

**In the High Court of Punjab and Haryana
at Chandigarh**

CWP No. 14731 of 2008

Date of Decision: 30.09.2008

M/s Vijay Industries

..... Petitioner

Versus

State of Haryana and others

..... Respondents

**Coram: Hon'ble Mr. Justice Adarsh Kumar Goel
Hon'ble Mr. Justice Ajay Tewari**

1. Whether Reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporters or not?
3. Whether the judgment should be reported in the Digest?

Present: Mr.Mohnish Sharma, Advocate
for the petitioner.

Ajay Tewari, J.

Challenge in this petition is to the orders dated 18.6.2004, 23.7.2004 and 6.5.2008 withdrawing the eligibility certificate granted to the petitioner.

The petitioner-Industry was set up for manufacturing of washing soap with the production capacity of about 2000 quintals per annum. It applied for the eligibility certificate for sales tax exemption and the same was issued to it by the General Manager, District Industry, Hisar in pursuance of the decision of Lower Level Screening Committee in its meeting held on 25.7.1996 for new industrial unit set up at Jakahn Dhadi for manufacturing of washing soap as sales tax exemption for a period of eligibility from 13.5.1996 to 12.5.2005 subject to ceiling of Rs. 9.03 lacs only. Thereafter by order dated 18.6.2004 the eligibility certificate was withdrawn due to closure of business and for sale of premises as well as for

non-application of renewal. Consequent to the withdrawal of the eligibility certificate, by order dated 23.7.2004, the exemption certificate granted to the dealer was also cancelled. The appeal filed by the petitioner was initially rejected on the ground of limitation which was challenged in this Court by way of CWP No. 18776 of 2007 wherein it was directed that the appeal of the petitioner be redecided on merits. Following the said order the appeal of the petitioner is set down for hearing before the HLSC. None appeared for the petitioner and the Committee after considering the case of the petitioner on merits, rejected the appeal.

Before us, learned counsel for the petitioner placed reliance on a decision of this Court in **M/s Lloyd Cements Ltd. v. State of Haryana and others** reported as (2004) 24 PHT 398 to contend that the exemption certificate could not be withdrawn from the date of its inception. We find that the said judgment itself records that where the eligibility certificate is withdrawn the exemption certificate is deemed to have been withdrawn from the first date of its validity and, therefore, the unit is liable to payment of tax, interest or penalty under the Act as if no such certificate had ever been granted to it.

In this view of the matter, we find no merit in this petition and the same is dismissed with no order as to costs.

(AJAY TEWARI)
JUDGE

(ADARSH KUMAR GOEL)
JUDGE

September 30, 2008
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