



CNR: KAHC010052162023

NC: 2026:KHC:39130
WP No. 2072 of 2023

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.G.S. KAMAL

WRIT PETITION NO. 2072 OF 2023 (APMC)

BETWEEN:

SRI. MOHAMMAD NAVAJ
S/O. LATE MEHABOOB SAB,
AGED ABOUT 34 YEARS,
PROPRIETOR,
M/S. MEHABOOB FRUIT MERCHANTS,
LICENSE NO. DAM/ADM/DVG/RGN/TRL/997/
2014-15 (OLD)
LICENSE NO. DAM/ADM/DVG/RGN/TRL/1882/
2017-18 (NEW) APMC,
DAVANAGERE-577 001.

...PETITIONER

(BY SRI. MANOJ K., ADVOCATE FOR
SRI. HAREESH BHANDARY T.,ADVOCATE)

AND:

1. THE STATE OF KARNATAKA
REPRESENTED BY ITS SECRETARY,
DEPARTMENT OF AGRICULTURAL MARKETING,
VIDHANA SOUDHA,
BENGALURU-560 001.
2. THE DIRECTOR / APPELLATE AUTHORITY
OFFICE OF THE DIRECTOR,
A.P.M.C. NO. 16,
2ND RAJABHAVAN ROAD,
P.B. NO. 5309,
BENGALURU-560 001.
3. THE SECRETARY

Digitally
signed by
SUMA B N
Location:
HIGH
COURT OF
KARNATAKA



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A.P.M.C. COMMITTEE,
A.P.M.C. YARD,
P.B. ROAD,
DAVANAGERE-577 001.

...RESPONDENTS

(BY SRI. MANJUNATH RAYAPPA AGA., FOR R1 & R2;
SRI. CHETAN RAMESH., ADVOCATE FOR
SRI. NANDA KISHORE., ADVOCATE FO R3)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING QUASHING THE ORDER ANNEXURE-A DATED 07.11.2022 MADE IN APPEALNO.KRU.MA.E/A BHI VI/04/2022 BY THE R2 AND THE ORDER ANNEXURE-B DATED 20.04.2022 MADE IN KRUMA E/KRU MA SA(DA) 115/2022.23 BY THE R3.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING IN 'B' GROUP, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE M.G.S. KAMAL

ORAL ORDER

1. Petitioner is before this Court being aggrieved by the orders dated 07.11.2022 as per Annexure-A passed by the respondent No.2 and dated 20.04.2022 as per Annexure-B passed by the respondent No.3, by which the allotment of shop made in favour of the petitioner has been cancelled.



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2. Brief facts of the case are that father of the petitioner, namely one Mehaboob Sab was admittedly granted license to trade-in fruits in the market yard of respondent No.3-APMC, Davanagere on 25.04.2012. That the said license was valid till 31.03.2022. The father of the petitioner stated to have passed away on 24.07.2012. Petitioner being his son continued the business under the license that was granted in favour of his father, on the assumption that the said license was valid upto 31.03.2022.
3. That in view of the amendment to the Karnataka Agriculture Produce Marketing (Regulation of Allotment of Property in Market Yards) Rules, 2004 (hereinafter referred to as 'the Rules, 2004') providing for issuance of license, petitioner made an application for renewal of the license that was granted in the name of his father and in furtherance to the application made, the licence was re-issued in the name of his father.
4. It appears that the petitioner had thereafter made an application for allotment of Shop No.2. The respondent



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No.3-Committee, based on the license which was issued in the name of the father of the petitioner had indeed allotted the shop No.2, as per seniority list on lease-cum-sale basis. Later it was discovered that the license stood in the name of his father, who had passed away in the year 2012, resulting in respondent No.3-Committee initiating the proceedings by issuing a show cause notice on the premise of petitioner failing to disclose the death of his father while seeking renewal of license and allotment of shop No.2. Accepting the cause shown by the petitioner, the respondent No.3-Committee recommended the respondent No.2-Director to consider the case of the petitioner in view of the special circumstances and there being no *malafide* attributed against the petitioner.

5. However, respondent No.2-Director has declined to consider the recommendation and directed to cancel the allotment by order dated 19.03.2022. Aggrieved by the same, petitioner preferred an appeal before the respondent No.2-Director, who by order dated



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07.11.2022 as per Annexure-A dismissed the said appeal.

Being aggrieved, petitioner is before this Court.

