2024 for

the purpose of upgradation of the supplied CMR. As the same was not acceptable to the petitioner, the petitioner assailed that communication before

the Managing Director by preferring the appeal, which is pending. Thereafter, the petitioner registered itself for the purpose of milling of paddy for the

year 2024-2025 and an agreement was executed under new policy between petitioner and respondent/Corporation on 10.12.2024 w.e.f. 10.12.2024 to

25.01.2025 which was cancelled by respondent on 08.01.2025 during the pendency of the present petition on the ground that as the petitioner failed to

replace BRL quality of CMR with FAQ, the petitioner was entitled to enter into any agreement with respondent.

22. After considering the provisions of policy of 2023-2024, 2024-2025 and the terms of agreements dated 02.02.2024 and 10.12.2024, it appears that

there is no clause which prohibits the execution of fresh agreement for fresh period with the miller who has not replaced the CMR of BRL quality

with FAQ in the previous season.. Consequently, the contention of the respondent/Corporation that petitioner was not entitled for the execution of

fresh agreement for the year 2024-2025, is not acceptable.

23. Learned counsel for the respondents failed to point out any clause from the policy or agreement which stipulates that in case of failure of the miller

to replace CMR of BRL quality with FAQ, no fresh agreement can be executed for the purpose of next season. At the same time, learned counsel for

the respondents failed to point out any clause from the policy of 2024-2025 as well as agreement, which empowers the Corporation to cancel or

terminate the agreement unilaterally. In the absence of any specific provisions in the contract or policy, the agreement which was executed after

raising the demand for replacing of BRL quality of CMR with FAQ cannot be cancelled on the ground that the demand was not fulfilled by the miller.

Consequently, the action of the respondent to cancel the agreement during the pendency of the petition appears to be an attempt to wriggle out from

its contractual obligation through means beyond the terms of contract. Though the appeal is provided as per Clause 12 of the contract, but when the

action of the respondent/Corporation appears to be arbitrary, the same can be quashed by exercising the powers under Article 226 of the Constitution

of India as held by the Apex Court in the matter of Subodh Kumar Rathour (supra).

24. The petitioner moved the present petition seeking directions to the respondent/Corporation to supply paddy in furtherance of order dated

10.12.2024 for the purpose of milling, but during pendency of the petition, the respondent/Corporation by communication dated 08.01.2025 cancelled

the contract itself. It appears to be an attempt to avoid the liability under the contract and therefore, the contract is deemed to be remained in force up

to the period for which it was executed i.e. 25.01.2025.

25. The crucial issue involved in the present case is whether the Corporation can deny the supply of paddy to the petitioner on the ground that the

petitioner has failed to replace the CMR of BRL quality with the FAQ. For the purpose of determining the said issue, the terms of the policy for the

year 2023-2024 are seen. Clause 14.1 of the policy as reproduced herein above stipulates that if the supply of CMR was found to be of BRL quality,

the miller is under obligation to replace the same lot within a period of ten days and if it upgrades 50% of the BRL quality within ten days, it will be

entitled to lift 50% of the paddy for the purpose of milling and if it fails to upgrade the BRL quality with FAQ, the supply of paddy will be stopped.

Meaning thereby, if CMR supplied by the miller is found to be of BRL quality, the miller has to upgrade the same into FAQ quality by replacing the lot

and if the miller fails to do so, no fresh paddy will be supplied to miller for the purpose of milling.

26. Even in the contract dated 02.02.2024 the term no.2(v)(1) stipulates that miller is under obligation to upgrade or replace the BRL quality into FAQ

quality at his own cost. Further term no.9(II) (9) provides that if the miller fails to replace the CMR of BRL quality within 15 days, the further supply

of paddy shall be stopped. Meaning thereby even as per the policy of the 2023-2024 and the terms of agreement, the petitioner is not entitled to get

further paddy for the purpose of milling in case it fails to replace the BRL quality by FAQ. When the demand was issued to the petitioner on

27.09.2024 for replacing the 21260 bags of BRL quality by FAQ, the petitioner had two options; (i)- to challenge the demand by preferring an appeal

before the Managing Director and (ii)- to replace the BRL quality CMR with FAQ. As the petitioner has chosen to prefer the appeal as per the terms

of the policy and agreement, the petitioner is not entitled to lift further paddy for the purpose of milling until and unless the demand is set aside in

appeal.

