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YOGESH TIWARI Digitally signed by YOGESH TIWARI Date: 2026.10.13 17:23:13 +0530

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HIGH COURT OF CHHATTISGARH AT BILASPUR

Order Reserved on : 21.08.2026

Order Delivered on : 06.10.2026

WPC No. 5598 of 2025

Radha Krishna Rice Mill Through Its Proprietor, Shri Mohan Agrawal, S/o Late Bhagirath Ji Agrawal, Aged About 71 Years, R/o Village - Paragaon, Tehsil Gobara-Nawapara, District - Raipur Chhattisgarh

--- **Petitioner**

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District - Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti Rajim Through Its Secretary, District - Gariaband, Chhattisgarh

3 - Krishi Upaj Mandi Samiti - Nawapara Through Its Secretary, District - Raipur Chhattisgarh

4 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director/ Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh

5 - Additional Director Joint Director-In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, Chhattisgarh

--- **Respondents**

WPC No. 5610 of 2025

Yash Parboiling Unit Through Its Proprietor, Shri Manmohan Agrawal, S/o Late Phoon Chand Agrawal, Aged Agbout 68 Years, R/o Ward No. 3, Gobara- Nawapara, District Raipur (C.G.)

---**Petitioner**

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District - Raipur (C.G.)

2 - Krishi Upaj Mandi Samiti- Rajim, Through Its Secretary, District - Gariaband (C.G.)

3 - Krishi Upaj Mandi Samiti- Nawapara, Through Its Secretary, District Raipur (C.G.)

4 - Chhattisgarh State Agricultural Marketing (Mandi) Board, Through Its Managing Director/ Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur (C.G.)

5 - Additional Director, Joint Director-In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri- Kanpa, Raipur (C.G.)

--- **Respondents**

WPC No. 5599 of 2025

Vaibhav Agrotech Pvt. Ltd. Through Its Authorised Signatory Shri Mukesh Agrawal, S/o Shri Prahlad Agrawal, Aged About 49 Years, R/o Fingeshwar Road, Rajim, District- Gariyaband, C.G.- 493889.

---**Petitioner**

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District Raipur C.G.

2 - Krishi Upaj Mandi Samiti-Rajim, Through Its Secretary, District-Gariaband C.G.

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board, Through Its Managing Director/additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, C.G.

4 - Additional Director, Joint Director-In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, C.G.

--- Respondents

WPC No. 5595 of 2025

Satnam Industries Through Its Partner, Shri Premchand Sundrani, S/o Late Shri Aadatmal Ji Sundrani, Aged About 71 Years, R/o Village-Paragaon, Tehsil- Gobara, Nawapara, District - Raipur, Chhattisgarh-493881.

---Petitioner

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District Raipur C.G.

2 - Krishi Upaj Mandi Samiti-Rajim, Through Its Secretary, District-Gariyaband C.G.

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board, Through Its Managing Director/additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, C.G.

4 - Additional Director, Joint Director-In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, C.G.

--- Respondents

WPC No. 5594 of 2025

Girdhar Gopal Rice Product Through Its Proprietor, Shri Nayan Agrawal, S/o Shri Gopal Agrawal, Aged About 40 Years, R/o Chhanta Road, Gobara Nawapara, District- Raipur, Chhattisgarh - 493881

---Petitioner

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District- Raipur, Chhattisgarh.

2 - Krishi Upaj Mandi Samiti Rajim, Through Its Secretary, District- Gariaband, Chhattisgarh.

3 - Krishi Upaj Mandi Samiti - Nawapara Through Its Secretary, District- Raipur, Chhattisgarh.

4 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director / Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh.

5 - Additional Director Joint Director - In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri- Kanpa, Raipur, Chhattisgarh.

--- **Respondents**

WPC No. 5602 of 2025

Gurudev Rice Mill Through Its Proprietor, Shri Gambhirmal Sankhala, S/o Late Daulatraj Ji Sankhala, Aged About 61 Years, R/o Village - Patharra, Tehsil - Rajim District - Gariyaband, Chhattisgarh

---**Petitioner**

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District - Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti - Rajim Through Its Secretary, District - Gariaband, Chhattisgarh

3 - Krishi Upaj Mandi Samiti - Nawapara Through Its Secretary, District - Raipur, Chhattisgarh

4 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director/ Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh

5 - Additional Director, Joint Director - In-Charge Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, Chhattisgarh

--- Respondents

WPC No. 5606 of 2025

Laddu Gopal Rice Mill Through Its Partner Shri Girdhari Agrawal, S/o Late Jhumuklal Ji Agrawal Aged About 64 Years R/o Village - Paragaon, Tehsil- Gobara, Nawapara, District Raipur C.G.- 493881.

---Petitioner

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District – Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti-Rajim, Through Its Secretary, District-Gariyaband, Chhattisgarh

3 - Krishi Upaj Mandi Samiti-Nawapara, Through Its Secretary, District Raipur, Chhattisgarh

4 - Chhattisgarh State Agricultural Marketing (Mandi) Board, Through Its Managing Director/additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh

5 - Additional Director, Joint Director-In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, Chhattisgarh

--- Respondents

WPC No. 5660 of 2025

Shivam Industries Through Its Proprietor, Shri Naveen Kumar Lalwani, S/o Shri Mahesh Lalwani, Aged About 39 Years R/o Village – Kurra, Tehsil - Gobara, Nawapara, District- Raipur Chhattisgarh - 493881

---Petitioner

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District - Raipur Chhattisgarh

2 - Krishi Upaj Mandi Samiti Nawapara Through Its Secretary, District- Raipur Chhattisgarh

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director/ Additional Managing Director, Beej Bhawan, G.E. Road Telibandha, Raipur Chhattisgarh

4 - Additional Director Joint Director - In – Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi First Floor, Pandri - Kanpa, Raipur, Chhattisgarh

--- **Respondents**

WPC No. 5605 of 2025

Shri Mohini Agrotech Through Its Partner, Shri Bhagwan Das Sundrani, S/o Late Sadoramal Ji Sundrani Aged About 54 Years, R/o Village- Gobara, Nawapara, District- Raipur, Chhattisgarh-493881

---**Petitioner**

Versus

1 - State Of Chhattisgarh Through Its Secretary Department of Agriculture Development and Farmers Welfare and Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District - Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti- Nawapara Through Its Secretary, District- Raipur, Chhattisgarh

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director / Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh

4 - Additional Director, Joint Director- In-Charge Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri- Kanpa, Raipur, Chhattisgarh

--- **Respondents**

WPC No. 5699 of 2025

Vikas Industries Through Its Partner, Shri Kishanchand Sankhala, S/o Late Daulatraj Ji Sankhala, Aged About 59 Years, R/o Village- Patharra, Tehsil- Rajim, District- Gariyaband, Chhattisgarh- 493889

---**Petitioner**

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department of Agriculture Development and Farmers Welfare and Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District – Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti- Rajim Through Its Secretary, District - Gariyabandh, Chhattisgarh

3 - Krishi Upaj Mandi Samiti- Nawapara Through Its Secretary, District - Raipur, Chhattisgarh

4 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director / Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh

5 - Additional Director Joint Director-In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, Chhattisgarh

--- **Respondents**

WPC No. 5730 of 2025

Sagri Agro Product Pvt. Ltd., Through Its Authorised Signatory, Shri Mukesh Agrawal, S/o Shri Prahlad Agrawal, Aged About 49 Years, R/o Village- Kurra, Tehsil- Gobara- Nawapara, District- Raipur, Chhattisgarh- 493881

---**Petitioner**

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District - Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti - Nawapara Through Its Secretary, District - Raipur, Chhattisgarh

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director / Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, District - Raipur, Chhattisgarh

4 - Additional Director Joint Director-In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, Chhattisgarh

--- **Respondents**

WPC No. 5722 of 2025

Sai Hanumant Industries Pvt. Ltd Through Its Authorised Signatory, Shri Sandeep Dhamejani, S/o Shri Nanak Ram Dhamejani, Aged About 42 Years, R/o Ghat Road, Village- Paragaon, Tehsil- Gobara Nawapara, District- Raipur, Chhattisgarh- 493881

---**Petitioner**

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District- Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti- Nawapara Through Its Secretary, District- Raipur, Chhattisgarh

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director/ Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh

4 - Additional Director Joint Director-In-Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri- Kanpa, Raipur, Chhattisgarh

--- **Respondents**

WPC No. 5697 of 2025

Shri Laxmi Paddy Processing Unit Through Its Proprietor, Shri Santosh Kumar Sundrani S/o Late Chandulal Ji Sundrani Aged About 56 Years,

R/o Village - Kurra Tehsil Gobara- Nawapara, District - Raipur Chhattisgarh - 493881

---Petitioner

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department of Agriculture Development and Farmers Welfare and Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District – Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti Rajim Through Its Secretary, District-Gariyaband , Chhattisgarh

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director/ Additional Managing Director, Beej Bhawan, G.E. Road Telibandha, Raipur Chhattisgarh

4 - Additional Director Joint Director-In-Charge Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi First Floor, Pandri - Kanpa, Raipur Chhattisgarh

--- Respondents

WPC No. 5636 of 2025

Baanke Bihari Rice Mill Through- Its Proprietor Shri Prateek Agrawal, S/o Late Shri Girdhar Agrawal Aged About 39 Years, R/o Village - Kurra, Tehsil- Gobara-Nawapara, District- Raipur Chhattisgarh- 493881.

---Petitioner

Versus

1 - State Of Chhattisgarh Through- Its Secretary Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur Atal Nagar, District- Raipur, Chhattisgarh.

2 - Krishi Upaj Mandi Samiti Rajim Through- Its Secretary, District-Gariyaband, Chhattisgarh.

3 - Krishi Upaj Mandi Samiti Nawapara Through- Its Secretary, District-Raipur, Chhattisgarh.

4 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through- Its Managing Director/Additional Managing Director, Beej Bhawan, G.E. Road Telibandha, Raipur Chhattisgarh.

5 - Additional Director Joint Director - In – Charge, Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Officer, New Ganj Mandi First Floor, Pandri-Kanpa, Raipur, Chhattisgarh,

--- Respondents

WPC No. 5753 of 2025

Shri Ganesh Rice Mill Through Its Partner, Shri Prakash Chand Bothra, S/o Late Ranulal Ji Bothra, Aged About 74 Years, R/o Village – Tarri, P.O. Patewa, Tehsil - Gobara-Nawapara, District - Raipur, Chhattisgarh - 493881

---Petitioner

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District - Raipur, Chhattisgarh

2 - Krishi Upaj Mandi Samiti - Nawapara Through Its Secretary, District - Raipur, Chhattisgarh

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board Through Its Managing Director/ Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh

4 - Additional Director, Joint Director - In-Charge Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, Chhattisgarh

--- Respondents

WPC No. 5786 of 2025

Vijay And Co., Through Its Proprietor, Shri Vijay Agrawal, S/o Late Shri Harishchandra, Aged About 62 Years, R/o Village- Kurra, Tehsil- Gobara- Nawapara, District- Raipur, Chhattisgarh - 493881

---Petitioner

Versus

1 - State Of Chhattisgarh Through Its Secretary, Department Of Agriculture Development And Farmers Welfare And Bio Technology, Mahanadi Bhawan, Nawa Raipur, Atal Nagar, District- Raipur, Chhattisgarh.

2 - Krishi Upaj Mandi Samiti Nawapara, Through Its Secretary, District-Raipur, Chhattisgarh.

3 - Chhattisgarh State Agricultural Marketing (Mandi) Board Though Its Managing Director/ Additional Managing Director, Beej Bhawan, G.E. Road, Telibandha, Raipur, Chhattisgarh.

