

AGRICULTURAL PRODUCE AND LIVESTOCK

BIHAR AGRICULTURAL PRODUCE MARKETS ACT, 1960 (16 OF 1960)

— Ss. 2(i)(a), 27, Sch. Items 1 & 3 — Agricultural produce — Fruits —

After manufacturing process the fruits become an entirely different item of fruit drinks and lose their identity as fruits and the same would not be covered by the items of fruits specified in the Schedule — Hence fruit drinks ``Frooti'' and ``Appy'' manufactured and marketed by the appellant Company, held, not covered by ``mango'' and ``apple'' specified in Items 1 and 13 of the Sch. and as such not market produces — Therefore, market fee cannot be levied under S. 27 on these food drinks .

Held :

It is true that ``Frooti'' and ``Appy'' are manufactured out of mango pulp and apple concentrate, but after the mango pulps and apple concentrate are processed and beverages are manufactured, the products become entirely different items and the fruits, mango and apple, lose their identity. In common parlance, these beverages are no longer known as mango and apple as fruits. In other words, after processing mango pulp and apple concentrate, although the basic character of the mango pulp and apple concentrate may be present in beverages, but the end products are not fruits i.e. mango and apple which are specified in the Schedule. The basic ingredients may be the same but the end product which is known differently is treated as a separate item. The products like ``Frooti'' and ``Appy'' which are ready-to-serve beverages not being specified in the Schedule are not covered by the term agricultural produce, as defined in Section 2(1)(a) of the Act. (Para 5)

Therefore, the product ``Frooti'' and ``Appy'' not being specified in the Schedule, the respondent had no authority to demand any fee from the appellant on marketing the said products. (Para 8) *Edward Keventer (P) Ltd. v. Bihar State Agricultural Marketing Board*, (2000) 6 SCC 264 : AIR 2000 SC 1796 : (2000) 118 STC 431.

Bench Strength 2. Coram : **V.N. Khare** and *Doraiswamy Raju*, JJ. [Date of decision : 11-4-2000]

Belsund Sugar Co. Ltd. v. State of Bihar, (1999) 9 SCC 620, relied on

Krishi Utpadan Mandi Samiti v. Shankar Industries, 1993 Supp (3) SCC 361 (II), distinguished