(1992) 01 KAR CK 0040

In the Karnataka High Court

Case No : Writ Petition Nos. 16992 and 5774 of 1987

1m/s. Allied Industries and Steel Rolling Mills Private Limited, Mangalore and Another	APPELLANT
Vs	
State of Karnataka and Others	RESPONDENT

Date of Decision : 07-01-1992

Acts Referred:

Karnataka Sales Tax Act, 1957 — Section 5(4)

Citation : (1996) 40 KarLJ 207

Hon'ble Judges : S. Rajendra Babu, J

Judgement

In these two petitions the identical questions which are raised were considered by the Supreme Court in M/s. Andhra Steel Corporation v Commissioner of Commercial Taxes in Karnataka, AIR 1990 SC 1912, wherein Explanation (II) added by Karnataka 13 of 1982 to Schedule. IV was held to be discriminatory as under that provision sale of finished goods manufactured out of imported raw material is taxed but the sale of finished goods manufactured out of local purchased raw material is not taxed and that amounts to hostile discrimination in the rate of tax or quantum of tax and consequently, the Supreme Court held that the provision is ultra vires the Constitution. In view of this declaration, the petitioners have to succeed. It is not necessary to again declare that explanation of rule in Schedule IV of the Karnataka Sales Tax Act as invalid. Respondents had to work out taxes due from the petitioner in the light of the decision referred to above.

Writ petitions shall stand disposed of accordingly.