Bata India Ltd. Vs. the State of Rajasthan and anr.

Bata India Ltd. Vs. the State of Rajasthan and anr.

SooperKanoon Citation : sooperkanoon.com/756359

Court : Rajasthan

Decided On : Jul-20-1988

Reported in : [1989]72STC67(Raj)

Judge : S.C. Agrawal and; P.C. Jain, JJ.

Appeal No. : D.B. Civil Writ Petition No. 2200 of 1988

Appellant : Bata India Ltd.

Respondent : The State of Rajasthan and anr.

Advocate for Pet/Ap. : R.S. Mehta, Adv.

Disposition : Petition dismissed

Judgement :

S.C. Agrawal, J.

1. M/s. Bata India Limited, the petitioner in this writ petition, carries on business of manufacture of footwear at its factories situated in the States of West Bengal, Bihar, Haryana and Karnataka. By notification dated 8th March, 1988, issued in exercise of the powers conferred by Sub-section (2) of Section 4 of the Rajasthan Sales Tax Act, 1954 (hereinafter referred to as 'the Act'), the State of Rajasthan exempted from tax under the Act the sale and purchase of all kinds of footwear up to the value of Rs. 20. By subsequent notification dated 23rd June, 1988, the

notification dated 8th March, 1988 was modified and the exemption granted under the notification dated 8th March, 1988, was confined to all kinds of footwear manufactured by the small-scale industries up to the value of Rs. 20. Feeling aggrieved by the said notification dated 23rd June, 1988, the petitioner has filed this writ petition.

2. The first contention that has been raised by the learned counsel for the petitioner is that the said notification is violative of Article 14 of the Constitution of India inasmuch as it arbitrarily discriminates between the petitioner-company and small-scale industries which are carrying on the business of manufacture of footwear inasmuch as there is no reasonable basis for such a differentiation. We find no substance in the aforesaid contention. We are of the opinion that the small-scale industries carrying on the business of footwear cannot be equated with large manufacturers like the petitioner and such small-scale industries can be classified separately for the purpose of granting relief in the matter of sales tax. Such a relief to such small-scale industries helps them in competing with the big manufacturers like the petitioner-company inasmuch as on account of their large production the cost of production in the case of the petitioner-company is lesser than the cost of production in the cases of small-scale manufacturers.

3. The next contention that has been raised by the learned counsel for the petitioner is that the impugned notification violates Articles 301, 303 and 304 of the Constitution of India inasmuch as, as a result of exemption granted under the impugned notification, the products of the petitioner-company will not have a market in the State of Rajasthan and only the manufacturers in the State of Rajasthan will be benefited as a result of this exemption. In this connection, Shri Mehta has urged that in the State of Rajasthan there is no big manufacturer of footwear, which shows that the exemption has been restricted to the manufacturers of foot wear in the State of Rajasthan only. In support of the above submission, Shri Mehta has placed reliance on the decisions of the Supreme Court in Indian Cement Ltd. v. State of Andhra Pradesh [1988] 69 STC 305 and Weston Electroniks v. State of Gujarat [1988] 70 STC 52. In our view the aforesaid submission is also without substance. There is nothing in the impugned notification dated 23rd June, 1988 which restricts the grant of exemption only to small-scale

industries manufacturing footwear in the State of Rajasthan. The scope of the exemption granted under the notification is wide enough to cover all small-scale industries manufacturing footwear in the country. It cannot, therefore, be said that the impugned notification has been intended to confer a benefit on small-scale industries manufacturing footwear up to Rs. 20 located in the State of Rajasthan only. The decisions of the Supreme Court referred to above, on which reliance has been placed by Shri Mehta, are not applicable to the facts and circumstances of the present case because in those cases, the relief was expressly confined to the manufacturers within a particular State only.

4. No other contention has been urged.

5. The writ petition, therefore, fails and is dismissed accordingly.