4 - Additional Director, Joint Director-In-Charge Chhattisgarh State Agricultural Marketing (Mandi) Board, Regional Office, New Ganj Mandi, First Floor, Pandri-Kanpa, Raipur, Chhattisgarh.

--- Respondents

(Cause-title taken from Case Information System)

For Petitioners	**:**	Mr. Ankit Singhal, Advocate
For State	**:**	Dr. Arham Siddiqui, Panel Lawyer
For Respective Respondents	**:**	Mr. Amrito Das, Senior Advocate assisted by Mr. Shreyansh Mehta, Advocate as well as Mr. Navoday Singh, Advocate

Hon'ble Shri Amitendra Kishore Prasad, Judge

CAV Order

1. Heard Mr. Ankit Singhal, learned counsel appearing for the petitioners as well as Dr. Arham Siddiqui, learned Panel Lawyer, appearing for the State, and Mr. Amrito Das, learned Senior Counsel assisted by Mr. Shreyansh Mehta, learned counsel as also Mr. Navoday Singh, learned counsel appearing for the respective respondents.

2. The present batch comprises sixteen writ petitions, wherein the petitioners have called in question the legality, propriety and validity of the common order dated 10.09.2025 passed by the Chhattisgarh State Agricultural Marketing (Mandi) Board/competent authority, whereby their respective claims for refund/adjustment of the excess market fee/*mandi shulk* and Farmers' Welfare Fee paid during the period to which the exemption notification dated 29.07.2022 was made retrospectively applicable have been rejected.

3. Since all the writ petitions arise out of the same controversy, involve substantially identical questions of law and fact, and the impugned orders in all the matters are founded upon the same reasoning, the petitions have been clubbed together, heard analogously and are being decided by this common order.

4. The grievance raised by the petitioners in all the matters is essentially common, namely, that being rice millers and not traders, they were entitled to the benefit of the exemption/reduced rate of market fee and Farmers' Welfare Fee prescribed by the notification dated 29.07.2022 with retrospective effect, and that the excess amount collected from them for the period covered by the said notification was liable to be refunded or, in the alternative, adjusted against their future liability. The petitioners further contend that the rejection of their claims on the premise that they had passed on the burden of the market fee to their consumers is

based upon an erroneous assumption and is contrary to the material placed by them before the authority.

5. Since the controversy involved in all the writ petitions is common and the pleadings and documents placed on record are substantially similar, for the sake of convenience and to avoid repetition, the facts of ***W.P.(C) No. 5598 of 2025, Radha Krishna Rice Mill v. State of Chhattisgarh & Others*** are being taken as the lead matter. The findings recorded in the present common order shall, therefore, govern all the connected writ petitions, subject to the individual figures, periods and amounts claimed by the respective petitioners. The principal grievance of all the petitioners is that they are rice millers engaged in the business of purchasing paddy, processing/milling the same and thereafter selling the resultant rice in the open market, and are not traders carrying on the business of purchase and resale of agricultural produce in the ordinary course.

6. According to the petitioners, the paddy purchased by them from the Krishi Upaj Mandi is procured for the specific purpose of processing/milling in their respective rice mills and, therefore, they fall within the class of rice millers for whose benefit the reduced rate of market fee and Farmers' Welfare Fee was subsequently notified by the State Government.

7. The case of the petitioners is that the purchase and sale of agricultural produce within the market area are regulated by the

provisions of the Chhattisgarh Krishi Upaj Mandi Adhiniyam, 1972 (hereinafter referred to as "the Act of 1972"). Under the statutory scheme, the Krishi Upaj Mandi Samiti regulates and facilitates transactions in agricultural produce within the market area and is empowered to levy the prescribed market fee/mandi shulk and other charges in accordance with the provisions of the Act and the notifications issued thereunder. In exercise of the powers conferred by Section 19 of the Act of 1972, the State Government issued notification dated 30.11.2021, whereby the market fee/mandi shulk was prescribed at the rate of Rs.3/- for every Rs.100/- of the value of the agricultural produce, while the Farmers' Welfare Fee was prescribed at the rate of Rs.2/- for every Rs.100/-. The said rates were made applicable prospectively with effect from 01.12.2021. It is not in dispute that, pursuant to the said notification and during the period when the aforesaid rates were operative, the petitioners duly discharged the market fee/mandi shulk and Farmers' Welfare Fee as demanded by the respective Mandi authorities in respect of their transactions of purchase of paddy.

8. The petitioners further submit that the statutory position underwent a material change with the issuance of the notification dated 29.07.2022, whereby, in exercise of the power available to the State Government under Section 69 of the Act of 1972, the earlier levy was modified and the market fee/mandi shulk was reduced to Rs.1/- for every Rs.100/- of the value of the agricultural

produce, and the Farmers' Welfare Fee was also reduced to Rs.1/- for every Rs.100/-. Significantly, the benefit of the said notification was made available retrospectively for the period commencing from 01.04.2022 and continuing up to 31.03.2023, and, according to the petitioners, the reduced rate was specifically intended to extend the benefit to rice millers purchasing paddy from the Mandi for the purpose of processing/manufacturing the same. Thus, according to the petitioners, although they had initially paid market fee and Farmers' Welfare Fee at the rates prevailing prior to the notification dated 29.07.2022, the subsequent retrospective operation of the notification entitled them to claim refund or adjustment of the differential amount paid by them for the period covered by the retrospective exemption/reduction.

9. It is the further case of the petitioners that, being directly covered by the class of beneficiaries contemplated under the notification dated 29.07.2022, they approached the respective Mandi authorities and sought refund/adjustment of the excess amount of market fee/mandi shulk and Farmers' Welfare Fee already paid by them for the period commencing from 01.04.2022. The respective authorities, however, declined to grant such refund or adjustment. By communications issued in the year 2022, including letters dated 29.09.2022 and 13.10.2022, the petitioners were informed that, in view of the instructions received by the authorities, the excess market fee and Farmers' Welfare Fee could neither be

refunded nor adjusted on the ground that the petitioners were presumed to have already recovered the said amount from their respective end consumers. The petitioners disputed the aforesaid reasoning, contending that the assumption that the burden of the market fee had been passed on to their consumers was factually incorrect and had been arrived at without examining their books of accounts, invoices, sale bills and other relevant financial material. In the lead matter, the petitioner specifically claimed refund/adjustment of the differential amount, including Rs.5,85,549/- towards excess market fee/mandi shulk and Rs.2,92,774/- towards excess Farmers' Welfare Fee for the relevant period.

10. Aggrieved by the rejection of their respective claims, the petitioners initially approached this Court by filing separate writ petitions. In the lead matter also, the petitioner had instituted W.P. (C) No.43 of 2023, challenging the action of the authorities in refusing to refund/adjust the excess amount paid towards market fee and Farmers' Welfare Fee. Similar writ petitions were filed by the other rice millers raising the same grievance. All those petitions were considered together and were disposed of by a common order dated 16.01.2025. This Court, while examining the rejection of the petitioners' claims, found that the claims had been rejected essentially on the assumption that the petitioners had shifted the burden of payment of the market fee to their consumers. The orders were consequently quashed and the

competent authority was directed to reconsider the claims afresh, after affording adequate opportunity of hearing to the petitioners and after examining, in particular, the factual question as to whether the petitioners had actually collected the market fee/mandi shulk and the corresponding Farmers' Welfare Fee from their respective customers. Thus, the matter was remitted for a fresh determination on the specific issue of passing on the burden, rather than permitting the authorities to reject the claim merely on the basis of a presumption.

11. Pursuant to the aforesaid order dated 16.01.2025, the competent authority initiated fresh proceedings. By communication dated 14.02.2025, the petitioner in the lead matter was called upon to furnish relevant financial and accounting material, including audit reports, financial statements, balance sheets, sale invoices and other documents, so as to enable the authority to ascertain whether the burden of the market fee and Farmers' Welfare Fee had in fact been passed on to the consumers. The petitioner duly participated in the proceedings and submitted the relevant statement of accounts, balance sheets, invoices and other supporting documents, including bills raised upon its customers before and after the issuance of the notification dated 29.07.2022. The specific case of the petitioner was that there was no separate component of mandi fee/market fee charged or recovered from its customers and that the amount paid by it to the Mandi authorities could not, merely because it was reflected in its books of account

as an expenditure, be treated as an amount recovered from the consumers.

12. A personal hearing was thereafter afforded to the petitioner on 22.07.2025, which was attended by the petitioner and its authorised representative. During the course of hearing, the petitioner reiterated that, under the statutory scheme governing market fee, it had no authority to levy or separately recover mandi fee from its consumers and that the market fee paid by it to the Mandi authorities was its own statutory liability in respect of the purchase transaction. The petitioner further submitted that the invoices and other contemporaneous documents produced before the authority demonstrated that there was no corresponding increase in the sale price or any separate recovery from the consumers representing the market fee or Farmers' Welfare Fee. It was, therefore, contended that the mere accounting treatment of the amount as an expenditure in the profit and loss account could not establish that the burden had been passed on to the consumers. The petitioner also relied upon the documentary material produced pursuant to the direction of this Court and submitted that the test directed to be examined by the earlier order dated 16.01.2025 was required to be determined on the basis of actual evidence and not on conjecture or presumption.

13. Notwithstanding the aforesaid material placed on record and the specific opportunity afforded pursuant to the order of this Court,

the competent authority, by the common impugned order dated 10.09.2025, rejected the claims of the petitioners. In substance, the authority concluded that the petitioners had failed to establish that the burden of the market fee/mandi shulk had not ultimately been passed on to their respective consumers. In arriving at such conclusion, reliance was placed, inter alia, upon the audit reports and the manner in which the market fee was reflected in the books of account of the petitioners as an expenditure in the profit and loss account. From such accounting treatment, the authority proceeded to infer that the amount paid towards market fee had ultimately formed part of the cost of the goods and, consequently, that the burden stood shifted to the end consumers. The petitioners assail the said conclusion as being contrary to the documentary evidence available on record, as well as contrary to the specific issue for which the matter had been remanded by this Court. According to them, the impugned order proceeds on an erroneous understanding of the distinction between incurring a statutory levy as a business expenditure and actually passing on the burden of such levy to the consumer, and therefore suffers from perversity, non-application of mind and failure to properly appreciate the material placed before the authority.

14. The principal reliefs sought in the lead petition, i.e. W.P.(C) No.5598 of 2025, are as follows:

> *“10.1 That this Hon'ble Court may kindly be pleased to pass any appropriate writ, order or*

direction to quash and set aside the impugned order dated 10.09.2025, being perverse, illegal and without application of mind, in the interest of justice;

10.2 That this Hon'ble Court may kindly be pleased to pass any appropriate writ, order or direction and direct Respondent Nos.2 and 3 to refund the excess market fee/mandi shulk and Farmers' Welfare Fee paid by the petitioner for the period from 01.04.2022 to 29.07.2022; or, in the alternative;

10.3 That this Hon'ble Court may kindly be pleased to pass any appropriate writ, order or direction and direct Respondent Nos.2 and 3 to adjust the excess market fee/mandi shulk and Farmers' Welfare Fee paid by the petitioner for the period from 01.04.2022 to 29.07.2022 with future transactions;

10.4 Any other relief or reliefs which this Hon'ble Court may deem fit and proper in view of the facts and circumstances of the case, may also kindly be granted."

