

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 2819 OF 2007

M/S. SHARDA SYNTHETICS LTD.

... Appellant

VERSUS

UNION OF INDIA & ORS.

... Respondents

O R D E R

Having regard to the nature of order which we propose to pass, it is not necessary to traverse through the facts in detail. Suffice it is to mention that there was a liability of tax in the sum of Rs.35,44,614.55/- in respect of which the appellant had furnished the Bank Guarantee as well. There were various litigations pending between the parties and the appellant had also filed civil suit seeking restraint orders against the respondent-Union of India from encashing the Bank Guarantee. At this time, the Kar Vivadh Samadhan Scheme, 1998 (KVSS) scheme was introduced by the Government which entitled the defaulters to pay 50 per cent of the demand and settle their tax disputes.

The appellant applied under the said Scheme but this application was rejected on the ground that the provisions of this scheme did not apply inasmuch as no Show Cause Notice was issued to the appellant which was pending at that time.

The writ petition filed by the appellant has also been dismissed by the impugned order.

In the meantime, the respondents recovered the entire amount by encashing the Bank Guarantee on 13.10.2003. In view thereof, it is not necessary to go into the issue and we are of the opinion that having regard to the peculiar facts of this case and also that the appellant has some arguable case on merits, interest of justice would be subserved, if no interest is demanded. We, thus, dispose of this appeal with the direction to the respondents not to recover any further amount towards interest from the appellant.

....., J.
[A.K. SIKRI]

....., J.
[ROHINTON FALI NARIMAN]

New Delhi;
October 08, 2015.

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Civil Appeal No. 2819/2007

M/S. SHARDA SYNTHETICS LTD.

Appellant(s)

VERSUS

UNION OF INDIA & ORS.

Respondent(s)

Date : 08/10/2015 These appeals were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE A.K. SIKRI

HON'BLE MR. JUSTICE ROHINTON FALI NARIMAN

For Appellant(s)

Mr. V. Sridharan, Sr. Adv.
Mr. M. P. Devanath, Adv.
Mr. Hemant Bajaj, Adv.
Mr. Anandh K., Adv.
Ms. L. Charanya, Adv.
Mr. Aditya Bhattacharya, Adv.
Mr. R. Ramachandran, Adv.
Mr. T. D. Satish, Adv.

For Respondent(s)

Mr. A. K. Panda, Sr. Adv.
Mr. Arijit Prasad, Adv.
Mr. R. S. Jena, Adv.
Mr. B. Krishna Prasad, Adv.

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

The appeal is disposed of in terms of the signed
order.

(Nidhi Ahuja)
COURT MASTER

(Renu Diwan)
COURT MASTER

[Signed order is placed on the file.]