



IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS.13749-13755 OF 2024

**M/s SHYAM BEEJ BHANDAR
& ANR. ETC.**

...APPELLANTS

VERSUS

SURESH ETC.

...RESPONDENT(S)

JUDGMENT

NAGARATHNA, J.

The producer and distributor of groundnut seeds, namely, M/s. Shyam Beej Bhandar and Shree Ram Agro Bio-Tech (“appellants”, for short) respectively have filed these appeals assailing the order dated 19.03.2021 passed by the National Consumer Disputes Redressal Commission, New Delhi (“NCDRC”, for short) in Revision Petition Nos.1275 to 1281 of 2019.

2. By the impugned order, the NCDRC has set aside the order dated 04.04.2019 passed by the State Consumer Disputes

Redressal Commission, Rajasthan (“State Commission”, for short) which was in favour of the appellants and thereby sustained the order dated 28.08.2018 passed by the District Consumer Disputes Redressal Forum, Alwar, Rajasthan (“District Forum”, for short) in all the complaints filed by the respondents-farmers.

3. Briefly stated the facts of the case are that the respondents-farmers approached the appellant for the purchase of ground nut seeds on 15.06.2013. Around four months later, in October, a complaint was filed by the respondents-farmers before the Deputy Director (Agriculture), District Council, Alwar alleging sub-standard quality of the seeds leading to the failure of the crop. Accordingly, a committee was constituted to investigate the failure of the crop. The committee submitted its inspection report on 09.10.2013. Thereafter, the respondents-farmers filed complaints under Section 12 of the Consumer Protection Act, 1986 before the District Forum. The District Forum, *vide* order dated 28.08.2018, allowed the complaints and directed the appellant(s) to make payment of different amounts to the respondents-farmers along with compensation of Rs.20,000/- and cost of the suit at Rs.5,000/- each. Aggrieved, the appellant

preferred Appeal No.754/2018 before the State Commission. The State Commission, *vide* order dated 04.04.2019, set aside the order of the District Commission dated 28.08.2018. In turn, the respondents-farmers moved the NCDRC by filing Revision Petition Nos.1275-1282 of 2019. *Vide* the impugned order dated 19.03.2021, the NCDRC set aside the order of the State Commission and restored the order of the District Forum.

4. We have heard learned counsel for the appellants and learned counsel for the respondents-farmers at length and perused the material on record including the complaints filed by the respondents-farmers; the order passed by the District Forum dated 28.08.2018; the order passed by the State Commission which has set aside the aforesaid order of the District Forum; and the impugned order passed by the NCDRC on dated 19.03.2021 which has sustained the order of the District Forum.

5. During the course of submissions, learned counsel for the respective parties drew our attention to the Investigation/Inspection Report (Annexure P-1) dated 09.10.2013. For ease of reference, the said report is extracted as under:

“INVESTIGATION/INSPECTION REPORT

Investigation inspection report in the complaint of the farmers from Village Katopur, Tehsil Kotkasim in relation to demeritorious groundnut crops.

The complaints of the demeritorious groundnut crops of the farmers from Village Katopur, Tehsil Kotkasim have been received by this office from the office of the respected District Collector, Alwar. The farmers from Katopur i.e. Shri Dilip Singh, Chait Ram, Suresh, Abhay Singh, Puran, Ramphal, Subey Singh, Jai Prakash, Vishambhar etc. have submitted in the complaint of the demeritorious crops that "groundnut seeds were sown over a land of 250 Bigha and that all the bags i.e. 300 bags were purchased from Shyam Beej Bhandar, 125 Nemi Chand Market, Alwar. The crops of groundnut ripen within 3 to 3.5 months time but till now the crops being demeritorious as: the quality of seeds being substandard and due to the said sub-standard seeds the crops over 250 Bigha of land in the village have become demeritorious." The details of the invoices of Shyam Beej Bhandar annexed along with the complaint is as following:-