6. Learned counsel for the petitioner taking this Court through the records submits that the petitioner was under a *bonafide* belief and impression that since the licence which was originally granted in the name of his father was valid upto the year 2022, he had the authority and permission to continue to conduct the business, which he did.
7. He further submits that when he made an application for renewal of his father's licence in the year 2014, in the light of amendment to the rules, renewal as sought was granted.
8. He also refers to Clause 1 of Rule 18 of the Rules, 2004, providing for an option to the legal heir of the original allottee to seek either the refund of the money or the allotment, if they fulfill the criteria. Thus, he submits that the petitioner being the son indeed has statutory right to seek allotment of the shop, which legal right has not been



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considered by the respondent Nos.2 and 3. That there was no *malafide* or ulterior intentions either to mislead or to suppress the respondent Nos.2 and 3, which indeed was considered and accepted by the respondent No.3-Committee, who had recommended the case of the petitioner which however has been declined by respondent No.2-Director. Hence, he submits that the orders impugned requires to be quashed.

9. Learned counsel for the respondent No.3-Committee, on the other hand submits that, it was incumbent upon the petitioner to have brought to the notice of the concerned authorities regarding the demise of his father. Licence cannot be inherited as a matter of right. That even if the licence originally granted was valid upto the year 2022, it dies, upon the death of the person in whom favour it was granted. The petitioner did not bring to the notice of respondent-Authorities, when he sought renewal of the licence, in view of the change of the Rules, 2004.
10. The allotment of the shop would be based on the seniority counted from the grant of original licence. Since the



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original licence effaced upon the demise of the original licensee, petitioner could not have taken benefit of the same for consideration of seniority. Therefore, he submits that the orders passed by the respondent Nos.2 and 3 does not suffer from any infirmity.

11. Heard and perused the records.
12. Admittedly, license that was issued in favour of the father of the petitioner was valid upto the year 2022. That even after the demise of his father in the year 2012, the petitioner being his eldest son has continued the business and has even obtained renewal in the year 2014.
13. It is appropriate to extract the relevant portion of the impugned order which refers to the recommendation made by the respondent No.3-Committee, which reads as under:

“ಪ್ರತಿವಾದಿ ಸಮಿತಿಯ ನೋಟಿಸ್‌ಗೆ ವಾದಿಯು ಶ್ರೀ ಪೆಹಬೂಬ್ ಸಾಬ್ ಇವರು ದಿನಾಂಕ:21.07.2012 ರಂದು ಮೃತರಾಗಿದ್ದು ತಾನೇ ಹಿರಿಯ ಮಗನಾಗಿರುವುದರಿಂದ ತಮ್ಮ ಒಟ್ಟು ಕುಟುಂಬಸ್ಥರ ಅನುಮತಿ ಮೇರೆಗೆ ಇಲ್ಲಿಯವರೆಗೆ ತಮ್ಮ ತಂದೆಯವರ ಹೆಣ್ಣಿನ ಅಂಗಡಿಯನ್ನು ಮುಂದುವರಿಸಿಕೊಂಡು ಬಂದಿರುತ್ತೇನೆ. ನಿವೇಶನ ಸಂಖ್ಯೆ:02 ರ ಹಂಚಿಕೆಗೆ ಸಂಬಂಧಿಸಿದ ಪೂರ್ಣ ಹಣವನ್ನು ಸಮಿತಿಗೆ ವಾವತಿಸಿದ್ದು, ತಂದೆಯವರು ಮರಣಹೊಂದಿದ ನಂತರ ಮಳಿಗೆಯಲ್ಲಿ ವ್ಯಾಪಾರ ವಹಿವಾಟನ್ನು ಮುಂದುವರಿಸಲು



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ಸಮಿತಿಯಿಂದ ಅನುಮತಿ ವಡೆಯಬೇಕೆಂದು ತಿಳಿದಿರಲಿಲ್ಲ. ಈ ಕುರಿತು ಯಾರೂ ಸಹ ಕಾನೂನು ಸಲಹೆ ನೀಡಲಿಲ್ಲ. ಆದ್ದರಿಂದ ತಾನು ಮೃತರ ಕಾನೂನು ಬದ್ಧ ವಾರಸುದಾರನಾಗಿರುವುದರಿಂದ ತಂದೆಯವರ ಸಂಸ್ಥೆಗೆ ಮಂಜೂರಾಗಿರುವ ಹಣ್ಣಿನ ನಿವೇಶನ ಸಂಖ್ಯೆ:02ನ್ನು ತಮ್ಮ ಹೆಸರಿಗೆ ವರ್ಗಾವಣೆ ಮಾಡಿಕೊಡಲು ಕೋರಿದ್ದು ಈ ಕುರಿತು ಕುಟುಂಬದವರ ಒಪ್ಪಿಗೆ ವತ್ರ ನೀಡಿರುತ್ತಾರೆ ಎಂದು ದಿನಾಂಕ:17.11.2017 ರಂದು ಲಿಖಿತ ಹೇಳಿಕೆ ನೀಡಿರುತ್ತಾರೆ.

