

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION  
Civil Appeal No. 5955/2005

LAKSHMI SUGAR MILL,UTTARANCHAL

Appellant

VERSUS

STATE OF UTTAR PRADESH & ORS.

Respondents

WITH

C.A. No. 5956/2005

C.A. No. 5957/2005

C.A. No. 5958/2005

C.A. No. 1328/2019

[arising out of SLP(C) No. 27653/2009]

O R D E R

Leave granted in SLP(C) No. 27653/2009.

Whether the State Government or its authority i.e. the Cane Commissioner can reserve an area within the State to feed the sugarcane requirement of a factory located outside the State, is the moot question that has been referred to us by a two-Judge Bench of this Court by order dated 5.4.2011. Connected is the issue of correctness of the view expressed by this Court in paragraph 23 of the judgment reported in *The Purtabpore Co. Ltd. vs. Cane Commissioner of Bihar & Ors., (1969) 1 SCC 308.*

We have heard the learned counsels for the parties and considered the matter.

Notwithstanding the fact that some of the factory units involved in the present cases have been closed down for various business reasons, we are of the view that the question of law referred needs to be answered and that is

why, we have proceeded with the matter and have heard the parties at length.

Having read and considered Clauses 6 and 11 of the Sugarcane (Control) Order, 1966 framed under Section 3 of the Essential Commodities Act, 1955, we are of the view that though the power to reserve any area is vested by the Control Order in the Central Government, Clause 11 provides for delegation of such power to the State Government, which has been so done by the Government of India vide notification bearing number G.S.R. 1127/Ess.Com./Sugarcane dated 16.7.1966.

The power under Clause 6 being capable of being delegated by virtue of Clause 11 and such delegation having been made, we are inclined to take the view that a reserved area within a State can be notified by the Cane Commissioner/authority of the State Government even though the factory which depends on supply of sugarcane may be located in a neighbouring State or outside the State. This is fully in accord with the constitutional scheme, which was duly taken note of by this Court while rendering its opinion in *The Purtabpore Co. Ltd. (supra)*.

The argument advanced on behalf of the respondent no. 3 that the scheme of the U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953 and the rules framed thereunder does not contemplate such a situation, has also been considered by us and we do not find any provision in the said Act or rules framed thereunder, which imposes such an embargo on the State Government. The reference made to the provisions of Section 15 of the Bihar Sugarcane Factories Control Act, 1937, vesting such a power in the State Government i.e. State of Bihar to reserve an area within the State for a factory outside the State, cannot be an authority for the proposition that

unless the State legislation empowers the State Government to do so, the State Government would be denuded of its power in this regard, as contended. To take such a view would amount to rendering the provisions of the Sugarcane (Control) Order, 1966, a statutory exercise, redundant, which by no process of interpretation would be acceptable.

We accordingly answer the question referred, by holding that the State Government would be empowered to reserve an area within its boundaries, even though a factory which is to be fed by the sugarcane grown in that area or purchased from that area may be outside the State.

In the above view that we have taken, we do not consider it necessary to go into the correctness of the view expressed in paragraph 23 of *The Purtabpore Co. Ltd. (supra)*. The civil appeals are disposed of in the above terms.

.....CJI  
[Ranjan Gogoi]

.....J.  
[Deepak Gupta]

.....J.  
[Sanjiv Khanna)

New Delhi;  
January 30, 2019.

ITEM NO.102

COURT NO.1

SECTION III-A

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

Civil Appeal No. 5955/2005

LAKSHMI SUGAR MILL,UTTARANCHAL

Appellant

VERSUS

STATE OF UTTAR PRADESH & ORS.

Respondents

WITH

C.A. No. 5956/2005 (III-A)

C.A. No. 5957/2005 (III-A)

C.A. No. 5958/2005 (III-A)

SLP(C) No. 27653/2009 (XI)

Date : 30-01-2019 This matter was called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE  
HON'BLE MR. JUSTICE DEEPAK GUPTA  
HON'BLE MR. JUSTICE SANJIV KHANNA

For Appellant

Mr. P.N. Mishra, Sr. Adv.  
Mr. Vishwajit Singh, AOR  
Mr. Pankaj Singh, Adv.  
Mr. Sushmit Chauhan, Adv.  
Ms. Shrishti Khanna, Adv.  
Ms. Aishwarya Mishra, Adv.

Mr. Gautam Narayan, Adv.  
Ms. Asmita Singh, Adv.  
Mr. Nikhil Nayyar, AOR

Mr. Mahesh Agarwal, Adv.  
Mr. E.C. Agrawala, AOR  
Mr. Prasht Tyagi, Adv.

Mrs. Niranjana Singh, AOR  
Ms. Rachana Srivastava, AOR

For Respondents

Mr. Rohit K. Singh, AOR  
Mr. Ashutosh Kumar Sharma, Adv.  
Mr. Gautam Kumar Singh, Adv.

Mr. Sanjeev Anand, AOR  
Mr. Ankit Singh, Adv.

Mrs. Niranjana Singh, AOR  
Mr. E.C. Agrawala, AOR  
Ms. Rachana Srivastava, AOR  
Mr. Vishwajit Singh, AOR  
Ms. Susmita Lal, AOR

UPON hearing the counsel the Court made the following  
O R D E R

Leave granted in SLP(C) No. 27653/2009.

The civil appeals are disposed of in terms of the signed order.

Pending interlocutory applications, if any, shall stand disposed of.

(Deepak Guglani)  
Court Master

(Anand Prakash)  
Court Master

(signed order is placed on the file)