

SUPREME COURT OF INDIA

Kumaon Seeds Corp. & Ors.

Vs.

Krishi Utpadan Mandi Samiti, Kashipur & Ors.

(2011) 4 SCC 0658

(Markandey Katju and Gyan Sudha Misra, JJ.,)

03.03.2011

ORDER

1. Heard learned counsel for the appearing parties. 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. 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. Civil Appeal NO(s). 3630/2007 & 3631/2007 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.

2. 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. 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 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 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 Civil Appeal NO(s). 3630/2007 & 3631/2007

3. 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 dated 27.07.2005 directing the appellants to pay the market fee on certified seeds which, in our opinion, was not justified.

4. 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 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 observations made by the High Court in the impugned judgment.

5. 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 directed above. Civil Appeal NO(s). 3630/2007 & 3631/2007 The Appeals are disposed of accordingly. No costs.