27. As observed herein above that there was no impediment for execution of the fresh agreement, the petitioner entered into fresh agreement with the

Corporation for the year 2024-2025 for the period 10.12.2024 to 25.1.2025, however, the policy issued in the year 2024-2025 also provides the similar

condition that if a miller has failed to replace the BRL quality CMR with FAQ, it will not be eligible for fresh paddy. The relevant provision reads as

under:

“4-3 foxr [kjhQ foi.ku o""kksZa esa feyj }kjk dLve fefyax ls pkoy ifjнку mijkar ijh{k.k esa BRL ik, x, pkoy dks vixszM dj ekud xq.koRrk pkoy dk

ifjнку u fd;k x;k gksAA”

28. The agreement dated 10.12.2024 was executed under the policy of the year 2024-2025 and consequently terms of the policy are binding on both

the parties which provides that miller is not competent to mill the paddy if in the last year, the CMR supplied by the miller was found of BRL quality

and the same was not upgraded by the miller in FAQ. Similar provisions are there in Clause 13.6, 13.7, 13.9 and 14.1. Clause

14.1 reads as under:

“14-1 pkoy ds ch-vkj-,y- gksus ij lacaf/kr feyj }kjk vekud ykWV dks 10 fnol esa cnydj ekud ykWV tek djuk vfuok;Z gS] ekud ykWV tek fd;s tkus

rd /kku ifjнку esa jksd jgsxhAA”

29. In the agreement dated 10.12.2024, the similar Clause 2(v)(i) is available which creates a liability upon the miller to replace the BRL quality CMR

with FAQ. Clause 9(ii)9 and 9(iv) also provides for replacing CMR and stopping the further supply in case of failure to replace the material by FAQ.

30. In view of the above conspectus, it appears that there was no impediment in execution of the fresh agreement for the year 2024-2025, but at the

same time, the clauses of the policy as well as agreement prohibits for fresh supply of paddy to a miller, who fails to replace the BRL quality with

FAQ and therefore, the respondents have not committed any error, illegality or irregularity in not supplying the fresh paddy to the petitioner for milling

purpose.

31. Learned Senior Counsel appearing on behalf of the petitioner has vehemently argued that when the petitioner assails the communicated dated

27.09.2024 before the appellate authority and as per the policy fresh paddy could not be supplied to the petitioner, why the respondents entered into

the fresh contract with the petitioner. It appears that for the purpose of execution of contract, the miller has to register itself on the portal of the

Corporation and upon registration on the portal the proposal may be accepted by the Corporation for the purpose of execution of agreement subject to

the terms and conditions of the policy. The petitioner itself applied on the portal for registration and execution of fresh agreement for the year 2024-

2025 and therefore, the agreement was executed. Now the petitioner cannot take any advantage of execution of agreement as the provisions of policy

were in the knowledge of petitioner, therefore, the petitioner cannot take the defense that the petitioner was not aware that despite execution of

agreement, the paddy will not be supplied to him. The agreement was executed for the period from 10.12.2024 to 25.01.2025. It may be understood

that the same was executed with a hope that demand raised by the Corporation on 27.09.2024 will be turned down by the appellate authority and

petitioner will be able to lift further quantity of paddy for the purpose of milling, however, the appeal is still pending and the period of contract has also

expired. Under these circumstances, petitioner cannot take any benefit of execution of agreement.

32. Consequently, the present petition is disposed of with the following directions:

(I) The agreement executed between the petitioner and respondent/Corporation on 10.12.2024 for the year 2024-2025 was valid w.e.f. 10.12.2024 to

25.01.2025 as there was no impediment in the policy or agreement to execute any fresh agreement.

(II) The action of the respondent/Corporation cancelling the agreement dated 10.12.2024 on 08.01.2025 is arbitrary and illegal and consequently, the

same is hereby set aside and the agreement deemed to be in force from 10.12.2024 to 25.01.2025.

(III) The petitioner was not entitled to lift the further stock of paddy for the purpose of milling without replacing the alleged 21260 bags of BRL quality

with FAQ or quashment of demand by appellate authority.

(IV) The Corporation has not committed any error in not supplying the fresh paddy to the petitioner as the appeal is still pending with the appellate

authority.

(V) This Court has not expressed any opinion on the issue of BRL quality and the same shall be considered and decided by the appellate authority in

accordance with applicable terms of the policy and contract.

(VI) As the period of contract dated 10.12.2024 has already been over, no further relief can be granted to the petitioner, however, the petitioner will

be entitled to take appropriate action for claiming damages before appropriate forum.

(VII) There shall be no order as to costs.