(1998) 09 KAR CK 0079

In the Karnataka High Court

Case No : S.T.R.P. No. 28 of 1996

Mahadev Textile Mills APPELLANT

Vs

State of Karnataka RESPONDENT

Date of Decision : 15-09-1998

Acts Referred:

Citation : (2001) 122 STC 256

Hon'ble Judges : S.R. Venkatesha Murthy, J;Ashok Bhan, J

Bench : Division Bench

Advocate : Vassan Associates, for the Appellant; K.M. Shivayogi Swamy, Govt. Pleader, for the Respondent

Final Decision : Dismissed

Judgement

S.R. Venkatesha Murthy, J.—The short point for consideration in this revision is, whether unginned cotton comes within the ambit of cotton under entry 6 of the Fourth Schedule of the Karnataka Sales Tax Act, 1957.

2. The petitioner was a registered dealer under the Karnataka Sales Tax Act, 1957 (hereinafter called "the Act"), a composite mill having the facility of ginning, pressing, spinning, weaving and processing sought to question the assessment for the assessment years 1985-86 and 1986-87 on the ground that the unginned cotton or "capas" do not come within entry 6 of the Fourth Schedule. The claim has been negatived throughout in the appeals provided under the Act.

3. Entry 6 of the Fourth Schedule of the Karnataka Sales Tax Act reads as follows :

"6. Cotton, that is to say, all kinds of cotton (indigenous or imported) in its unmanufactured state, whether ginned, baled, pressed or otherwise but not including cotton waste."

From a reading of the entry, it becomes clear that what is contemplated is cotton in an unmanufactured state. In order to put the matter beyond any controversy, the definition is made comprehensive as can be made out from an analysis of the entry. Apparently, the process of ginning, baling, pressing of cotton is likely to be asserted as a manufacturing processes and therefore out of the ambit of entry 6. That is the reason why the entry 6 has been worded by including cotton in a ginned state, baled state or pressed state or otherwise. The only exception is cotton waste. Thus, it would not be open to the assesses revision petitioner to contend that under the entry 6 cotton as it conies, in nature, could not be regarded as unginned cotton. Undisputably cotton, as it is obtained in nature consists of the fibre and the embedded seeds. The process of ginning brings about a change in cotton, as it is naturally obtained, by separating the seeds from the cotton fibre. The subsequent baling and pressing of cotton still brings the cotton so processed within entry 6 being regarded as being in an unmanufactured state. It follows that unginned cotton also comes within the ambit of cotton as per entry 6 of the Fourth Schedule. There is no way by which the contention of the revision petitioners can be squeezed out of entry 6.

4. Apparently, the contention before the appellate authorities was that the petitioner was entitled to deduction of the value of cotton seeds during the assessment. This contention has not been rightly pressed before this Court. We find no merit in the revision and the revision has to fail and is dismissed.

