

ITEM NO.43

COURT NO.1

SECTION III

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) No(s). 25671/2015

(Arising out of impugned final judgment and order dated 04/05/2015 in WT No. 77/2015 passed by the High Court Of Judicature at Allahabad)

M/S AIRAN ALLOYS PVT. LTD.

Petitioner(s)

VERSUS

STATE OF U.P. & ORS.

Respondent(s)

(With appln. (s) for exemption from filing O.T. and interim relief and office report)

WITH

SLP(C) No. 25856/2015

(With appln.(s) for exemption from filing O.T. and Interim Relief and Office Report)

Date : 18/09/2015 These petitions were called on
for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE

HON'BLE MR. JUSTICE AMITAVA ROY

For Petitioner(s) Mr. Pradeep Gupta, Adv.
 Mr. Parinav Gupta, Adv.
 Ms. Mansi Gupta, Adv.
 Dr. (Mrs.) Vipin Gupta, Adv.

For Respondent(s)

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

Leave granted.

In the Writ Petition(s) filed, the appellants and
others had questioned the constitutional validity of
the U.P. Tax on Entry of Goods Into Local Areas Act,

2007 ('U.P.Act, 2007' for short).

We have heard learned counsel for the appellants on the prayer made for grant of interim relief and also perused the records.

We are not inclined to grant the blanket stay order as prayed for by the appellants. Accordingly, we pass the following order :

The operation of the impugned judgment and order is stayed subject to the appellants depositing 50% of the accrued tax liability/arrears under the U.P.Act, 2007 and furnish bank guarantee for the balance amount within four weeks from today. It goes without saying, that the aforesaid deposit shall be made after adjusting the amount(s) paid or deposited during the pendency of the Writ Petition(s) before the High Court. The appellants are directed to keep the bank guarantee(s) alive during the pendency of these appeals. The amount(s) so deposited/paid and the bank guarantee(s) furnished is subject to the result of these appeals.

The appellants shall also deposit 50% of the tax liability/arrears, including interest and penalty, and

furnish bank guarantee for the balance amount as and when demand notices are issued under the U.P.Act, 2007 for the past period.

In default, the interim order(s) granted by this Court shall automatically stand(s) vacated.

In case the State of Uttar Pradesh loses the matters at the time of final hearing, it shall refund to the appellants the amount deposited with interest at the rate which may be fixed by this Court.

It is also made clear that in case the appellants lose the matter, the Department is at liberty to encash the bank guarantee(s) offered by the appellants and also issue demand notice(s) demanding interest, and penalty on the amount outstanding as arrears of tax.

The appellants shall continue to pay the tax at the prevailing rate(s) for the future period as applicable to each one of the assesseees.

In view of the interim order passed by us, we expect that the Department shall not resort to coercive steps to recover the amounts due to the Department.

[Charanjeet Kaur]
A.R.-cum-P.S.

[Vinod Kulvi]
Asstt. Registrar