15. The aforesaid factual narration in the lead petition substantially represents the grievance raised in all the connected writ petitions. Though the respective petitioners have claimed different amounts and the precise period and quantum of excess market fee/Farmers' Welfare Fee may vary from case to case, the foundation of their claims is identical. All the petitioners assert that they are rice millers and not traders, that the paddy purchased by

them from the Mandi was procured for the purpose of processing/milling, that they were covered by the class of beneficiaries contemplated under the notification dated 29.07.2022, and that, owing to the retrospective operation of the said notification from 01.04.2022, they became entitled to the benefit of the reduced rate and consequently to refund or adjustment of the differential amount already paid. All the petitioners further contend that their respective claims were initially rejected on the same premise that the burden had been passed on to the consumers; that such rejection was set aside by this Court by order dated 16.01.2025 with a direction to undertake a fresh factual determination; that the petitioners thereafter produced their financial records, invoices, statements and other relevant documents and were afforded an opportunity of hearing; and that, despite the same, the competent authority has again rejected their claims by the common order dated 10.09.2025 substantially on the basis of the accounting treatment of the market fee as an expenditure. It is in this backdrop that all the sixteen writ petitions have been heard together, as they raise common questions concerning the entitlement of the petitioners to the benefit of the notification dated 29.07.2022 and the legality of the reasoning adopted by the authority while rejecting their claims for refund/adjustment.

16. Mr. Ankit Singhal, learned counsel appearing for the petitioners in all the writ petitions, at the outset, submits that the controversy

involved in the present batch of writ petitions is required to be examined in the backdrop of the statutory scheme of the Act of 1972 and, in particular, the distinction between the power of the Market Committee to levy market fee under Section 19 of the Act of 1972 and the power of the State Government to grant exemption, wholly or partly, from payment of such market fee under Section 69 thereof. Learned counsel submits that the notification dated 29.07.2022 was not merely a fresh charging notification but was specifically issued in exercise of the statutory power of exemption conferred upon the State Government under Section 69 of the Act of 1972. According to him, the said notification was issued for the benefit of a particular and identifiable class, namely, rice millers, and the petitioners admittedly fall within the very class for whose benefit the exemption was introduced. It is submitted that the notification dated 29.07.2022 reduced the market fee to Rs.1/- for every Rs.100/- and the Farmers' Welfare Fee to Rs.1/- for every Rs.100/-, and, significantly, gave such benefit retrospective effect from 01.04.2022. Learned counsel, therefore, submits that once the State Government, in exercise of its statutory power, extended the benefit of reduced levy to rice millers with retrospective effect, the authorities administering the Mandi legislation could not defeat, dilute or nullify such benefit by refusing to refund or adjust the excess amount already collected from the petitioners.

17. Learned counsel further submits that the earlier notification dated

30.11.2021 had been issued under Section 19 of the Act of 1972, pursuant to which the market fee payable in respect of transactions in agricultural produce was prescribed at the rate of Rs.3/- for every Rs.100/- of the value of the produce and the Farmers' Welfare Fee at Rs.2/- for every Rs.100/-. The petitioners, being purchasers of paddy from the Mandi for the purpose of milling and processing, duly discharged the levy demanded by the concerned Market Committees. However, subsequently, the State Government exercised its statutory power under Section 69 and issued the notification dated 29.07.2022 granting exemption/reduction in the levy to the specified category of rice millers and made the notification operative retrospectively from 01.04.2022. It is submitted that the retrospective operation of the notification necessarily has to be given full effect. If the excess amount already collected for the period from 01.04.2022 onwards is permitted to be retained by the Market Committee, the very purpose of granting retrospective benefit would stand frustrated. Learned counsel submits that the Market Committee, which is merely an authority administering the levy, cannot claim a power superior to that of the State Government which has exercised its statutory power under Section 69 to grant exemption.

18. Learned counsel submits that the statutory scheme does not confer any discretion upon the Market Committee to withhold the benefit of an exemption validly granted by the State Government. According to him, once the State Government has reduced or

exempted the levy for a specified class and for a specified period, the Market Committee is bound to give effect to the same. The Market Committee cannot continue to retain an amount which, after the retrospective notification, is no longer legally recoverable at the earlier rate. It is argued that the excess amount collected from the petitioners represents an amount which has been paid under the earlier rate but has subsequently become refundable/adjustable by virtue of the retrospective exemption. Learned counsel submits that permitting the Market Committee to retain such excess amount, despite the State Government having consciously extended the benefit retrospectively, would amount to defeating the statutory notification itself and would result in unjust enrichment of the Market Committee at the expense of the petitioners. According to learned counsel, the market fee paid by the petitioners remains with the Market Committee and forms part of the funds administered under the statutory scheme; therefore, there is no justification for permitting the authorities to retain an amount which, on account of the subsequent retrospective exemption, is not legally payable at the rate at which it was originally collected.

19. In support of his submission that an exemption notification has to be interpreted in a manner which advances rather than defeats the object for which it was issued, learned counsel places reliance upon the judgment of the Hon'ble Supreme Court in ***Collector of Central Excise & Others v. Himalayan Cooperative Milk***

Product Union Ltd. & Others, (2000) 8 SCC 642. Referring to the said decision, learned counsel submits that where the Government grants exemption or other statutory benefit in exercise of its delegated statutory power, such exemption ordinarily represents a conscious policy decision intended to confer a benefit upon a particular class or to achieve a particular object. The authority administering the provision cannot adopt an interpretation which, while technically referring to the language of the notification, defeats the purpose for which the notification was issued. According to learned counsel, the principle laid down by the Hon'ble Supreme Court squarely applies in the present case because the notification dated 29.07.2022 was consciously issued for the benefit of rice millers and was given retrospective effect from 01.04.2022. The interpretation adopted by the respondents, if accepted, would deprive precisely those persons for whose benefit the notification was issued and would thereby render the retrospective component of the notification wholly ineffective.

20. Learned counsel next places reliance upon the judgment of the Hon'ble Supreme Court in ***Corporation Bank v. Saraswati Abharansala & Another, (2009) 1 SCC 540***, and submits that where a notification conferring a benefit has been given retrospective operation, its provisions must necessarily be construed having regard to the purpose and object sought to be achieved by the notification. It is submitted that the principle of purposive construction assumes particular significance in the

present case because the State Government itself consciously selected 01.04.2022 as the commencement date of the reduced levy, notwithstanding the fact that the notification was issued on 29.07.2022. Learned counsel submits that if the excess amount collected between 01.04.2022 and 29.07.2022 is not refunded or adjusted, the retrospective operation granted by the State Government would become illusory. The petitioners would be deprived of the very benefit which the State Government intended to confer upon them. According to learned counsel, a construction which renders a statutory benefit nugatory or produces an unreasonable result has to be avoided. He, therefore, submits that the retrospective notification must be given meaningful and effective operation, which necessarily entails refund or adjustment of the differential market fee and Farmers' Welfare Fee already paid by the petitioners for the period covered by the notification.

21. Learned counsel further submits that there is no plausible explanation in the pleadings of the respondents as to why the notification dated 29.07.2022 was made retrospectively operative from 01.04.2022. It is contended that during the course of hearing, an attempt was made on behalf of the Mandi Board to explain the retrospective operation by submitting that 01.04.2022 was chosen because it marks the commencement of the financial year. Learned counsel submits that such an explanation is neither pleaded in the return nor supported by any material placed before this Court. More importantly, according to him, the previous

charging notification dated 30.11.2021 had itself been issued during the middle of a financial year and was made operative from 01.12.2021. Therefore, the explanation that the retrospective date was selected merely because 01.04.2022 constituted the beginning of the financial year does not, according to learned counsel, satisfactorily explain the legislative or administrative object behind the notification. It is submitted that the Court must instead ascertain the substantive object of the notification, which was to extend the reduced levy to rice millers for the specified period, and the notification must consequently be interpreted so as to give full effect to that object.

22. Learned counsel also places reliance upon the judgment of the Hon'ble Supreme Court in ***Coastal Paper Limited v. Commissioner of Central Excise, Visakhapatnam, (2015) 10 SCC 664***, to contend that while interpreting an exemption notification, the Court is required to examine not merely the words used therein but also the objective and purpose for which the notification has been issued. It is submitted that the provisions of an exemption notification are required to be read harmoniously so as to advance and not defeat the object sought to be achieved. Applying the aforesaid principle to the present case, learned counsel submits that the notification dated 29.07.2022 clearly identifies the class intended to receive the benefit, namely rice millers, and consciously extends the benefit retrospectively. Therefore, the respondents cannot adopt an interpretation under

which the petitioners, though admittedly falling within the beneficiary class, are deprived of the benefit for the very period for which the State Government intended the benefit to operate. Learned counsel submits that once the State Government has consciously reduced the market fee for the relevant period, the differential amount collected at the earlier rate cannot legally be retained by the Market Committee and must necessarily follow the statutory benefit granted by the State Government.

23. Learned counsel then turns to the principal reason assigned by the respondents for denying refund, namely, the alleged passing on of the burden of market fee to the end consumers. He submits that the entire basis of the impugned order is fundamentally erroneous because the petitioners, under the Act of 1972, have neither the statutory authority nor the legal mechanism to levy or separately recover market fee from their customers. According to learned counsel, the liability to pay market fee arises under the statutory scheme in respect of the specified transaction in the market area and is to be discharged to the Market Committee in the manner prescribed by the Act. The petitioners cannot, merely because they have incurred a statutory liability towards the Market Committee, be presumed to have separately recovered such amount from their customers. Learned counsel submits that the principle of unjust enrichment can operate only where the person seeking refund has actually passed on the burden of the levy to another person. Mere payment of a statutory levy by the

petitioners and its reflection as an expenditure in their books of account cannot, by itself, establish such passing on of burden.

24. Elaborating the aforesaid submission, learned counsel submits that Section 19 of the Act of 1972 places the statutory obligation in relation to market fee upon the concerned transaction and provides the mechanism by which the Market Committee is entitled to collect the fee. The petitioner, being the purchaser of paddy in the market area, pays the market fee to the Market Committee in accordance with the statutory scheme. There is no provision in the Act which authorises the petitioner, after purchasing paddy, to levy a separate amount described as market fee upon the person to whom the processed rice is subsequently sold, particularly when such subsequent sale takes place outside the market area. It is argued that the statutory levy cannot be equated with an indirect tax such as GST, where the statute expressly permits the supplier to collect the tax component from the recipient and thereafter deposit the same with the Government. In the case of market fee under the Act of 1972, the petitioners submit that no such statutory authority exists. Consequently, the mere fact that the petitioner has incurred market fee as a business expenditure cannot lead to the conclusion that the same amount has been collected from the ultimate consumer.

25. Learned counsel further submits that the statutory scheme does

not contemplate multiple points of levy of market fee in respect of the same agricultural produce and the same transaction chain within the same market area. Once the prescribed market fee has been paid at the stage contemplated by the statute, the same levy cannot again be imposed upon the processed product merely because the original agricultural produce has undergone processing. To buttress the submission, learned counsel places reliance upon the judgment of the Hon'ble Supreme Court in ***Ram Chandra Kailash Kumar & Company & Others v. State of U.P. & Another, 1980 (Supp) SCC 27***, wherein the Hon'ble Supreme Court examined the question of levy of market fee in a series of transactions and held that there cannot be a multi-point levy of market fee in the same market area. Learned counsel submits that the principle laid down therein assumes significance in the present case because both paddy and rice may be covered by the relevant statutory scheme, but the market fee cannot be levied repeatedly upon the same agricultural produce and the product manufactured therefrom merely because the produce has passed through different stages of processing and sale. According to learned counsel, the statutory scheme contemplates levy at the prescribed point and does not authorise the petitioner to recover the same levy again from its customers.