ಸಮಿತಿಯಿಂದ ನೀಡಿರುವ ನೋಟೀಸ್ ಹಾಗೂ ಶ್ರೀ ಮೊಹಮ್ಮದ್ ನವಾಜ್ ಇವರು ನೀಡಿರುವ ಲಿಖಿತ ಹೇಳಿಕೆಯ ವಿಷಯವನ್ನು ದಿನಾಂಕ:14.12.2017ರಂದು ನಡೆದ ಸಮಿತಿ ಸಾಮಾನ್ಯ ಸಭೆಯ ವಿಷಯ ಸಂಖ್ಯೆ:26(7)ರಲ್ಲಿ ಚರ್ಚಿಸಿ, ಈ ಹಿಂದೆ ಹಣ್ಣಿನ ವ್ಯಾಪಾರ ವಹಿವಾಟು ಮಾರುಕಟ್ಟೆಯಿಂದ ಹೊರಗಡೆ ಕೆ.ಆರ್ ಮಾರ್ಕೆಟ್‌ನಲ್ಲಿ ನಡೆಯುತ್ತಿದ್ದು, ವಾದಿ ತಂದೆಯವರ ಮರಣದ ನಂತರ ಅವರ ಸಂಸ್ಥೆಯ ಹೆಸರಿನಲ್ಲಿ ವ್ಯಾಪಾರ ಮಾಡಲು ಸಮಿತಿಯು ತಮ್ಮ ಅನುಮೋದನೆ ಪಡೆಯುವ ಕುರಿತು ಅರಿವು ಇಲ್ಲದೇ ಅಚಾತುರ್ಯದಿಂದ ಹಾಗೂ ಮಾಹಿತಿ ಕೊರತೆಯಿಂದ ಈ ಘಟನೆ ನಡೆದಿರುವುದನ್ನು ಸಮಿತಿ ಪರಿಗಣಿಸಿ, ಈ ಹಿಂದೆ ಸಮಿತಿಯು ನಿವೇಶನ ಹಂಚಿಕೆ ಮಾಡುವಾಗ ಆಕ್ಷೇಪಣೆ ಸಲಹೆಗಳನ್ನು ಆಹ್ವಾನಿಸಿದ್ದು ಈ ಕುರಿತು ಯಾರೊಬ್ಬರೂ ಸಹ ಆಕ್ಷೇಪಣೆ ಮಾಡದೇ ಇರುವುದರಿಂದ ಈಗಾಗಲೇ ಮೃತ ಮಹಬೂಬ್ ಸಾಬ್ ಇವರ ಕಾನೂನು ಬದ್ಧ 'ವಾರಸುದಾರರು, ಮಹಬೂಬ್ ಪ್ರಾಂಟ್ಸ್ ಸಂಸ್ಥೆಯನ್ನು ಶ್ರೀ ಮೊಹಮ್ಮದ್ ನವಾಜ್ ಬಿನ್ ಹೆಚ್ ಮಹಬೂಬ್ ಸಾಬ್ ಇವರು ಮುಂದುವರಿಸಿಕೊಂಡು ಹೋಗಲು ಒಪ್ಪಿಗೆ ಪತ್ರ ಬರೆದು ಕೊಟ್ಟಿರುವುದರಿಂದ ಹಾಗೂ ಮಹಬೂಬ್ ಪ್ರಾಂಟ್ಸ್ ಸಂಸ್ಥೆಗೆ ಹಂಚಿಕೆ ಮಾಡಲಾದ ನಿವೇಶನ ಸಂಖ್ಯೆ:02ರ ಸಂಪೂರ್ಣ ಲೀಜ್ ಕಂ ಸೇಲ್ ಮೌಲ್ಯವನ್ನು ಶ್ರೀ ಮೊಹಮ್ಮದ್ ನವಾಜ್ ಬಿನ್ ಹೆಚ್ ಮಹಬೂಬ್ ಸಾಬ್ ಇವರೇ ಪಾವತಿಸಿರುವುದರಿಂದ ಇದೊಂದು ವಿಶೇಷ ಪ್ರಕರಣವೆಂದು ಪರಿಗಣಿಸಿ ಸಮಿತಿಯು ಹಣ್ಣಿನ ಮಾರುಕಟ್ಟೆ ಪ್ರಾಂಗಣದಲ್ಲಿ ಮಹಬೂಬ್ ಪ್ರಾಂಟ್ಸ್ ಸಂಸ್ಥೆಗೆ ಹಂಚಿಕೆ ಮಾಡಲಾದ 30X50 ಅಡಿ ಅಳತೆಯ ನಿವೇಶನ ಸಂಖ್ಯೆ:02ನ್ನು ಶ್ರೀ ಮೊಹಮ್ಮದ್ ನವಾಜ್ ಬಿನ್ ಹೆಚ್ ಮಹಬೂಬ್ ಸಾಬ್ ಇವರ ಹೆಸರಿಗೆ ಹಂಚಿಕೆ ಮಾಡಬಹುದೆಂದು ಒಪ್ಪಿ ಈ ಕುರಿತು ಸಕ್ಷಮ ಪ್ರಾಧಿಕಾರದಿಂದ ಅನುಮತಿ ಪಡೆದು ಸೂಕ್ತ ಕ್ರಮಕೈಗೊಳ್ಳಲು ಸಮಿತಿ ಒಪ್ಪಿ ತೀರ್ಮಾನಿಸಲಾಗಿರುತ್ತದೆ".

