

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (Civil) No(s).107/2007

(From the judgement and order dated 14/08/2006 in WA No. 2485/2004 and Writ Petition No.16977/2004 of The HIGH COURT OF KARNATAKA AT BANGALORE)

KANORIA INDUSTRIES LTD.

Petitioner(s)

VERSUS

STATE OF KARNATAKA & ORS.

Respondent(s)

(With prayer for interim relief and office report)

Date: 25/01/2008 This Petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ALTAMAS KABIR
HON'BLE MR. JUSTICE J.M. PANCHAL

For Petitioner(s) Mr. Shyam Diwan, Sr. Adv.
Mr. Hemant Sharma, Adv.
Mr. Ajay Kumar, Adv.
Ms. Indu Sharma, Adv.

For Respondent(s)
Ms. Anitha Shenoy, Adv.

UPON hearing counsel the Court made the following
ORDER

Leave granted.

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

There shall be no orders as to costs.

(Sheetal Dhingra) (Ashok Bhatia)
Court Master Court Master

[Signed order is placed on the file]

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 763 OF 2008
[Arising out of SLP(C) No.107 of 2007]

KANORIA INDUSTRIES LTD.

Appellant(s)

VERSUS

ORDER

Leave granted.

This appeal is directed against the final judgement and order passed by the Karnataka High Court on 14/08/2006 dismissing the Writ Appeal as also the Writ Petition filed by the appellant challenging a demand notice issued by the Government of Karnataka under Section 9 of the Karnataka Tax on Entry of Goods Act, 1979. The appellant took a stand before the High Court that it had been declared as a sick company by the Board for Industrial and Financial Reconstruction on 02/06/2000 and that in view of Section 22 of the Sick Industries (Special Provisions) Act, 1985, the appellant was protected from any coercive action for recovery of the dues.

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On 19/02/2007 when the notice was issued on the special leave petition, an interim order was passed for stay of the recovery proceedings, in view of the submission made that a Rehabilitation Scheme, as prepared by the Operating Agency, was under process.

Today when the matter is taken up, it has been shown to us that the proposed scheme was finally approved by the aforesaid Board on 20 th September, 2007 and that the Government of Karnataka had also participated in the proceedings which led to the framing of the Scheme. At paragraph 8(4) of the Scheme, the conditions relating to the dues of the Government of Karnataka had been set out and under clauses (a), (b) and (c) the matter relating to payment of sales tax dues, including Entry tax, has also been indicated.

Learned counsel appearing for the State of Karnataka does not dispute the fact that such a scheme has been approved and that the Government of Karnataka has also agreed to the terms which have been referred to hereinabove.

Having regard to the above, we dispose of this appeal by granting leave to the Government of Karnataka to realise its dues in terms of

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the aforesaid scheme, and in case of default, to proceed in accordance with law to recover the same.

There shall be no orders as to costs.

(ALTAMAS KABIR)

..J

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(J.M. PANCHAL)

New Delhi;
25th January, 2008.