26. Learned counsel submits that the reasoning adopted by the authority from the balance sheet and profit and loss account of the petitioner is wholly misconceived. According to him, the authority

has noticed that the petitioner has shown the market fee/mandi fee as an expenditure in its accounts and has, on that basis, inferred that the petitioner must have recovered the same from its consumers. Learned counsel submits that the inference is precisely the opposite of what the accounting entry demonstrates. If the market fee has been shown as an expenditure incurred by the petitioner, it demonstrates that the petitioner has borne the statutory liability as a cost of its business. Such accounting treatment, by itself, cannot establish that the same amount was separately recovered from the consumers. Learned counsel submits that the authority was required to examine the actual sale invoices and other transactional records to ascertain whether the petitioner had in fact charged or collected any amount towards market fee from its customers, rather than drawing an inference merely from the manner in which the expenditure was recorded in the books.

27. It is further submitted by learned counsel that the petitioner had specifically placed before the competent authority its invoices, bills, balance sheets, audit reports, financial statements and statements of accounts, including documents relating to transactions before and after the issuance of the notification dated 29.07.2022. According to learned counsel, a scrutiny of the invoices would demonstrate that no separate component towards mandi fee/market fee or Farmers' Welfare Fee was charged from the end consumers. It is argued that the competent authority itself

examined the invoices but failed to give due consideration to the fact that the invoices did not disclose any separate recovery of market fee from the consumers. The impugned order, therefore, suffers from non-consideration of relevant material and proceeds upon an inference which is unsupported by the documents actually produced by the petitioner. Learned counsel submits that once the petitioner had produced the primary documents which could demonstrate whether the levy had been passed on, the authority was required to record a specific finding based upon those documents and could not reject the claim merely by relying upon an accounting entry.

28. Learned counsel also disputes the submission of the respondents that the market fee paid by the petitioner necessarily forms part of the ultimate sale price of the rice. According to him, the sale price of rice is determined by various market factors, including demand and supply, prevailing market conditions and other commercial considerations, and there is no basis for presuming that every expenditure incurred by a rice miller automatically becomes a separately recoverable component of the sale price. The mere fact that the petitioner has incurred market fee as an expenditure cannot establish that the petitioner has recovered an identical amount from the purchaser. Learned counsel submits that actual passing on of the burden has to be established by evidence and cannot be presumed merely because the levy constitutes one of the business expenses incurred by the petitioner.

29. Learned counsel further contends that the very nature of the market fee distinguishes the present case from cases involving indirect taxation. According to him, the respondents themselves have admitted that market fee is a fee and not a tax. Once its character as a fee is accepted, the authorities cannot mechanically apply principles applicable to an indirect tax without examining the statutory mechanism governing the particular levy. Learned counsel submits that an indirect tax such as GST is ordinarily structured so as to permit collection from the ultimate consumer, whereas the market fee under the Act of 1972 is imposed and collected at the statutorily prescribed stage of the transaction. The market fee is not a tax component which the petitioner is statutorily authorised to add to its sale invoice and recover from the consumer. It is, therefore, submitted that the concept of "passing on" cannot be imported into the present case merely by treating market fee as an indirect tax.

30. Learned counsel submits that, in any event, the petitioners have discharged the burden cast upon them by producing all relevant material before the authority. The petitioners were specifically called upon to establish that they had not passed on the burden of the market fee to their consumers, and in response thereto they produced their audit reports, balance sheets, financial statements, statements of accounts and sale invoices. According to learned counsel, these documents constitute the best available evidence for determining whether any separate amount was actually

collected from the consumers. None of the documents produced by the petitioners records any separate recovery of mandi fee from their customers. On the contrary, the accounting records show the market fee as an expenditure incurred by the petitioners. Learned counsel submits that the authority has effectively required the petitioners to prove a negative, namely, to prove that they had not recovered an amount from their consumers, despite the fact that the invoices and financial records themselves do not disclose any such recovery. The absence of any separate levy or collection in the invoices, coupled with the accounting treatment of the amount as expenditure, according to learned counsel, clearly negatives the allegation of unjust enrichment.

31. Learned counsel finally addresses the reliance placed by the Market Committee upon the decision of the co-ordinate Bench of this Court in ***Shree Sita Agro Foods Pvt. Ltd. v. State of Chhattisgarh & Others, W.P.(C) No.1639 of 2012 decided on 21.03.2014,*** and submits that the said decision is clearly distinguishable on facts and cannot govern the controversy involved in the present batch. According to learned counsel, in ***Shree Sita Agro Foods Pvt. Ltd.*** (supra), the petitioner was a trader engaged in the purchase and sale of agricultural produce within the market area, whereas the petitioners in the present batch are admittedly rice millers who purchase paddy from the market for the purpose of processing/milling it into rice. The nature of the business activity and the statutory context are,

therefore, materially different. Learned counsel further submits that the scope and interplay of Sections 19 and 69 of the Act of 1972, particularly in the context of the specific exemption notification dated 29.07.2022 issued for rice millers and given retrospective operation, were not the questions under consideration in the said decision. It is further submitted by learned counsel that the decision in ***Shree Sita Agro Foods Pvt. Ltd.*** (supra) cannot be mechanically applied for another reason, namely, that the nature of the levy and the question of passing on of the burden have been considered by the respondents on an assumption that the market fee operates in the same manner as an indirect tax. According to learned counsel, the present petitioners have specifically demonstrated from the statutory scheme that market fee is a fee payable at the prescribed point of transaction and that the Act does not confer upon the petitioners any authority to collect the same from their consumers. Therefore, the factual and statutory foundation upon which the respondents seek to rely upon ***Shree Sita Agro Foods Pvt. Ltd.*** (supra) is absent in the present case. Learned counsel submits that the said judgment, therefore, cannot be treated as an authority for denying the petitioners the benefit of the retrospective exemption notification dated 29.07.2022. He has also placed reliance upon the order passed by Co-ordinate Bench of this Court in ***Yash Parboiling Unit v. State of Chhattisgarh in W.P.(C) No.5871/2022 and analogous cases, decided on 16.01.2025,*** to

buttress his submissions.

32. In conclusion, learned counsel submits that the common impugned order dated 10.09.2025 is liable to be set aside as being contrary to the statutory scheme, the retrospective exemption notification dated 29.07.2022, the material produced by the petitioners and the directions contained in the earlier order dated 16.01.2025. According to learned counsel, the competent authority, instead of undertaking an objective examination of whether the petitioners had actually passed on the burden of market fee to their customers, has proceeded upon an erroneous presumption based principally upon the accounting treatment of the levy as an expenditure. Such an approach, according to him, defeats the very purpose of the remand order as well as the retrospective benefit consciously granted by the State Government. He, therefore, submits that all the writ petitions deserve to be allowed, the impugned common order dated 10.09.2025 deserves to be quashed and set aside, and the concerned authorities be directed to refund the excess market fee/mandi shulk and Farmers' Welfare Fee paid by the respective petitioners for the period covered by the retrospective operation of the notification dated 29.07.2022, or, in the alternative, to adjust the said excess amount against their future transactions.

33. On the other hand, Dr. Arham Siddiqui, learned Panel Lawyer appearing for the State, submits that the State Government is only

a formal party to the present proceedings and that the actual controversy pertains to the claim of the petitioners for refund/adjustment of the market fee and Farmers' Welfare Fee collected by the concerned Mandi authorities. He submits that the impugned order has been passed by the competent authority of the Mandi Board upon consideration of the material placed by the respective petitioners and, therefore, the State has no separate or independent role in determining the individual claims of refund raised by the petitioners. It is further submitted that the State Government has already issued the notification dated 29.07.2022 in exercise of its statutory powers, and the consequential issue as to whether the petitioners are entitled to refund or adjustment of the amount allegedly paid in excess is essentially a matter between the petitioners and the concerned Mandi authorities. He, therefore, submits that the State has no objection to the matter being considered by this Court in accordance with law and in the light of the statutory provisions and the notification issued by the State Government. It is submitted that the State does not seek to advance any independent defence with regard to the individual computation or entitlement of the petitioners, as the same falls within the domain of the concerned Mandi authorities.

34. Mr. Amrito Das, learned Senior Counsel, assisted by Mr. Shreyansh Mehta, learned counsel appearing for the Chhattisgarh State Agricultural Marketing (Mandi) Board, opposing the writ petitions, submits that the challenge laid by the petitioners to the

common order dated 10.09.2025 is wholly misconceived and that no ground is made out for exercise of the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India. Learned Senior Counsel submits that the impugned order has not been passed mechanically or without affording an opportunity to the petitioners. On the contrary, pursuant to the earlier order dated 16.01.2025 passed by this Court, the competent authority afforded full opportunity to the petitioners to substantiate their claim that the incidence of market fee and Farmers' Welfare Fee had not been passed on to their respective end consumers or traders. The petitioners were specifically called upon to produce their audit reports, financial statements, balance sheets, invoices, statements of accounts and other relevant material. Thereafter, a personal hearing was also afforded to them, wherein they were permitted to explain their case and place their documents and submissions before the authority. It is, therefore, submitted that the impugned order is the result of a fresh consideration undertaken in compliance with the directions issued by this Court and cannot be characterized as an order passed in violation of the principles of natural justice.

35. Learned Senior Counsel submits that the real controversy in the present batch is not as to whether the petitioners fall within the class of rice millers covered by the notification dated 29.07.2022, but as to whether, having claimed refund of the amount of market fee and Farmers' Welfare Fee already paid by them, they have

established that the economic burden of such levy was actually borne by them and was not ultimately recovered from their customers. According to learned Senior Counsel, the notification dated 29.07.2022 cannot be construed as conferring an automatic and unconditional right of refund upon every rice miller who had earlier paid market fee at the higher rate. The claim for refund necessarily has to be examined in the context of the settled principle that a person cannot obtain restitution of a levy if he has already passed on its incidence to another person. Learned Senior Counsel submits that the authority, therefore, rightly examined the financial records of the petitioners to determine whether the burden of the levy had been incorporated into the cost structure and sale price of the goods. It is argued that the petitioners cannot simultaneously contend that the market fee constituted part of their business expenditure for the purpose of accounting and computation of profit and, at the same time, contend that such expenditure had no bearing whatsoever upon the price at which the finished product was ultimately sold. According to learned Senior Counsel, the financial records produced by the petitioners themselves furnished the basis for the conclusion reached by the competent authority.

36. Learned Senior Counsel further submits that the audit reports and financial statements produced by the petitioners constitute material evidence against their own claim. It is pointed out that the petitioners have admittedly shown the market fee and Farmers'

Welfare Fee as expenditure in their books of account while arriving at the gross profit/net profit from the business. According to learned Senior Counsel, once a statutory levy is treated as a component of the cost incurred in acquiring the raw material and such cost is taken into account while determining the profitability and pricing of the finished product, it cannot be said, as an absolute proposition, that the burden of the levy has necessarily remained upon the assessee or purchaser who initially paid it. Learned Senior Counsel submits that the economic incidence of a levy has to be determined from the overall financial transaction and not merely from the nomenclature used in an invoice. The absence of a separate line item describing "market fee" in the sale invoice does not, according to him, conclusively establish that the economic burden of the levy was not passed on. The relevant consideration is whether the levy formed part of the cost of acquisition/production and was ultimately factored into the price at which the finished product was sold. It is submitted that the authority, after examining the accounts and audit reports, arrived at a factual conclusion that the market fee had been included as an expenditure in the cost structure and that the petitioners had failed to produce cogent material sufficient to rebut the resulting inference.

37. Learned Senior Counsel submits that the petitioners are attempting to draw an artificial distinction between "charging market fee separately" and "passing on the burden of market fee".

