(2014) 04 AP CK 0156

In the Andhra Pradesh High Court

Case No : T.R.C. No. 196 of 2001

State of Andhra Pradesh APPELLANT

Vs

Meitraya Electricals (P) Limited RESPONDENT

Date of Decision : 02-04-2014

Acts Referred:

Citation : (2014) 58 APSTJ 235

Hon'ble Judges : M. Satyanarayana Murthy, J;Ashutosh Mohunta, J

Bench : Division Bench

Advocate : P. Balaji Varma, Special Standing Counsel, Advocate for the Appellant; G. Narendra Chetty, Advocate for the Respondent

Judgement

Ashutosh Mohunta, J.—The State preferred this Tax Revision Case challenging the order dated 1.5.2001 passed by the Sales Tax Appellate Tribunal, Andhra Pradesh, at Hyderabad, in T.A. No. 150 of 1997, whereby the order passed by the revisional authority-Dy. Commissioner (CT), Vijayawada Division, was set aside while upholding the order passed by the assessing authority-Commercial Tax Officer. Heard Perused the record.

2. The respondent herein was the assessee on the rolls of the Commercial Tax Officer, Autonagar Circle, Vijayawada for the assessment year 1995-1996. The assessing authority assessed the respondent u/s 5G of the APGST Act at Rs. 15,89,010/-. However, the revisional authority-Deputy Commissioner (CT), Vijayawada Division, on suo motu revision, brought the turnover to Rs. 82,48,642/- towards works contract and assessed thereon. Aggrieved by the same, the assessee preferred T.A. No. 150 of 1997. The lower appellate Tribunal, observing that under sub-rule (4) of Rule 6 of the APGST Act deductions are permissible, set aside the order of the revisional authority while upholding the order of the assessing authority. Hence this revision case by the State.

3. Admittedly the respondent was liable for assessment of his turnover relating to the works contract u/s 5G of the APGST Act and in terms thereof, the

assessing authority assessed the respondent at Rs. 15,89,010/- for the assessment year 1995-96. Sub-rule (4) of Rule 6 of the APGST Rules, which was in existence during the assessment year 1995-96, provides that the total turnover of a dealer, who opts to pay tax u/s 5G, shall be determined after deducting the amounts specified in (a) labour charges for execution of the works, (b) charges for planning, designing and architect''s fee, (c) costs of establishment of the contractor to the extent it is relatable to supply of labour and services, (d) other similar expenses relatable to supply or labour and services, (e) profit earned by the contractor to the extent it is relatable to supply of labour and services, and (f) amounts paid to subcontractor for the execution of works contract, provided he is a registered dealer and the turnover is included in the return filed by such subcontractor. A bare look at Rule 6 thus clarifies that the said provision provides for certain deductions towards charges in arriving at the taxable turnover of works. However, de hors the said provision, the revisional authority was of the view that as the bills themselves clearly show the material value and labour charges separately, these labour charges shown in the bills include all the deductions and therefore the same is exempted from the turnover. But, as per the provision stated supra, one who opts/liable to pay tax u/s 5G, the same shall be after giving effect to all deductions under Rule 6(4). A statute or a provision thereof must be read/interpret in its entirety for the purpose of finding out the purport and object thereof. For working out the scheme envisaged u/s 5G, Rule 6(4) thereof has been framed and the rule contemplates certain deductions towards charges in arriving at the taxable turnover or works contracts which the assessee had admittedly availed in terms of the rule. In the light of the above facts and circumstances of the case, the lower appellate Tribunal rightly set aside the order of the revisional authority. Having gone through the material on record, we do not see any valid ground to take a different view than the one taken by the lower appellate Tribunal confirming the findings reached by the assessing authority, warranting interference with the order under revision. In the result, the Tax Revision Case is dismissed. As a sequel thereto, the miscellaneous petitions pending consideration if any shall stand dismissed. There shall be no order as to costs.

