

THE HON'BLE THE ACTING CHIEF JUSTICE RAMESH RANGANATHAN

AND

THE HON'BLE SMT.JUSTICE T. RAJANI

Writ Petition No.25576 of 2011

Order: (Per the Hon'ble The Acting Chief Justice Ramesh Ranganathan)

The proceedings under challenge in this writ petition is the demand notice dated 16.8.2011 whereby eleven forklifts, lying in the premises of the petitioner-company, were sought to be subjected to life tax. A notice was issued to the petitioner on 20.6.2011 calling upon them to show cause why life tax at 7.5% of the invoice cost of each vehicle, along with the applicable penalty and compounding fee, should not be collected from them. The petitioner submitted a detailed reply thereto by their letters dated 29.6.2011 and 14.7.2011 wherein, among others, they questioned the jurisdiction of the authorities to subject the vehicles to life tax.

The fact that the petitioner had submitted their reply to the show cause notice is not in dispute. The Deputy Transport Commissioner, however, passed a non-speaking order merely recording that the explanation submitted by the registered owner was not satisfactory. It was obligatory on the part of the Deputy Transport Commissioner, before calling upon the petitioner to pay life tax, to deal with their contentions in the reply submitted by them to the show cause notice, and to have passed a reasoned order.

While Sri C.R. Sreedharan, learned Senior Counsel, would submit that the Deputy Transport Commissioner lacked jurisdiction to levy life tax on vehicles confined within the premises of a factory, it is wholly unnecessary for us to dwell on this aspect as the impugned order must be set aside on the short ground that it is bereft of reasons. Needless to state that the questions raised in this writ petition are left open to be urged both before the Deputy Transport Commissioner and, if need be, later in appropriate legal proceedings. The Deputy Transport Commissioner shall pass a reasoned order in accordance with law at the

earliest and, in any event, not later than three months from the date of receipt of a copy of this order. The amount paid by the petitioner, pursuant to the interim order passed by this Court, shall remain in deposit with the Deputy Transport Commissioner and shall be subject to the orders that shall be passed by him.

The writ petition stands disposed of accordingly. Miscellaneous Petitions pending, if any, shall also stand disposed of. There shall be no order as to costs.

(RAMESH RANGANATHAN, ACJ)

2nd June, 2017
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(T. RAJANI, J)

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