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C.A.No. 4598-4599 OF 2000

ITEM No.110 Court No.5

SECTION IIIA

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

Civil Appeal Nos.4598-4599 of 2000

TRADE TAX OFFICER, SAHARANPUR Appellant (s)

VERSUS

M/S. ROYAL TRADING CO. Respondent (s)
(With office report)

Date : 05/05/2005 These appeals were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE S.N. VARIAVA
HON'BLE DR. JUSTICE AR. LAKSHMANAN

For Appellant (s) Mr. Rajeev Kumar Dubey, Adv.
Ms. Rashmi Singh, Adv.
Mr. Kamendra Mishra, Adv.
Mr. P.D.Tyagi, Adv.

For Respondent (s) Mr. S.Borthakur, Adv.
Mr. Sunil Kumar Jain, Adv.

UPON hearing counsel the Court made the following

O R D E R

The Appeals are disposed of in terms of the signed order.
There will be no order as to costs.

Anita

(Jasbir Singh)
Court Master

(Signed Order is placed on the file.)

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS. 4598-4599 of 2000

TRADE TAX OFFICER, SAHARANPUR

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Appellant (s)

Versus

M/S. ROYAL TRADING CO.

...

Respondent (s)

O R D E R

These Appeals are against the Judgment of the Allahabad High Court dated 21st January, 2000. The Respondent-Company were clearing their goods on the basis that they were leather sheets within the meaning of Section 14 of the Central Sales Tax Act. A show cause notice was issued to them claiming that the items cleared by them were not leather sheets and that a higher duty was required to be paid. The Respondents filed a writ petition challenging the issuance of the show cause notice. The High Court ignoring the well settled law that against a mere issuance of a show cause notice a Court should be reluctant to interfere, purported to go into the facts and quashed the show cause notice in a mechanical way. In our view the approach of the High Court was entirely wrong. All that had been done was that a show cause was issued. After the Respondents filed their reply, the notice may have been dropped or if the reply was not satisfactory based on the reply further inquiries could have been made by the Appellants. An adjudication proceedings must not be stalled in the manner done by the High Court. We therefore, set aside the impugned orders. The Appellants will be at liberty to proceed with the show cause notice. Reply to the show cause notice must be filed within four weeks from today. Adjudication to take place thereafter. The Appeals stand disposed of accordingly. There will be no order as to costs.

.....J.

(S.N.Variava)

.....J.

(Dr.AR.Lakshmanan)

New Delhi,
May 05, 2005.