Sl. No.	Name of Farmer	Resident of	Bill No./ Date	Quantity of Seeds	Amount
1	Shri Puran Singh/ Ram Swaroop	Katopur	4912/ 15.06.13	20 Kilogram/ 25 bags	53000
2	Shri Bhim Singh/ Satvir Singh	Katopur	4910/ 15.06.13	20 Kilogram/ 25 bags	53000
3	Shri Jai Prakash/ Din Dayal	Katopur	4908/ 15.06.13	20 Kilogram/ 25 bags	53000
4	Shri Ramphal/ Bhoop Singh	Katopur	4906/ 15.06.13	20 Kilogram/ 50 bags	106000

Sl. No.	Name of Farmer	Resident of	Bill No./ Date	Quantity of Seeds	Amount
5	Shri Chet Ram/ Matadeen	Katopur	4911/ 15.06.13	20 Kilogram/ 25 bags	53000
6	Shri Abhay Singh/ Tara Chand	Katopur	4913/ 15.06.13	20 Kilogram/ 25 bags	53000
7	Shri Suresh Chand/ Dharm Singh	Katopur	4909/ 15.06.13	20 Kilogram/ 25 bags	53000
8	Shri Dilip Singh/ Ami Lal	Katopur	4907/ 15.06.13	20 Kilogram/ 50 bags	106000

A total amount with the details of quantity along with the rate of Groundnut Shri Ram T/L (TAG 37 A) is mentioned in the bills annexed with the complaint For the purpose of the disposal of the said compliant a committee was formed vide the Office of the Deputy Director Agricultural Order No. 5407-12 Dated 08.10.2013 wherein the following persons were nominated members:

1	Shri Ishwar Lal Yadav	Deputy Director Agricultural, District Council, Alwar
2	Dr. Suresh Muralia	Pod Breeding scientist, Agricultural Research Centre, Naugaon
3	Dr. BL Meena	Agronomy scientist, Agricultural Science Centre, Naugaon
4	Assistant Director Agricultural, Alwar	As Subject Expect of plant diseases
5	Assistant Director Agricultural, K. Bas	As Regional Nodal Officer

6	Company Representative (Shri Rakesh)	As the representative of the seed manufacturing company
7	Messers Shyam Beej Bhandar (Shri Ashok, Jain) 125 Nemi Chand Market, Alwar	As a representative of seed vendor

The said formed Committee after perusing the complaint dated 09.10.2013, received from the farmers and after discussion it was decided to conduct a physical verification/inspection over the fields. In the complaint received from the farmers mainly it was mentioned for disposal of the complaint over two issues:

1. In relation to defective groundnut seed as mentioned in the said bills.
2. In relation to sub-standard quality of the groundnut seed as mentioned in the said bills.

For the purpose of verification of the facts mentioned in the complaint all the members of the Committee during the physical verification inspection found the following facts/reality and the pointwise details of which is sent in the following manner:

(A) On the basis of documents received annexed with the complaint:-

1. In the bills annexed by the farmers along with the complaint the Lot No. of species of TAG 37 A wherein it is recorded as SR-51 but the complete details of the seed manufacturer have not been recorded; whereas on the empty bags being provided by the farmers whereupon the address of the manufacturer is found printed as Packed and marketed by Shri Ram Agro Biotech. Plot No.7, Anand Sagar Tenament, Government Jeen Road, Himmat

Nagi, Gujarat along with the customer care No.02772-241948.

2. According to the complaint of the farmers the TAG 37A species mentioned in the bills of the farmers was recorded as TL (Truth Full). The said species is a certified Species on the basis of notification. The certified seeds are certified by the Government Seed Certification Institute by issuing-a TAG; whereas the seed company itself is accountable for the packing of seeds as TL (Truth Full), Hence the seed manufacturing company is completely responsible for the said allegation.