According to him, passing on the burden does not necessarily mean that the exact amount of market fee must be separately identified and collected from the consumer under the description "market fee". In a commercial transaction, various components of expenditure incurred by a manufacturer or processor necessarily enter into the determination of the ultimate sale price. A manufacturer may incur expenditure towards raw material, transportation, labour, electricity, statutory levies, establishment charges and other overheads, and all such expenditures may ultimately be reflected in the price at which the finished product is sold. Learned Senior Counsel submits that the petitioners' contention that they did not have statutory authority to separately levy market fee upon their customers does not answer the question of economic incidence. The issue before the authority was not whether the petitioners had issued an invoice specifically recovering "market fee" from their customers, but whether the burden of the levy had, in substance, been passed on through the price of the finished product. Learned Senior Counsel submits that the petitioners failed to establish, by reliable financial material, that the retrospective reduction in the market fee was not reflected in their pricing or that the higher levy earlier paid had been absorbed by them without any corresponding recovery from the purchasers of rice.

38. Learned Senior Counsel further submits that the doctrine against unjust enrichment is founded upon the basic principle that a

person who has not ultimately borne the burden of a levy cannot obtain a refund merely because he was the person who initially deposited the amount with the statutory authority. The doctrine prevents a person from retaining a benefit to which, in equity and law, he is not entitled. Applying the said principle to the present case, it is submitted that if the petitioners have already recovered the economic burden of the market fee and Farmers' Welfare Fee through the sale price of the rice, refunding the amount to them would result in a double benefit—first, by allowing them to recover the levy from the purchasers through the price, and secondly, by permitting them to recover the same amount once again from the Market Committee by way of refund. According to learned Senior Counsel, the statutory exemption/reduction notification cannot be interpreted so as to authorize such double recovery. The burden of establishing that no such benefit has accrued to the petitioners was specifically placed before the competent authority, and despite being granted an opportunity to produce relevant material, the petitioners failed to establish the same to the satisfaction of the authority. Learned Senior Counsel, therefore, submits that the finding recorded in the impugned order cannot be said to be perverse merely because another possible view could be taken on the accounting material.

39. Learned Senior Counsel also submits that the reliance placed by the petitioners upon the retrospective operation of the notification dated 29.07.2022 does not, by itself, answer the issue relating to

refund. It is submitted that there is a distinction between the applicability of an exemption notification and the manner in which the monetary benefit flowing from such exemption is to be worked out. Even assuming that the petitioners are entitled to the benefit of the reduced rate with effect from 01.04.2022, the question whether an amount already collected at the earlier rate is refundable to the person who initially paid it is a separate question, particularly where the incidence of the levy is alleged to have been passed on. Learned Senior Counsel submits that retrospective applicability cannot be treated as an automatic statutory direction for payment of refund irrespective of the actual incidence of the levy. The authority was consequently justified in examining the petitioners' claim from the standpoint of whether refund would result in unjust enrichment. It is submitted that the petitioners' interpretation would effectively mean that once a retrospective exemption is granted, every person who had earlier paid the levy would automatically become entitled to its refund, regardless of whether the burden had already been incorporated into the price charged from the ultimate purchaser.

40. Learned Senior Counsel places reliance upon the decision of this Court in ***Shree Sita Agro Foods Pvt. Ltd.*** (supra), and submits that the principles governing the levy of market fee and the question of its incidence have already received consideration by this Court. According to learned Senior Counsel, the aforesaid judgment supports the proposition that the statutory character of

market fee and the commercial incidence of the levy cannot be examined in isolation from the actual transactions undertaken by the person claiming refund. It is submitted that the petitioners have sought to distinguish the said judgment merely on the ground that they are rice millers and not traders; however, such distinction, according to learned Senior Counsel, does not take the case out of the principle applicable to the question of economic burden. The relevant consideration remains whether the amount claimed as refund has ultimately been borne by the claimant or has been recovered through the price charged from the subsequent purchaser. Learned Senior Counsel submits that the authority was, therefore, justified in taking into consideration the aforesaid precedent while adjudicating the petitioners' claims. The official record of this Court confirms that ***Shree Sita Agro Foods Pvt. Ltd.*** (supra).

41. Learned Senior Counsel further submits that the contention of the petitioners that market fee cannot be separately recovered from their customers because the statute authorizes the Market Committee alone to levy and collect the same does not, in itself, establish their entitlement to refund. According to learned Senior Counsel, the respondents do not dispute that the statutory power to levy and collect market fee vests in the Market Committee. The question, however, is whether the economic burden of the amount so paid remained with the petitioners. The statutory inability of the petitioners to impose a separate statutory levy upon their

customers is, therefore, distinct from the commercial question as to how the petitioners determined the sale price of their finished product. Learned Senior Counsel submits that a manufacturer or processor is not required to separately identify each individual component of its cost in every sale invoice. The fact that a particular expenditure is not separately reflected in the invoice cannot, therefore, lead to an automatic conclusion that the expenditure had not entered into the ultimate sale price. According to learned Senior Counsel, the authority has adopted a legally permissible approach by examining the petitioners' own financial records to determine the actual incidence of the levy.

42. Learned Senior Counsel submits that the petitioners' reliance upon the invoices raised before and after the notification dated 29.07.2022 is also insufficient to discharge the burden resting upon them. It is argued that a mere comparison of the invoices, without establishing the complete pricing mechanism and without demonstrating that the sale price remained wholly unaffected by the market fee component, cannot conclusively establish that the burden was not passed on. Learned Senior Counsel submits that the authority was required to examine the entire financial picture of the petitioners, including the manner in which expenditure was accounted for and the manner in which the gross and net profits were arrived at. The audit reports specifically showed the market fee as expenditure, and the petitioners did not furnish any independent accounting analysis demonstrating that such

expenditure was absorbed by them without being reflected in the price of the finished product. Thus, according to learned Senior Counsel, the authority's conclusion was based upon material available on record and cannot be characterized as an unsupported presumption.

43. Learned Senior Counsel further submits that the earlier order of this Court dated 16.01.2025 did not record any finding that the petitioners were automatically entitled to refund. The direction was limited to requiring the competent authority to reconsider the matter after examining whether the petitioners had in fact passed on the burden of the market fee to their consumers and after providing them an opportunity of hearing. The competent authority, pursuant to the said direction, called for the relevant documents, considered the audit reports and financial statements, afforded personal hearing and thereafter recorded its conclusion. Therefore, according to learned Senior Counsel, the petitioners cannot seek to reopen the issue as though the earlier order had already determined their substantive entitlement to refund. The only issue left for fresh determination was whether the petitioners had discharged the burden of establishing that the incidence of the levy had not been passed on, and that issue has now been decided against them on the basis of the material placed on record.

44. Learned Senior Counsel finally submits that the scope of judicial

review under Article 226 of the Constitution of India is limited, particularly where the competent statutory authority has undertaken a factual examination on the basis of documents produced by the parties and has recorded reasons for its conclusion. It is not the function of the writ Court to substitute its own appreciation of accounting material for that of the competent authority unless the conclusion is shown to be perverse, based on no evidence, contrary to the statutory provisions, or arrived at in violation of principles of natural justice. In the present case, none of these circumstances exists. The petitioners were granted adequate opportunity, their documents were considered, personal hearing was afforded and a reasoned order was thereafter passed. Learned Senior Counsel submits that the petitioners are essentially seeking a re-appreciation of the financial and accounting material to obtain a finding contrary to that recorded by the competent authority, which is impermissible in exercise of writ jurisdiction.

45. It is, therefore, submitted by learned Senior Counsel that the petitioners have failed to demonstrate that the common impugned order dated 10.09.2025 suffers from any jurisdictional error, perversity, violation of natural justice or non-application of mind. The finding that the petitioners failed to establish that the burden of market fee and Farmers' Welfare Fee had not been passed on to their end consumers/traders is, according to him, a finding based upon the financial material furnished by the petitioners

themselves. In such circumstances, granting refund would, according to learned Senior Counsel, result in an unjust enrichment of the petitioners. He, accordingly, submits that the common order dated 10.09.2025 calls for no interference and that all the connected writ petitions, being devoid of merit, deserve to be dismissed.

46. Lastly, learned Senior Counsel places reliance upon the judgments of the Hon'ble Supreme Court in ***State of Madhya Pradesh v. Vyankatlal and Another, (1985) 2 SCC 544,*** and ***Mafatlal Industries Ltd. and Others v. Union of India and Others, (1997) 5 SCC 536,*** and submits that the principle underlying the doctrine of unjust enrichment squarely governs the claim for refund raised by the petitioners. It is contended that refund of a statutory levy cannot be granted merely because the levy has subsequently been reduced or exemption has been granted, unless the claimant establishes that the incidence of such levy has in fact been borne by him and has not been passed on to the ultimate consumer or any other person. Learned Senior Counsel submits that the Court must guard against a situation where refund of the levy would confer a monetary benefit upon a person who has already recovered its incidence through the price charged from the purchaser, as such refund would amount to unjust enrichment. Placing reliance upon the aforesaid decisions, it is submitted that the burden of establishing that the incidence of the levy has not been passed on assumes significance in a claim

for refund, and that the statutory authority was, therefore, justified in examining the petitioners' books of accounts, audit reports and other financial material for determining the actual incidence of the market fee and Farmers' Welfare Fee. According to learned Senior Counsel, since the petitioners failed to establish that the burden of the levy had remained with them and, on the contrary, their own accounts reflected the market fee as an element of expenditure/cost, the claim for refund was rightly rejected in order to prevent unjust enrichment.

47. Mr. Navoday Singh, learned counsel appearing for the concerned Krishi Upaj Mandi, opposing the writ petitions, submits that the impugned common order dated 10.09.2025 has been passed after affording due and adequate opportunity of hearing to the petitioners and upon consideration of the material produced by them. He submits that the petitioners were specifically called upon to establish that the burden of market fee and Farmers' Welfare Fee had not been passed on to their respective end consumers/traders. However, the petitioners failed to produce any cogent or conclusive material to establish that the amounts paid towards market fee and Farmers' Welfare Fee had been borne by them without being factored into the cost and sale price of the rice. Learned counsel submits that, on the contrary, the audit reports and financial statements produced by the petitioners themselves disclose that the market fee and Farmers' Welfare Fee were treated as expenditure/cost while computing the

gross/net profits. According to learned counsel, such accounting treatment clearly demonstrates that the levy had formed part of the cost structure of the produce and had consequently been incorporated in the sale price charged from the end consumers/traders. It is, therefore, submitted that refund of the amount in such circumstances would confer an unintended financial benefit upon the petitioners and would result in unjust enrichment, particularly when the petitioners have failed to establish that the burden of the levy was actually borne by them. He further submits that the market fee levied under Section 19 of the Act of 1972 is a statutory fee collected by the Market Committee for providing and maintaining the market infrastructure and facilities and for carrying out activities connected with the welfare of agriculturists. He submits that the mere fact that the Market Committee is empowered to collect the fee from the person statutorily liable to pay it does not mean that the economic burden of such levy cannot ultimately be reflected in the price of the goods sold by such person. According to learned counsel, the petitioners' contention that they have not separately mentioned market fee in their sale invoices is not by itself sufficient to establish that the burden was not passed on, particularly when their own accounts show the levy as an element of expenditure in arriving at the profitability of the business. Learned counsel submits that the decision-making authority was, therefore, justified in examining the books of account and audit reports for

determining the actual incidence of the levy. He further submits that the judgment relied upon by the petitioners is distinguishable, whereas the decision in ***Shree Sita Agro Foods Pvt. Ltd.*** (supra) relied upon by the Mandi authorities, supports the stand taken in the impugned order. It is accordingly submitted that the petitioners have failed to establish any perversity, illegality or jurisdictional error in the common order dated 10.09.2025 warranting interference under Article 226 of the Constitution of India, and the writ petitions are liable to be dismissed.

