

A M/S. KUMAON SEEDS COPRN. & ORS.
v.
KRISHI UTPADAN MANDI SAMITI, KASHIPUR & ORS.
(Civil Appeal No(s). 3630 of 2007)

B MARCH 03, 2011
[MARKANDEY KATJU AND GYAN SUDHA MISRA, JJ.]

C *Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964 – Certified seeds – Market fee – Levy of – Issuance of show cause notices by market Committee to dealer in certified seeds with regard to imposition of market fee on seeds – Suits filed challenging the show cause notices – Dismissed by High Court – On appeal, held: High Court while dealing only with the validity of the show cause notices made certain observations even on merits of the matter, which was not justified – After the High Court upheld the validity of the show cause notices, the Market Committee did not fix any date, time and place for the hearing of the dealers in response to the show cause notices but straightaway proceeded to issue notices directing the dealers to pay the market fee on certified seeds which was not justified – There was violation of the principles of natural justice – Thus, such notices set aside – Market Committees permitted to issue fresh notices to the dealers fixing the date, time and place for the hearing to the show cause notices and on that date they can file their response and any other material which they wish to produce and only thereafter, the Market Committees can decide the matter by a reasoned order – Principles of natural justice.*

G CIVIL APPELLATE JURISDICTION : Civil Appeal No. 3630 of 2007 etc.

From the Judgment & Order dated 07.07.2005 of the High Court of Judicature of Utaranchal, at Nainital, in First Appeal No. 1073 of 2001.

WITH

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Civil Appeal No. 3631 of 2007.

P.S. Patwalia, Vibha Datta Makhija for the Appellants.

Sudhir Chandra, Rachana Srivastava for the Respondents.

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The following order of the Court was delivered

O R D E R

Heard learned counsel for the appearing parties.

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These Appeals have been filed against the impugned common judgment of the High Court of Uttarachal (Now, the High Court of Uttarakhand) dated 07.07.2005 passed in First Appeal No. 1072 of 2001 and First Appeal No. 1073 of 2001.

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The appellants claim to be dealing in certified seeds. Seeking to impose market fee on those seeds under the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964, the respondents issued show cause notices to the appellants. The appellants filed civil suits challenging the said show cause notices and the matter went upto the High Court which dismissed the suits by the impugned judgment.

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In our opinion, the High Court should not have gone into the merits of the matter because it was only dealing with the validity of the show cause notices in question and not deciding the matter on merits. However, it appears that certain observations have been made even on the merits of the case by the High Court in the impugned judgment, which, in our opinion, was not justified.

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After the High Court upheld the validity of the show cause notices, the concerned Market Committees should then have issued notices to the appellants fixing a date, time and place for the hearing of the appellants in response to that show cause notices, and in that hearing, the appellants should have been

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A allowed to appear either in-person or through their
representatives and permitted to file their objections and any
other material which they wished to produce and only thereafter
should the matter have been decided, one way or the other, by
the Market Committees concerned, by a reasoned order after
B considering the response of the appellants as well as the other
material.

It appears that the above procedure was not followed and,
hence, in our opinion, there was violation of the principles of
natural justice.

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After the impugned judgment of the High Court, the
concerned Market Committees never fixed any date, time and
place for the hearing of the appellants in response to the show
cause notices but straightaway it proceeded to issue notices
D dated 27.07.2005 directing the appellants to pay the market
fee on certified seeds which, in our opinion, was not justified.
Hence, we set aside the notices dated 27.07.2005 but we
permit the Market Committees concerned to issue fresh notices
to the appellants fixing therein the date, time and place for the
E hearing of the appellants to the show cause notices, and on that
date the appellants can file their response and also produce
any other material which they wish to produce and only
thereafter the Market Committees concerned can proceed to
decide the matter by a reasoned order uninfluenced by any
F observations made by the High Court in the impugned
judgment.

We make it clear that we are not making any comment on
the merits of the controversy. We leave it open to the concerned
authorities to decide the matter after hearing the appellants as
G directed above.

The Appeals are disposed of accordingly. No costs.

N.J.

Appeals disposed of.

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