(B)On the basis of site inspection/physical verification of the filed of the farmers mentioned in the complaint:-

The physical verification/inspection of the fields of all the farmers as mentioned in the bills of farmers recorded in the complaint was conducted wherein the pointwise details of which are sent in the following manner:

1. It was found on physical verification/inspection of all the fields that 8-10 percent of the pods present in the fields are of different species in addition to the pods grown with TAG 37A and in the plants of other species that were found wherein the species of semi-developing plants were also found; whereas TAG 37A is completely a Jhumka species.

2. On completely pulling out the species of groundnut grown with TAG 37A on the basis of a random number and on the basis of counting of the PODS the conclusion was derived that on an average of 50 percent PODS were found 'completely developed in a single plant and the semi- development of the remaining PODS were seen; whereas the said species ripen in 100 to 110 days timeline.

3. The other species sown by the farmers on other fields were also got inspected wherein the crops of groundnut were found satisfactory and a complete development of

the PODS was found but due to frequent rains there is a possibility of a shortfall of 20-25 percent in the production; whereas in the case of TAG37A the said possibility may be around 40-50 percent shortfall. The arboreal growth of the species mentioned in the complaint was found satisfactory and from which it is very clear that in view of the fertility of land and the condition of the crops is completely favoring the groundnut crops and sufficient sources of irrigation have been found available with the farmers.

4. It is found on inspection of all the fields of the farmers that weeds were growing in large number over the fields.

5. The germination of the seeds has remained normal over all the fields as disclosed by the farmers. The number of PODS were found adequate over the fields.

6. On examination of the PODS over the fields of the farmers it was observed that the PODS were infected with the Tika disease.

7. This year due to frequent rains in the months of July August the arboreal growth has been found in large. Such circumstances are found in the crops of Kharif and Jwar etc. also. Due to large arboreal growth in the PODS the breeding condition is largely affected. Therefore for the said reason here are possibilities of a shortfall of 20 to 25 percent in the production of Kharif groundnut and Jwar crops.

The said conclusion is drawn on deliberating all the said facts that

1. On the basis of physical verification the said described species sown by the farmers wherein 8-10 percent of plants were found mixed belonging to some other species. Therefore the circumstances appear that the seeds are defective.

2. On the site inspection of the fields. on the basis of random number due to the semi development of the pods in the plants in comparison other species there are possibilities of yielding a deficit of 20-25 percent in the Said species.
3. In relation to the quality of the seeds mentioned in the complaint of farmers, the exact conclusion can be derived in relation to quality on the basis of taking sample of same species seed and on testing through Grow out Test (G.O.T) by the Pod Breeding Scientist.
4. Due to the Semi-development in the pods of the said species the market price of the crops will also be affected and due which the farmers will not receive fair price.”

6. Learned counsel for the appellants drew our attention to the conclusions in the report and contended that the State Commission was justified in setting aside the order passed by the District Forum and holding in favour of the appellants. However, the NCDRC has failed to appreciate the order of the State Commission as well as the Investigation/Inspection Report dated 09.10.2013 in proper perspective and consequently set aside the order of the State Commission and restored the order of the District Forum. It was contended that when there was no deficiency of service on the part of the appellants, the NCDRC was not right in holding that there was deficiency as such.

7. Learned counsel for the appellants therefore submitted that the impugned order(s) of the NCDRC as well as the order(s) of the District Forum may be set aside and the orders of the State Commission may be sustained. Consequently, the complaint(s) filed by the respondents-farmers may be dismissed.

8. *Per contra*, learned counsel for the respondents-farmers contended that the District Forum had fully appreciated the case of the respondents-farmers and the reasons as to why there was a loss caused to the complainants. The District Forum had also made a very conservative estimate of the compensation to be awarded to the respondents-farmers. In fact, there has been no challenge to the same for enhancement. Therefore, the National Commission has rightly set aside the order of the State Commission which had dismissed the complaints and consequently the order of the District Forum has to be now complied with by the appellants. It was submitted that the respondents-farmers purchased the seeds with full faith and trust that the ground-nut crop would be a bumper crop. However, they were disappointed that even after 100 days there was no yield at

all. Therefore, there was indeed deficiency in service and hence the order passed by the NCDRC may be upheld and the appeals may be dismissed as being without any merit.