48. I have heard learned counsel appearing for the respective parties and perused the pleadings of the respective parties, the documents placed on record, the notifications dated 30.11.2021 and 29.07.2022, the order dated 16.01.2025 passed by this Court in the earlier round of litigation, as also the common impugned order dated 10.09.2025.

49. Before proceeding further, this Court considers it appropriate to notice the relevant statutory provisions which govern the controversy. Section 19 of the Act of 1972 provides for levy of market fee by the Market Committee at the rate prescribed in accordance with the Act. Section 69 of the Act of 1972, on the other hand, confers upon the State Government the power, by notification and subject to such conditions and restrictions as may be specified, to exempt, wholly or partly, any agricultural produce brought for sale or brought or sold in the market area from

payment of market fee for such period as may be specified. The distinction between the two provisions is of considerable significance in the present controversy. While Section 19 constitutes the source of the levy, Section 69 clothes the State Government with the power to subsequently modify, reduce or exempt the levy in respect of the specified agricultural produce or specified class and for a specified period. The statutory scheme, therefore, necessarily requires the authorities administering the levy to give effect to a notification validly issued by the State Government in exercise of the power under Section 69 of the Act of 1972. The relevant provision of Section 69 of the Act of 1972, for ready reference, reads as under:

> *"**69. Power to grant exemption from market fee.—** (1) The State Government may, by notification and subject to such conditions and restrictions, if any, as may be specified therein exempt in whole or in part any agricultural produce brought for sale or brought or sold in the market area specified in such notification from the payment of market fees for such period as may be specified therein."*

50. The statutory position, therefore, is not in dispute that the State Government possesses the legislative/delegated statutory authority to grant exemption, either wholly or partly, from payment of market fee for a specified period. In exercise of the power so conferred, the State Government had earlier issued notification

dated 30.11.2021, whereby the market fee/mandi shulk was prescribed at the rate of Rs.3/- on the value of every Rs.100/- and the Farmers' Welfare Fee at the rate of Rs.2/- on the value of every Rs.100/-, with effect from 01.12.2021. The petitioners, who are rice millers, admittedly paid the market fee and Farmers' Welfare Fee at the rates then prevailing. Thereafter, the State Government issued the subsequent notification dated 29.07.2022 in exercise of the power under Section 69 of the Act of 1972, whereby the market fee was reduced to Re.1/- on the value of every Rs.100/- and the Farmers' Welfare Fee was also reduced to Re.1/- on the value of every Rs.100/-. The significant feature of the notification is that the benefit was made operative retrospectively with effect from 01.04.2022 and was intended to operate for the specified period.

51. Thus, the first and foremost question which arises for consideration is as to what is the effect of the notification dated 29.07.2022 upon the amount already deposited by the petitioners at the earlier rate during the period commencing from 01.04.2022. Having carefully considered the statutory scheme, this Court is of the considered opinion that once the State Government, in exercise of the specific power conferred upon it under Section 69 of the Act of 1972, consciously reduced the rate of market fee and Farmers' Welfare Fee and expressly gave such reduction retrospective operation from 01.04.2022, the authorities administering the Mandi cannot defeat the substantive benefit of

such notification by retaining the differential amount already collected at the higher rate. The retrospective operation of the notification is not an incidental or inconsequential part of the notification. It is a deliberate legislative/administrative act and has to be given its full and meaningful effect.

52. The Hon'ble Supreme Court in ***Ram Chandra Kailash Kumar & Company*** (supra), while dealing with the issue pertaining to levy or collection it has been held that there cannot be any multipoint levy or collection of market fee in the same area and the market fee shall be levied once in the series of transactions, while observing as under :-

> "*13. It is clear and it was expressly conceded to on behalf of the market State committees and the State that there cannot be any multi point levy of market fee in the same market area. The reason is obvious. Section 17 (is) (b), as amended by U. P. Act 7 of 1978 reads as follows:*
>
> > *Market fee, which shall be payable on transactions of sale of specified agricultural produce in the market area at such rates, being not less than one per centum and not more than one and half per centum of the price of the agricultural produce so sold, as the State Government may specify by notification, and such fee shall be realised in the following manner-*
> >
> > *(1) if the produce is sold through a*

commission agent, the commission agent may realise the market fee from the purchaser and shall be liable to pay the same to the committee;

(2) if the produce is purchased directly by a trader from a producer the trader shall be liable to pay the market fee to the committee;

(3) if the produce is purchased by a trader from another trader, the trader selling the produce may realise it from the purchaser and shall be liable to pay the market fee to the committee; and

(4) in any other case of sale of such produce, the purchaser shall be liable to pay the market fee to the committee.

All the four sub-clauses of clause (b) are mutually exclusive. If the produce is purchased from a producer directly the trader shall be liable to pay the market fee to the committee in accordance with sub-clause (2). But if the trader sells the same produce or any product of the same produce to another trader neither the seller-trader nor the purchaser-trader can be made to pay the market fee under sub-clause (3). So far the position was not disputed by the market committee, rather it was conceded, and in our opinion, rightly. But some difficulty arises in regard to the products of the agricultural produce which has been subjected to the levy

of market fee. This will be relevant when we come to consider the various agricultural produce in respect of which challenge was made on the ground that it amounts to multi point levy. At this stage we may explain our viewpoint by taking a few examples from the schedule appended to the Act. Wheat, an agricultural produce, is mention wheat purchased from a producer by a trader has been subjected market fee under Section 17 (i) (b) (2) no further levy of market fee in the same market area could be made, not even on wheat flour if flour were to be included in the schedule. The better example can be found in the items under the heading 'Animal Husbandry Products' wherein in the schedule milk and ghee both are mentioned. Milk, of course, is not mentioned in the Notification dated April 11, 1978. But if it would have been mentioned then only the transaction of milk in a particular market area could be subjected to levy of fee and ghee manufactured from milk could not be so subjected. But since milk is not mentioned in the notification the transaction of ghee can be subjected to the levy of fee in accordance with the principle to be discussed hereinafter. The greater difficulty arises with respect to paddy and rice as both of them are mentioned in the schedule as well as in the notification. We shall show hereinafter that in a particular market area market fee cannot be levied both in relation to the transaction of purchase and

sale of paddy and the rice produced from the same paddy. Fee can be charged only on one transaction. This finds support from the unamended rules as they are, wherein it is to be found sub-rule (2) of Rule 66. But we find nothing in the provisions of the Act or the Rules to warrant the taking of the view that in another market area the market committee of that area cannot levy fee on a fresh transaction of sale and purchase taking place in that area. wheat is purchased in area X by a trader producer, fee will be chargeable under Section 17 (iii) (b) (2). If the same wheat is taken to another market area say Y and another transaction of sale and purchase takes place there between a trader and a trader the market fee will be leviable under sub-clause (3). It is also not correct to say that the agricultural produce must have been produced in the market It might have area in which the first levy is made. It might have been produced in another market area or even outside the State of Uttar Pradesh but if a transaction of sale and purchase takes place of an agricultural produce as defined in the Act and covered by the notification within a particular market area then fee can be charged in relation to the said transaction."

53. The principle that a statutory notification granting an exemption or concession has to be construed in a manner which advances the object for which it was issued and does not defeat the very benefit intended to be conferred has been recognized by the Hon'ble

Supreme Court in ***Collector of Central Excise & Others*** (supra). The Hon'ble Supreme Court has emphasized that where an exemption or other benefit is granted by the Government in exercise of statutory power, such benefit ordinarily has a purpose and policy behind it and the interpretation adopted by the Court ought not to deprive the persons for whose benefit the notification has been issued by observing as under :-

> *"8. Such notifications by which exemption or other benefits are provided by the Government in exercise of its statutory power, normally have some purpose and policy decision behind it. Such benefits are meant to be provided to the investors and manufacturers. Therefore, such purpose is not to be defeated nor those who may be entitled to it are to be deprived by interpreting the notification which may give it some meaning other than what is clearly and plainly flowing from it."*

54. The principle assumes greater significance in the present case because the notification dated 29.07.2022 was not issued generally and prospectively alone; rather, the State Government consciously extended the benefit to the concerned class and made the same operative from an anterior date, i.e. 01.04.2022.

55. The aforesaid principle is further fortified by the judgment of the Hon'ble Supreme Court in ***Saraswati Abharansala*** (supra), wherein the effect of retrospective operation of a notification was

considered and the Hon'ble Supreme Court emphasized that such notification has to be construed on the touchstone of the purpose and object which it seeks to achieve. The doctrine of purposive construction requires the Court to adopt an interpretation which gives meaningful effect to the statutory provision and avoids a construction which would frustrate the very object sought to be achieved by observing as follows :-

> *“23. Furthermore, the notification having been given a retrospective effect must be construed on the touchstone of the purpose and object it sought to achieve. Principle of purposive construction should be applied in a case of this nature to find out the object of the Act. When a statute cannot be considered in such a manner which would defeat its object, the legislature is presumed to be aware of the consequences flowing therefrom. The statute should be considered in such a manner so as to hold that it serves to seek a reasonable result. The statute would not be considered in such a manner so as to encourage defaulters and discourage those who abide by the law.*
>
> *24. The statute furthermore, it is trite, should be read in a manner so as to do justice to the parties. If it is to be held, without there being any statutory provision that those who have deposited the amount in time would be put to a disadvantageous position and those who were defaulters would be better placed, the same would give rise to an absurdity.*

Construction of the statute which leads to confusion must be avoided.

25. Thus, the condition of non-refund of the excess amount must be held to have been repealed by necessary implication as the rate of tax so applied to the transaction of sale of gold bullion was with retrospective effect."

56. Applying the said principle to the facts of the present case, if the retrospective operation of the notification dated 29.07.2022 is accepted in theory but the benefit of the reduced rate is denied in respect of the amount already collected between 01.04.2022 and 29.07.2022, the retrospective component of the notification would become wholly otiose. Such an interpretation cannot be accepted.

57. This Court is conscious of the submission advanced on behalf of the Mandi Board that refund cannot be claimed as an automatic consequence of the retrospective reduction of the levy and that the principle of unjust enrichment requires examination of the question as to whether the burden of the levy was passed on to the ultimate consumer. There can be no quarrel with the general proposition that a person who has not ultimately borne the incidence of a levy cannot, merely because he initially deposited the amount with the statutory authority, claim a refund so as to obtain an unintended monetary benefit. The doctrine of unjust enrichment is a well-recognized principle of restitution and has been considered by the Hon'ble Supreme Court in ***Vyankatlal*** (supra), as well as in the Constitution Bench judgment in ***Mafatlal***

Industries Ltd. (supra). The said principle undoubtedly requires the Court and the statutory authority to examine whether the incidence of the levy has actually been passed on. However, the aforesaid principle cannot be applied mechanically or merely on the basis of an assumption. The question whether the petitioners have passed on the burden of market fee to their consumers is essentially a question which must be determined on the basis of the statutory scheme and the actual material available on record. In the present case, the authority has principally proceeded on the reasoning that since the petitioners have shown market fee and Farmers' Welfare Fee as expenditure in their audited accounts, the same must necessarily have been incorporated in the sale price and, therefore, the burden stood passed on to the end consumers. In the opinion of this Court, such an inference, by itself, is insufficient to establish actual passing on of the incidence of the levy.

