

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES,
ODISHA, CUTTACK.

No. / 10575 CT
~~LAW-11/1/2016-Law.CT~~

Dated 05-07-2016 ,

CIRCULAR

Sub- Observation of principle of natural justice in statutory proceedings

Ref:- Judgment in WP(C) No.20613/2015 dtd 22.02.2016 of the Hon'ble High Court of Orissa in case of M/s Narbheram Power & Steel Pvt. Ltd. vs. Joint Commissioner of Sales Tax & another.

Hon'ble High Court of Odisha, in an order cited above, have observed as follows:

".....The very least that can be said in the present circumstances, is that the principles of natural justice have been thrown to the wind. Accordingly, without going into the merit of the case, we set-aside the assessment order dt.31.03.15 passed by the Joint Commissioner of Sales Tax (O.P.1) under Annexure-1 on the ground of violation of principles of natural justice & inadequate opportunity of hearing offered to the petitioner.

.....We further issue a warning in this case to all statutory authorities that they must in exercise of quasi-judicial authority, comply with the principles of natural justice as well as the rules framed at all times....."

Principles of Natural justice stipulate the following:-

1. No one should be the judge in his own cause;
2. Nobody should be condemned unheard.

The second one is of extreme importance to statutory authorities dealing in taxation matters. In the statute itself, there is mandate for providing opportunity of



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being heard to the dealers or affected parties. Evidence of extending opportunity of being heard must reveal from the records. Therefore, maintenance of record is utmost important which will speak for itself. Progress & conduct of the proceeding with date & event should be well recorded in the order sheet. It needs no reiteration that while finalising statutory proceedings, the dealers must be provided with reasonable time and sufficient opportunities to file objections to the notice/ intimations / show cause / queries issued by the statutory authorities. Non-adherence to principles of natural justice will result in the proceedings being quashed by higher statutory authorities.

This is for your information and necessary action.



05-07-16

(Saswat Mishra, I.A.S.)

Commissioner of Commercial Taxes
Odisha, Cuttack