14. Rule 18 of the Karnataka Agriculture Produce Marketing
(Regulation of Allotment of Property in Market Yards)
Rules, 2004 read as under:



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"18. Death of applicant.-(1) If the applicant dies before the allotment, his legal heirs at their option shall be entitled either to get refund of the deposit or allotment under these rules if they fulfill the requisite criteria.

(2) If the applicant dies after the allotment, his legal heirs at their option shall be entitled either to get refund of the amount paid towards allotment or for getting the agreement executed in accordance with these rules provided they fulfill the requisite criteria.

(3) If the legal heirs choose to get refund of the amount, the Market Committee shall refund the amount without any interest and it may make re-allotment subject to these rules."

15. Thus, as rightly pointed out by the learned counsel for the petitioner, it is not that the legal heir of an applicant would lose every/all rights upon the demise of the applicant. An applicant can be only one, who has been granted license under the applicable provisions of the Act and the Rules to carry on the trade in the notified commodities within the market yard. As such, there is an implicit and inherent recognition of relationship between the licensee/applicant and his legal heirs under the statute.

16. Thus, the facts of the case read in the light of the Rule 18 of the Rules, 2004 and the observation and the findings arrived at by the respondent No.3-Committee



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would indicate that there was no foul play or suppression of any facts or misleading except that petitioner not having applied for the issuance of licence in his name, which *bonafide* mistake has been accepted and condoned by the respondent No.3-Committee.

17. The respondent No.2-Director appears to have not accepted this recommendation. However, respondent No.2-Director, plainly reading into Rule 21 of the Rules, 2004 has taken these facts to constitute suppression of the material facts and proceeded to cancel the allotment.

Rule 21 of the Rules, 2004, reads as under:

"21. Misrepresentation or suppression of facts: *If the applicant seeking allotment under rule 3, 9, 13 or 14 furnishes false information or suppresses any material fact, the application for allotment shall be rejected and any allotment if made cancelled summarily, and the site, shop, shop-cum-godown or godown, weigh bridges, tea stalls, sundry shop or other building shall be resumed to the Market Committee. Rejection or cancellation under these circumstances shall render the applicant ineligible for allotment in future also. All the amount paid by such applicant shall be forfeited. The applicant shall also be liable for criminal prosecution.*

Provided that no decision or order shall be made unless the person likely to be affected thereby is given an opportunity of being heard."

18. Respondent No.2-Director ought to have taken a holistic approach of the matter taking into consideration of the



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report submitted by the respondent No.3-Committee, recommending allotment of the shop as there was no suppression of the fact except a bonafide mistake as noted above.

19. In view of the aforesaid provisions of the Rules, 2004, report of the respondent No.3-Committee and misapplication of Rule 21 of the Rules, 2004 by the respondent No.2-Director to the peculiar facts of the matter, this Court deems it appropriate to show indulgence. Accordingly, following:

ORDER

(i) Petition is ***allowed***.

(ii) The impugned orders dated 07.11.2022 as per Annexure-A passed by the respondent No.2-Director and dated 20.04.2022 as per Annexure-B passed by the respondent No.3-Committee is hereby quashed.



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(iii) Matter is remitted to respondent No.3-Committee to reconsider the case of the petitioner taking into consideration of the aforesaid facts and observations made and pass appropriate order within an outer limit of 90 days from the date of receipt of certified copy of this order.

(iv) No precipitative action shall be taken till passing of the order as directed.

**Sd/-
(M.G.S. KAMAL)
JUDGE**

RL
List No.: 1 SI No.: 39