58. The distinction between incurring an expenditure and passing on the incidence of such expenditure cannot be overlooked. Every statutory levy paid by a businessman or manufacturer necessarily becomes an expenditure in the books of account. Merely because such amount is debited in the profit and loss account, it does not ipso facto follow that the identical burden has been recovered from the consumer. The accounting treatment only establishes that the amount was incurred by the assessee as an expenditure; it does not, without further material, establish that the same

amount was separately or otherwise recovered from the purchaser. The competent authority was required to examine the actual invoices, pricing pattern, transaction-wise material and other relevant evidence to arrive at a finding that the incidence of the market fee was, in fact, passed on to the consumers. A presumption of passing on cannot be substituted for proof where the consequence is denial of a statutory benefit which has been expressly granted retrospectively.

59. The petitioners have specifically pleaded that they are rice millers and not traders and that the paddy purchased by them from the Mandi was processed into rice and thereafter sold in the open market. The petitioners have further asserted that they did not separately charge or collect market fee or Farmers' Welfare Fee from their customers. They produced invoices, statements of accounts, balance sheets, audit reports and other financial documents before the competent authority. The record further indicates that the petitioners were afforded an opportunity to explain their stand and were heard personally. The question, therefore, is not whether an opportunity was granted; rather, the question is whether the material produced by the petitioners was examined in its proper perspective and whether the conclusion that the burden stood passed on necessarily follows from that material.

60. In this regard, this Court finds considerable substance in the

submission of learned counsel for the petitioners that the petitioners do not possess any independent statutory authority under the Act of 1972 to impose a separate market fee upon their customers. Section 19 of the Act of 1972 authorizes the Market Committee to levy the market fee in accordance with the statutory scheme. The petitioners' liability to deposit the fee with the Market Committee is thus a statutory obligation. The fact that the petitioners have accounted for such statutory payment as expenditure cannot, without something more, be treated as proof that they have recovered the same amount from the ultimate purchaser. There is a material distinction between statutory incidence of levy and economic incidence of levy, and the latter cannot be presumed solely from the former.

61. The reliance placed by the Mandi Board upon the decision in ***Shree Sita Agro Foods Pvt. Ltd.*** (supra), also does not, in the facts of the present batch, justify sustaining the impugned order. The said decision has to be considered in the factual and statutory context in which it was rendered. The present petitioners have specifically relied upon the subsequent exercise of statutory power by the State Government under Section 69 and the retrospective operation of the notification dated 29.07.2022. The question before this Court is, therefore, not merely whether market fee can form part of the cost of a commodity in a commercial sense, but whether the respondents can deny to the petitioners the benefit of a subsequently issued statutory

exemption/reduction notification which has expressly been made operative from 01.04.2022, solely on the basis of an inference drawn from the accounting treatment of the fee.

62. The issue assumes significance also because the notification dated 29.07.2022 was issued specifically with retrospective effect. Once the State Government itself has decided that, for the specified period commencing from 01.04.2022, the liability of the concerned rice millers would stand reduced from Rs.3/- to Re.1/- per Rs.100/- towards market fee and from Rs.2/- to Re.1/- per Rs.100/- towards Farmers' Welfare Fee, the authorities cannot continue to treat the petitioners as liable for the higher rate for the period covered by such retrospective operation. To permit retention of the differential amount by the Mandi authorities would, in substance, amount to permitting the authorities to collect an amount at a rate which the State Government subsequently determined was not payable by the class of persons covered by the notification.

63. This Court is also unable to accept the proposition that the mere fact that the petitioners deposited the amount without protest would permanently foreclose their right to claim the benefit flowing from the subsequent notification. The right to claim the benefit arises not merely from the manner in which the amount was initially deposited, but from the subsequent statutory determination made by the State Government. The notification

dated 29.07.2022 operates retrospectively and, therefore, the legal position applicable to the relevant period has to be examined in the light of the notification as it stands after its retrospective operation. The petitioners' failure to anticipate the subsequent notification cannot be held against them. Equally, the mere fact that they had already deposited the amount cannot confer upon the Mandi authorities a right to retain an amount which, by virtue of the retrospective notification, is no longer payable at the earlier rate.

64. The aforesaid principle has also received consideration in the recent judgment of the Hon'ble Supreme Court in ***Property Owners Association & Others v. State of Maharashtra & Others, (2024) 18 SCC 1***, wherein a Nine-Judge Constitution Bench, while examining the scope and applicability of the principles emanating from *Mafatlal Industries Ltd. & Others v. Union of India & Others, (1997) 5 SCC 536,* noticed that the question of refund of an impost is intrinsically connected with the issue as to whether the burden of such impost has ultimately been borne by the person claiming refund or has been passed on to another. The principle emerging from the aforesaid line of authorities is that the doctrine of unjust enrichment is intended to prevent a claimant from obtaining a benefit which he has already recovered from another person; however, the applicability of the doctrine necessarily depends upon a proper determination of the actual incidence of the levy. The mere existence of a levy or its

reflection as an item of expenditure in the books of account cannot, in every case, be treated as conclusive proof that its burden has actually been passed on to the consumer. The question has to be determined upon consideration of the totality of the circumstances and the material available on record. In the present case, as noticed hereinabove, the competent authority has proceeded substantially on the basis that since the market fee and Farmers' Welfare Fee were reflected as expenditure in the profit and loss account, the same must necessarily have been recovered from the purchasers. Such an inference, without any further examination of the actual sale price, invoices, pricing mechanism and other relevant material, cannot by itself constitute sufficient proof of passing on of the incidence of the levy. The recent pronouncement of the Hon'ble Supreme Court, therefore, reinforces the requirement that the doctrine of unjust enrichment must be applied on the basis of an objective determination of the actual incidence of the levy and not upon a mere presumption, by observing as under :-

> "*474. The context in Mafatlals was a claim for refund made by a taxpayer owing to an unconstitutional or illegal levy. With regard to the arguments made by Shri K. Parasaran, learned Senior Counsel on the distinction between the constitutional values as they obtained in countries like United States of America, Canada, United Kingdom and Australia and the Indian Constitution which*

has set the goal of "justice, social, economic and political"a total restructuring of our society as envisaged in Articles 38 and 39 of the Constitution, certain observations were made by the nine-Judge Bench of this Court headed by learned Ahmadi, C.J. and speaking through Jeevan Reddy, J. in paras 84 to 86.

475. In this context, the observations of Krishna Iyer, J. in Ranganatha Reddy were extracted, which are very apposite to the reference under consideration and which read as under: (Mafatlal cases, SCC p. 617, para 85)

> *"85.... '45. ... Constitutional problems cannot be studied in a socio-economic vacuum, since socio-cultural changes are the source of the new values, and sloughing off old legal thought is part of the process of the new equity-loaded legality.*
>
> ** * **
>
> *47.... It is right that the rule of law enshrined in our Constitution must and does reckon with the roaring current of change which shifts our social values and shrivels our feudal roots, invades our lives and fashion our destiny. '6b"*

476. It is in the above context that reference was made to the expression "the material resources of the community" and the exposition by Iyer, J. in Ranganatha Reddy

and in Sanjeev Coke and Abu Kavur Bai82. Therefore, those observations could be construed only in the context of the submissions made in the said case on the goal of justice as envisaged under the Indian Constitution.

477. In this context, the observations of S.C. Sen. J. who wrote a dissenting opinion are instructive. He said: (Mafatlal cases, SCC p. 653, para 161)

> *"161. Article 39 cannot be a basis for retaining whatever has been gathered unlawfully by the Government for common good. Simply stated. the directive principles of the State policy do not licence the Government to rob Peter to pay Paul."*

They have a persuasive value. Therefore, those observations may be obiter in nature but have persuasive value in view of my aforesaid discussion.

478. In Kolkata Municipal Corpn. v. Bimal Kumar Shah135 ("Bimal Kumar Shah"), P.S. Narasimha. J. has observed that

> *"to hold that all private property is covered by the phrase "material resources of the community" and that the ultimate aim is State control of private resources would be incompatible with the constitutional protection detailed above."***

Summary of conclusion

479. Having regard to the lengthy discussion made above, it is necessary to have the summary of conclusions as under:

479.1. Articles 37, 38 and 39 of the Constitution of India which are part of the directive principles of State policy have to be interpreted by bearing in mind the changing economic policies of the State and not in a rigid watertight compartment. The flexibility of interpretation is having regard to the dynamic changes in the Indian socio-economic policies meant for the welfare and progress of the people of India. An interpretation of the aforesaid articles or for that matter any other provision of the Constitution must be viewed in the historical backdrop of the period in which the interpretation was made by this Court during the course of adjudication. Any interpretation which was found to be sound and in consonance with the socio-economic policy of the State during a particular period of time, cannot be critiqued at a later point of time in any quarter including by a court of law merely because the socio-economic policies of the State have changed over a period of time or there is a paradigm shift in the thinking and policies of the State.

479.2. Articles 37 and 38 of the Constitution have to be borne in mind by the Courts while considering the validity of any policy or statute which intend to further any of the directive

principles of State policy.

479.3. Article 39(b) has to be read in the context of Article 39(c). Articles 39(b) and (c) supplement and complement each other and cannot be construed in silos.

479.4. Article 39(b) comprises of the following five components, namely,

(i) ownership and control;

(ii) material resources;

(iii) of the community:

(iv) so distributed; and

(v) as best to subserve the common good.

479.4.1. The expression "ownership and control" must be given its widest connotation in the context of "distribution of" "material resources of the community" "as best to subserve the common good". 479.4.2. "Material resources" can in the first instance be divided into two basic categories, namely, (1) State-owned resources which belong to the State which are essentially material resources of the community, held in public trust by the State; and (if) privately owned resources. However, the expression "material resources" does not include "personal effects" or "personal belonging" of individuals, such as, clothing or apparel, household articles, personal jewellery and other articles of daily

use belonging to the individuals of a household and which are intimate and personal in nature and use. Excluding "personal effects", all other privately owned resources can be construed as "material resources". Thus, all resources whether they are public resources or privately owned resources which come within the scope and ambit of the expression "material resources" as stated above are included within that expression.

479.4.3. "Material resources" which are privately owned could be transformed as "material resources of the community", inter alia, in the following five ways:

> *(a) by nationalisation, which could be either by way of an enactment made by Parliament or a State Legislature or in any other manner in accordance with law;*
>
> *(b) by acquisition, which could be by way of a special enactment made by Parliament or a State Legislature having regard to Entry 42 List III of the Seventh Schedule to the Constitution. Alternatively, the acquisition could be made under the extant parliamentary or State laws dealing with acquisition;*
>
> *(c) by operation of law, such as vesting of private resources in the State, which could be by virtue of statutes dealing*

with land reforms, land tenures, abolition of inams, village offices or any other law where by operation of law there would be vesting of private material resources in the State or in any other manner in accordance with law;

(d) by purchase of the material resource from private persons by the State, its agencies and instrumentalities in the manner known to law; and

(e) by the private owner of the material resource converting his "material resources" as a "material resource of the community" by donation, gift, creation of an endowment or a public trust or in any other manner known to law, 479.4.4. In (a) to (d) above, the provision of Article 300-A which is a constitutional right to property has to be complied with.

479.4.5. The "material resources of the community" have to be "distributed as best to subserve the common good". Distribution could be in two ways:

Firstly, by the State itself retaining the material resource for a public purpose and/or for public use; and

Secondly, privately owned material resources when converted as "material resources of the community" can be distributed to eligible and deserving persons either by way of auction, grant,

assignment, allocation, lease, sale or any other mode of transfer known to law either temporarily or permanently depending upon the mode adopted and unconditionally or with conditions depending upon:

(a) nature of the resource and its inherent characteristics;

(b) the impact of the resource on the well-being of the community;

(c) the scarcity of the resource;

(d) the consequences of such a resource being concentrated in the hands of the private owners; and

(e) any such factors.

