



In SLPs 29868/09,  
30383/09,24430/09  
& 24822/09:

Mr. Ravindra Shrivastava, Sr. Adv.  
Mr. Akshat Shrivastava, Adv.  
Mr. P.P. Singh, Adv.  
Mr. Inderjeet Yadav, Adv.

In SLP 33176/09:

Ms. B. Vijayalakshmi Menon, Adv.  
Mr. B.R. Menon, Adv.  
Mr. Rohit Choudhry, Adv.  
Ms. Preeti Khimani, Adv.

In SLP 104/2010:

Mr. U.A. Rana, Adv.  
Ms. M. Majumdar, Adv.  
for M/s. Gagrat & Co., Adv.

For Respondent(s)

Mr. C.S. Vaidyanathan, Sr. Adv.  
Mr. Atul Jha, Adv.  
Mr. Dharmendra Kumar Sinha, Adv.

Mr. B.S. Banthia, Adv.  
Mr. Vikas Upadhyay, Adv.

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

At present, Steel Authority of India  
Limited [S.A.I.L.] is required, on an average, to  
...3/-

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pay Rupees thirty crores per month towards Entry  
tax at the rate of six per cent ad valorem. If  
this figure is not accurate, the State may file an  
affidavit to that effect. Till date, S.A.I.L. has  
already paid an amount of Rs.204 crores towards  
arrears.

The question, before us, is - whether  
S.A.I.L. should continue to pay Entry tax at the  
rate of Rupees thirty crores per month hereinafter?

One of the points rightly raised by learned  
counsel for the State was that assessee should  
continue to pay the tax at six per cent as the  
State has a huge deficit and it requires revenue to  
be raised on month-to-month basis. On the other  
hand, our attention is invited to the Exemption  
Policy for the years 2009-2014, which is in  
continuation of the erstwhile Policy under which  
Public Sector and Government Companies are denied  
exemption whereas Private Sector Companies are  
given exemption from payment of Entry tax. We are  
not examining the validity of the Exemption  
Notification(s)/Policy in the present case. It is  
open to the State to grant exemption, if it deems  
fit, in accordance with law. The question which we

need to examine is what is the cost of exemption  
annually to the State? Is this cost being financed  
by imposing Entry tax only on Government and Public  
Sector Companies? For that purpose alone, we direct  
the State to furnish to this Court annual cost  
which the State is incurring by granting exemption  
to Private Sector Companies whose names we do not  
...4/-

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wish to mention at this stage. This exercise is  
also required to be undertaken for more than one  
reason. What is being submitted is that  
administration of Entry tax in the State is highly  
discriminatory; certain Private Sector Companies  
are being taxed at one per cent whereas Government

and Public Sector Companies are being taxed at the rate of six per cent. The State is directed to explain this differential treatment.

The special leave petitions shall stand over for four weeks. In the meantime, S.A.I.L. will pay Entry tax on month-to-month basis, henceforth, at the rate of three per cent [ad hoc] which comes to approximately Rupees fifteen crores per month.

One more facet needs to be mentioned. We do not want this order to be cited as a precedent because in the case of S.A.I.L., there is one more feature which needs to be kept in mind. S.A.I.L. is managing Bhilai Municipal Township at a considerable expense which facet does not exist in the case of other Companies.

Before concluding, we may state that the amounts which S.A.I.L. will pay to the State will be treated as a deposit and not as tax. However, this will not prevent the State from utilizing the said amount. The State will treat this amount as a deposit so that in future if the assessee succeeds, refund will not be denied on the ground of unjust enrichment. Lastly, the Chief Secretary of the State is directed to give an undertaking to this ...5/-

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Court within four weeks stating that, in the event of the State losing it's case at the final hearing of the matter, the amounts shall be refunded to the assessee with interest, which may be fixed by this Court at the final hearing of the matter.

[ T.I. Rajput ]  
A.R.-cum-P.S.

[ Madhu Saxena ]  
Court Master

ITEM NO.1-B

COURT NO.2

SECTION III

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

Petition(s) for Special Leave to Appeal (Civil) No(s).23990/2009

(From the judgement and order dated 10/09/2009 in WPT No.1336/2007 of The HIGH COURT OF CHATTISGARH AT BILASPUR)

STEEL AUTHORITY OF INDIA LTD.

Petitioner(s)

VERSUS

STATE OF CHHATISGARH & ORS.

Respondent(s)

(With appln(s) for exemption from filing O.T., permission to file additional documents, prayer for interim relief and office report)

With S.L.P. (C) No.24430 of 2009  
(With prayer for interim relief)

S.L.P. (C) No.24822 of 2009  
(With prayer for interim relief and office report)

S.L.P. (C) No.26509 of 2009  
(With prayer for interim relief and office report)

S.L.P. (C) No.28696 of 2009  
(With appln(s) for exemption from filing O.T. and prayer for interim relief)



[ T.I. Rajput ]  
A.R.-cum-P.S.

[ Madhu Saxena ]  
Court Master