(2014) 09 KAR CK 0179

In the Karnataka High Court

Case No : Sales Tax Revision Petition Nos. 21 and 360 to 382 of 2012

State of Karnataka APPELLANT

Vs

Sri Krishna Spinning and Weaving Mills Private Limited RESPONDENT

Date of Decision : 11-09-2014

Acts Referred:

Citation : (2014) 80 KarLJ 209

Hon'ble Judges : Rathnakala, J;N. Kumar, J

Bench : Division Bench

Advocate : Sujatha S., Additional Government Advocate, Advocate for the Appellant; Harish V.S., Advocate for D.N.S. Law House, Advocate for the Respondent

Judgement

N. Kumar, J.—The Revenue has preferred these revision petitions against the order passed by the Tribunal which has held that the assessee is entitled to the benefit of input tax rebates on the purchase of consumables and the same would be deducted from the output tax liability in order to arrive at net tax liability. Similarly, it held, the assessee is also entitled to the benefit of deduction on the purchase of stores and spares including gross profit. In the case of the assessee itself, in STRP Nos. 283 of 2011 and 265 to 275 of 2012, decided on 11-6-2014 State of Karnataka Vs. Sri Krishna Spinning and Weaving Mills Private Limited, , this Court gone into the said question and held as the assessee is carrying on business of manufacturing and sale of fabrics in respect of which it is liable to pay output tax, the input tax paid in respect of job works could be set off against the output tax payable in respect of his business and therefore, the authorities below were justified in allowing the claim of the assessee and it cannot be found fault with.

2. Following the judgment of this Court in the case of Larsen and Toubro Limited Vs. The State of Karnataka, , it was also held, disallowance of depreciation of capital assets as deduction by the Assessing Authority which was affirmed by the First Appellate Authority is also permissible. In fact, against the said judgment of

this Court, a special leave petition is preferred and it was held, the Assessing Authority shall decide the said question in the light of the judgment rendered by the Apex Court, even in this case also. Accordingly, the revision petitions are rejected.