479.4.6. The expression "common good" would, inter alia, mean that the distribution of the "ownership and control of material resources of the community" would not lead to concentration of the wealth and means of production in the hands of few which is a directive principle in clause (c) of Article 39. Thus, "distribution of material resources of the community" cannot violate the directive principle in clause (c) of Article 39 of the Constitution.

479.5. The majority judgment of this Court in Ranganatha Reddy and the judgment in Abu Kavur Bai82 relate to nationalisation of contract carriages/State carriages which were

upheld by this Court. Nationalisation of coking coal mines was upheld by this Court in Sanjeev Coke. In Bhim Singhji37 and Basantibai19, certain provisions of the Urban Land Ceiling Act and the provisions of MHADA, respectively, were upheld on the touchstone of Article 39(b) of the Constitution.

479.6. The nine-Judge Bench in Mafatlal referred to the judgments of this Court in Ranganatha Reddy, Abu Kavur Bai82, etc. in the context of the submission made before i.e. the Indian Constitution envisages Justice-social, economic and political, to all citizens of India as enshrined in the Preamble. This was by way of an obiter but having persuasive value."

65. The principle of unjust enrichment, no doubt, is intended to prevent a claimant from obtaining a double benefit. But the said doctrine equally operates against the unjust enrichment of the authority retaining an amount which, by virtue of a subsequent statutory notification having retrospective effect, has ceased to be legally recoverable at the earlier rate. The doctrine is founded upon restitution and fairness and cannot be invoked as a mechanical formula in favour of the authority. As observed by the Constitution Bench in ***Mafatlal Industries Ltd.*** (supra), the question of refund has to be considered within the statutory framework and with due regard to the principle that the benefit of refund should not result in unjust enrichment. In the present case,

however, the conclusion of the authority that there was passing on of the burden rests essentially upon the accounting treatment of the levy and not upon any cogent material demonstrating actual recovery of the market fee from the consumers.

66. The Court is also of the view that the interpretation sought to be placed by the respondents would lead to an anomalous consequence. The State Government, exercising statutory power under Section 69 of the Act of 1972, granted a benefit to the specified class with effect from 01.04.2022. If a rice miller who had paid the fee at the higher rate prior to issuance of the notification is denied the benefit merely because the amount had already been deposited, whereas a similarly situated rice miller who happened to transact after 29.07.2022 receives the benefit of the reduced rate, the retrospective character of the notification would have no meaningful operation. The Court must avoid such an interpretation which produces an artificial distinction between similarly situated beneficiaries solely on the basis of the date of actual collection of the levy, despite the State Government having consciously selected 01.04.2022 as the effective date.

67. The judgment in ***Coastal Paper Limited*** (supra), relied upon by the petitioners, also reinforces the principle that an exemption notification has to be considered having regard to its object and purpose. The Court is required to adopt a construction which advances the statutory object and does not frustrate the benefit

intended by the Government. In the said case, the Hon'ble Supreme Court has held as under :-

> *"15. .....At the same time, it is also necessary to go behind the objective for which the notification itself is issued thereby giving become it a purposive interpretation, which has become the cardinal rule of interpretation. In our opinion, it is only after examining all these factors that the final decision should be arrived at.*
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> *25. ……As explained in CCE v. Parle Exports (P) Ltd. (SCC at p. 357) and Tata Oil Mills Co. Lid. v. CCE, (SCC at p. 545-46) in interpreting the scope of any notification, the Court has first to keep in mind the object and purpose of the notification. All parts of it should be read harmoniously in aid of, and not in derogation of, that purpose……..."*

68. Similarly, the principle laid down in ***Collector of Central Excise*** (supra), is attracted in the present case inasmuch as the benefit granted by the Government to the identified class cannot be rendered illusory by an interpretation which effectively deprives the very beneficiaries of such benefit.

69. Having regard to the aforesaid discussion, this Court is of the considered view that the principal grievance of the petitioners deserves acceptance. The market fee and Farmers' Welfare Fee were initially collected from the petitioners at the rates prescribed

under the notification dated 30.11.2021. Subsequently, the State Government, in exercise of its statutory power under Section 69 of the Act of 1972, issued notification dated 29.07.2022 whereby the rate of market fee was reduced from Rs.3/- to Re.1/- per Rs.100/- and the Farmers' Welfare Fee was reduced from Rs.2/- to Re.1/- per Rs.100/-. More importantly, the said benefit was expressly made operative retrospectively from 01.04.2022. The petitioners admittedly fall within the class of rice millers for whom the benefit of the notification was intended. Consequently, the petitioners cannot be deprived of the benefit of the retrospective reduction merely because the differential amount had already been deposited with the concerned Mandi authorities before issuance of the notification dated 29.07.2022.

70. The finding recorded in the impugned order dated 10.09.2025 that the petitioners had passed on the burden of the market fee and Farmers' Welfare Fee to their end consumers is, in the opinion of this Court, not founded upon sufficient material. The mere fact that the petitioners have shown the statutory fee as expenditure in their audited accounts does not, by itself, establish that the exact incidence of the levy was recovered from the consumers. The authority was required to examine the entire material produced by the petitioners, including the invoices and relevant financial records, and to determine actual passing on of the burden rather than proceeding on a presumption arising solely from the accounting treatment of the expenditure. Such an approach does

not adequately address the question which was required to be determined pursuant to the earlier order dated 16.01.2025.

71. It is also relevant that the earlier order dated 16.01.2025 did not finally adjudicate the petitioners' entitlement to refund; rather, the matter was remitted for a fresh determination after examining whether the petitioners had collected the fee in question from their customers and after affording them sufficient opportunity of hearing. The petitioners thereafter produced their documents and participated in the proceedings. The purpose of the remand was thus to undertake a genuine and objective examination of the factual question of passing on of the burden. In the considered opinion of this Court, the said exercise cannot be regarded as satisfactorily completed merely by noticing that the market fee was shown as expenditure in the profit and loss account and then drawing an automatic conclusion that the same had been recovered from the customers.

72. This Court is not holding that in every case where a retrospective exemption is granted the claimant would be automatically entitled to refund irrespective of the doctrine of unjust enrichment. The principle of unjust enrichment remains an important consideration. However, such principle has to be established on the basis of relevant material and cannot be invoked merely by way of presumption. In the present case, the material relied upon by the respondents falls short of establishing that the petitioners had

actually passed on the incidence of the disputed differential levy to their consumers. Conversely, the State Government's notification dated 29.07.2022 expressly grants retrospective benefit to the class to which the petitioners belong. The balance of the statutory scheme, therefore, lies in giving effect to the retrospective exemption/reduction.

73. Consequently, the common impugned order dated 10.09.2025 cannot be sustained and is liable to be quashed and set aside. The petitioners are entitled to the benefit flowing from the notification dated 29.07.2022 for the period for which the said notification has been made retrospectively operative. The concerned Mandi authorities are consequently required to give effect to the reduced rates prescribed under the said notification and to work out the differential amount paid by each of the petitioners during the relevant period.

74. Accordingly, all the writ petitions are allowed. The common order dated 10.09.2025 passed by the Chhattisgarh State Agricultural Marketing (Mandi) Board/competent authority, insofar as it rejects the claims of the respective petitioners for refund/adjustment of the excess market fee/mandi shulk and Farmers' Welfare Fee, is hereby quashed and set aside.

75. The concerned Mandi authorities are directed to extend to the respective petitioners the benefit of the notification dated 29.07.2022, by applying the reduced rate of Re.1/- per Rs.100/-

towards market fee/mandi shulk and Re.1/- per Rs.100/- towards Farmers' Welfare Fee for the period commencing from 01.04.2022, in accordance with the terms and conditions of the said notification. The authorities shall accordingly calculate the differential amount paid by each petitioner for the period covered by the retrospective operation of the notification and shall refund the excess amount to the respective petitioners. In the alternative, where permissible under the applicable statutory scheme and the accounts maintained by the concerned Mandi, the differential amount may, at the option of the respective petitioner and subject to verification of the amount payable, be adjusted against future market fee/other permissible statutory dues. The exercise of calculation and verification shall be confined to determining the actual amount paid by the respective petitioner at the higher rate during the period covered by the retrospective notification and the amount payable at the reduced rate prescribed therein. The authorities shall not reopen any issue which has already been conclusively determined by this Court in the present proceeding.

76. The aforesaid exercise shall be completed by the concerned authorities within a period of three months from the date of receipt of a copy of this order. The respective petitioners shall furnish the necessary particulars/documents, if required, for facilitating computation of the differential amount. Upon such verification, the amount found refundable shall be released to the respective petitioners without insisting upon any further adjudication on the

question of entitlement to the benefit of the notification dated 29.07.2022.

77. It is made clear that the present order and the declaration of law contained herein shall govern all the connected writ petitions, notwithstanding the fact that the amount of market fee/Farmers' Welfare Fee claimed, the period of the transactions in question and the quantum of refund sought may vary from petitioner to petitioner. The concerned authorities shall, therefore, undertake the necessary computation separately in respect of each petitioner, on the basis of the transactions actually undertaken and the payments actually made by the respective petitioner, and shall determine the differential amount payable strictly in accordance with the notification dated 29.07.2022 and the principles and directions contained in the present common order. While undertaking such exercise, the authorities shall confine themselves to verification and computation of the amounts and shall not reopen the question of the petitioners' entitlement to the benefit of the retrospective reduction, which stands adjudicated by this Court in the present proceedings.

78. Before parting, this Court deems it appropriate to observe that the State Government, having consciously exercised the statutory power vested in it under Section 69 of the Act of 1972 and having extended the benefit of reduced market fee and Farmers' Welfare Fee with retrospective effect from 01.04.2022, cannot be

permitted to have such statutory benefit rendered illusory by an administrative interpretation which, in substance, deprives the very class of beneficiaries of the benefit for the period for which the State Government intended the notification to operate. Once the competent statutory authority has consciously determined the reduced rate and has expressly given such determination retrospective effect, the authorities entrusted with implementation of the statutory scheme are required to give full and faithful effect to the same.

79. A statutory benefit cannot be permitted to remain merely declaratory in character; it must be translated into an effective and meaningful benefit for the persons falling within the class covered by the notification. The administrative authorities are, therefore, bound to implement the notification in its true letter and spirit and cannot, by adopting an interpretation inconsistent with its express retrospective operation, defeat or dilute the benefit intended to be conferred by the State Government.

80. In view of the foregoing discussion and for the reasons recorded hereinabove, all the writ petitions succeed and are accordingly **allowed** in the aforesaid terms. The common impugned order dated 10.09.2025, insofar as it rejects the claim of the respective petitioners for the benefit arising from the retrospective reduction of market fee/mandi shulk and Farmers' Welfare Fee and consequential refund/adjustment of the differential amount, is

hereby quashed and set aside. The concerned authorities shall act in accordance with the directions contained in this order and complete the consequential exercise within the time stipulated hereinabove.

81. There shall, however, be no order as to costs.

Sd/-

(Amitendra Kishore Prasad)
Judge

Yogesh

The date when the judgment is reserved	The date when the judgment is pronounced	The date when the judgment is uploaded on the website	
		Operative	Full
21.08.2026	06.10.2026	------	13.10.2026

Head-Note

Retrospective reduction of the rate of market fee cannot be denied merely because the higher levy had already been deposited; mere accounting of the levy as expenditure does not, by itself, establish that its incidence was passed on to the consumers.