

203

2025:PHHC:135887



**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

RSA-3406-2001 (O&M)

Date of decision:26.09.2025

MARKET COMMITTEE, SANGAT, BHATINDA

...Appellant

versus

M/S MANOHAR OIL AND GENERAL MILLS,
SANGAT MANDI SANGA

...Respondent

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Mr. S.S. Rangi, Advocate for appellant.
Mr. Vinay Bajaj, Advocate for respondent.

PARMOD GOYAL, J. (ORAL)

Present appeal has been preferred by appellant-defendant being aggrieved by judgment and decree dated 18.05.2001 passed by District Judge, Bathinda being First Appellate Court.

1. Plaintiff-respondent had filed a suit for declaration and permanent injunction. It was case of plaintiff that it was earlier carrying on business of commission agencies and had closed its business after taking no objection certificate from the Market Committee. After dissolution of partnership, Market Committee had issued a notice under Section 68 of Punjab Land

Revenue Act, 1887 claiming amount of Rs.62,499/- as rural development fund. The plaintiff had challenged the said notice of demand on the ground that it has already been issued no objection certificate and therefore no amount can be sought from it.

2. The suit was contested by respondent. It was the case of appellant-defendant that no such certificate regarding the market fee and R.D.F. was issued by competent authority. It was asserted that the demand raised by impugned notice was arrears of R.D.F. from 27.04.1989 to 28.05.1999. It was also asserted that out of total amount of Rs. 62,499/-, Rs.26,556.60/- was principal and remaining was interest @ 18% per annum. Principal and interest was sought by way of demand notice. Appellant-defendant accordingly sought dismissal of suit.

3. The following issues were framed from the pleading of the parties:-

- "1) *Whether demand raised by the defendant for the recovery of Rs.62,499/- from the plaintiff is illegal, null and void? OPP*
- 2) *If issue No.1 is proved, whether plaintiff is entitled to injunction prayed for? OPP"*
- 3) *Whether suit in the present form is not maintainable?OPD*
- 4) *Whether suit is bad for want of notice? If so its effect?OPD*
- 5) *Relief."*

4. Learned Additional Civil Judge (Senior Division), Bathinda Court of first instance, vide judgment and decree dated 27.05.2000 dismissed the suit after concluding issue Nos.1 and 2 against plaintiff; issue No.3 against defendant; and issue No.4 against plaintiff. The appeal was preferred by plaintiff before District Judge, Bathinda who confirmed the findings of the learned Court of first instance and had dismissed the appeal. However,

while dismissing the appeal preferred by plaintiff, the learned First Appellate Court held that out of amount demanded vide impugned notice only Rs.26,556.60/- was recoverable and remaining amount charged at 18% per annum cannot be recovered. With this modification, appeal of plaintiff was dismissed.

5. Learned counsel for appellant has argued that learned First Appellate Court has erred. Learned counsel for appellant has made reference to Section 5 of Punjab Rural Development Act, 1987 (hereinafter referred to as 'Act'), which is reproduced as under:-

"Section 5 - Levy and collection of fee

(1) Subject to the rules made under this Act, there shall be levied for the purpose of this Act, a fee on ad valorem basis, at the rate of [3][rupees three] for every one hundred rupees, in respect of the agricultural produce, bought or sold in the notified market area.[4]

(2) The fee levied under sub-section (1) shall be paid by the dealer in such manner as may be prescribed and shall be realised by a market committee established under the Punjab Agricultural Produce Markets Act, 1961 (Punjab Act 23 of 1961) :

Provided that the burden of the fee shall be passed on by the dealer by adding it to the purchase price recoverable by him from the next purchaser of the agricultural produce or the goods processed or manufactured out of it.

[5][(2-A) If any dealer fails to pay the amount of the fee levied under sub- section (1), he shall, in addition to the amount of fee be liable to pay interest on the amount of fee due from him at the rate of eighteen per centum per annum from the date of default.]

(3) The arrears of fee levied under sub-section (1) shall be

recoverable as arrears of land revenue."

6. It is asserted by learned counsel for appellant that market fee was leviable under Section 5 of the Act and non-payment of market fee would result in payment of interest @ 18% as per Section 5 (2A) from the date of default. Learned counsel for respondent is unable to show anything adverse to the statutory provisions contained in the Act, as noted above.

7. The notice therefore along with 18% interest was in accordance with the statutory provisions and 18% interest was rightly leviable. The learned First Appellate Court has erred in not taking into consideration provisions of Section 5 (2A) of the Act. Issue No.1 was decided by both the Courts against the plaintiff-respondent. Therefore, as far as plaintiff-respondent is concerned, his liability under notice shall be to full extent.

8. Accordingly, the modification made by First Appellate Court is erroneous and, therefore, present appeal is allowed. It is held that notice issued by appellant-defendant is valid and first appeal preferred by plaintiff was liable to be dismissed in totality.

9. Ordered accordingly.

(PARMOD GOYAL)

JUDGE

26.09.2025

Sunil Chander

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No