9. We have considered the arguments advanced at the Bar in light of the Investigation/Inspection Report dated 09.10.2023. Paragraph 2 of the said Report with regard to the observation made on physical verification/inspection of the fields of the farmers is particularly relevant. On pulling out the species of ground-nut grown with TAG37A, the Scientists/Investigators/Investors found that 50% pods were found “*completely developed in a single plant and the semi-development of the remaining PODS were seen whereas the said species ripen in 100 to 110 days timeline*”.

10. The inspection was made in October 2013 and the sowing of the ground nut seeds was sometime in June and that even after 120 days; on inspection, it was found that the seeds had not matured. The aforesaid finding is a categorical finding which has been made by the Inspectors/Scientists and experts.

11. It is necessary to observe that the inspection has been done after completion of 110 days whereas the timeline is 100-110 days. In the conclusion of the aforesaid Report, it has been stated that due to semi-development in the pods of the said species, the market price of the crops would be affected and the farmers would not receive a fair price for the same. In this regard, paragraph 2 of the Report states that 50% of the pods were completely developed. This would lead to the conclusion that the remaining 50% of the pods were not completely developed.

12. In the circumstances, we find that the District Forum as well as the NCDRC were not right in assessing the compensation per bigha. It is also necessary to note that the Report also takes note of the fact that there was excess rain and owing thereto insofar as TAG37A quality of seeds is concerned, there could be 40-50% shortfall in yield. In this regard, the contention of learned counsel for the appellants is that the shortfall is owing to natural causes. It is a case of vis-major and therefore, the District Forum as well as the NCDRC could not have fastened any liability on the appellants herein on the premise that there was a deficiency in service caused by the appellants.

13. It was therefore, contended by learned counsel for the appellants that if this Court is inclined to grant any compensation to the respondents-farmers, then the entire amount which has been deposited by the appellants may not be released to the respondents-farmers. It was also submitted that the inference and findings regarding deficiency in service on the part of the appellants may be set aside.

14. In regard to these two specific submissions, learned counsel for the respondents-farmers contended that they do not merit any consideration in view of the fact that NCDRC has given a clear finding of deficiency in service on the part of the appellants and therefore, the appeals may be simply dismissed.

15. We have considered the two specific submissions made by learned counsel for the appellants in light of the contents of the Report which we have extracted above. We find that the Report also takes into consideration the fact that there was excess rainfall during the relevant period and as a result there was a very good arboreal growth of the species but nevertheless the pods were semi-developed and only 50% of the pods were found

completely developed. From this, we infer that there was no complete deficiency of service as has been observed by the District Forum as well as by the NCDRC. However, the fact also remains that there was semi-development of the reaming pods which is also highlighted in the Report.

16. In the circumstances, we find that the interest of justice would be served if we direct release of 50% of the compensation amount which has been deposited by the appellants before the District Forum pursuant to interim order dated 02.08.2021 passed by this Court and complied with by the appellants on 24.08.2021, to the respondents-farmers along with accrued interest, if any. The remaining 50% of the compensation deposited along with accrued interest, if any, shall be refunded to the appellants.

17. In view of the aforesaid order, we set aside the findings of the District Forum which have been sustained by the NCDRC with regard to the aspect of deficiency of service found against the appellants and modify the said orders accordingly.

The appeals are allowed in part in the aforesaid terms.
Parties to bear their respective costs.

Pending application(s) shall stand disposed of.

.....J.
[**B.V. NAGARATHNA**]

.....J.
[**UJJAL BHUYAN**]

NEW DELHI;
FEBRUARY 05, 2026.