

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S) 6706 OF 2018  
[ARISING OUT OF SPECIAL LEAVE PETITION (CIVIL) NO.  
18400/2018 (@ SLP(C) CC NO.486/2009)]

STATE OF UTTARANCHAL  
[NOW KNOWN AS UTTARAKHAND]  
& ORS. . . . . APPELLANT(S)

VERSUS

M/S POLYPLEX CORPORATION LIMITED . . . . . RESPONDENT(S)

WITH  
CIVIL APPEAL NO(S) 6705 OF 2018  
[ARISING OUT OF SPECIAL LEAVE PETITION (CIVIL) NO.  
18414/2018 (@ SLP(C)...CC NO.808/2009)]

ORDER

1. Delay condoned.
2. Leave granted.
3. The levy of entry tax on the entry on goods of the respondent(s) was interfered with by the High Court on the ground that the levy is not compensatory in nature. Reliance in this regard was placed on the decision of this Court in Atiabari Tea Co. Ltd. Etc. vs. State of Assam & Ors.<sup>1</sup>
4. Nine Judges Bench of this Court in Jindal Stainless Ltd. and Anr. Vs. State of Haryana and

1. (1961) 1 SCR 809

Ors.<sup>2</sup> has taken the view that compensatory tax theory involved in Atiabari Tea Co. Ltd. (supra) does not have any juristic basis. The other issues decided by the Hon'ble Nine Judges Bench would not be relevant with regard to the present case(s).

5. Learned counsel for the respondent(s) has also raised the issue with regard to the liability to pay entry tax on goods that are imported. The said issue has also been dealt with and settled by a decision of this Court in the case of State of Kerala and others Vs. Fr. William Fernandez etc. etc.<sup>3</sup> (paragraphs 105, 123 and 144).

6. In view of the above, we find that the order of the High Court interfering with the levy of entry tax cannot be sustained. We, therefore, set aside the order(s) of the High Court and allow these appeals.

....., J.  
(RANJAN GOGOI)

....., J.  
(R. BANUMATHI)

NEW DELHI  
JULY 16, 2018

2 . 2016 (11) SCALE 1 = 2017 (12) SCC 1

3. 2017 (12) SCALE 463

ITEM NO.2

COURT NO.2

SECTION X

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

PETITION(S) FOR SPECIAL LEAVE TO APPEAL (C).....CC NO(S).  
486/2009

(ARISING OUT OF IMPUGNED FINAL JUDGMENT AND ORDER DATED 02-06-2008  
IN WP NO. 1016/2007 PASSED BY THE HIGH COURT OF UTTARAKHAND AT  
NAINITAL)

STATE OF UTTARANCHAL (NOW UTTARAKHAND) & ORS. PETITIONER(S)

VERSUS

M/S POLYPLEX CORP.LTD.

RESPONDENT(S)

[OFFICE REPORT FOR DIRECTION]

WITH

SLP(C) ...CC NO. 808/2009 (X)

(FOR EXEMPTION FROM FILING O.T. ON IA 1/2009  
FOR CONDONATION OF DELAY IN FILING ON IA 2/2009  
FOR PERMISSION TO FILE ADDITIONAL DOCUMENTS ON IA 3/2009)

Date : 16-07-2018 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE RANJAN GOGOI  
HON'BLE MRS. JUSTICE R. BANUMATHI

For parties: Mr. Ashutosh Kumar Sharma, Adv.  
Mr. Jatinder Kumar Bhatia, AOR

Mr. Paritosh A., Adv.  
Ms. Ruchi Kohli, Aor

Mr. Rajesh Kumar, AOR  
Mr. Rahul Krishna, Adv.  
Mr. R.K. Srivastava, Adv.  
Mr. P.N. Srivastava, Adv.

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

**Delay condoned.**

**Exemption from filing O.T. is granted.**

**Permission to file additional documents is granted.**

**Leave granted.**

**The appeals are allowed in terms of the signed  
order.**

**[VINOD LAKHINA]**

**AR-cum-PS**

**[ASHA SONI]**

**BRANCH OFFICER**

**[SIGNED ORDER IS PLACED ON THE FILE]**