



CNR: KAHC010834472025

NC: 2026:KHC:46307-DB
STRP No. 66 of 2025

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF AUGUST, 2026

PRESENT

THE HON'BLE MR. JUSTICE R DEVDAS

AND

THE HON'BLE DR. JUSTICE K.MANMADHA RAO

SALES TAX REVISION PETITION NO. 66 OF 2025

BETWEEN:

1. THE JOINT COMMISSIONER
OF COMMERCIAL TAXES
(APPEALS)1, SHANTHINAGAR
BENGALURU – 560 027.
2. THE DEPUTY COMMISSIONER
OF COMMERCIAL TAXES
(AUDIT)1.1, DGSTO-1
BENGALURU – 560 047.

...PETITIONERS

(BY SMT. JYOTI M. MARADI, HCGP)

AND:

M/S MAPEI CONSTRUCTION
PRODUCTS INDIA PVT. LTD.
NO.A01 & B01 FIRST FLOOR
SOLUS JAIN HEIGHTS
1ST CROSS, J C ROAD
OPPOSITE TO BENGALURU
STOCK EXCHANGE
BENGALURU – 560 002
(REPRESENTED BY CA SUBRAMANYA B.L)

...RESPONDENT

(BY SRI THIRUMALESH M., ADVOCATE)

THIS STRP IS FILED UNDER SEC.65(1) OF THE
KARNATAKA VALUE ADDED TAX ACT, 2003 AGAINST THE

Digitally signed
by G
SHREERAKSHA
Location: HIGH
COURT OF
KARNATAKA



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JUDGMENT DATED 16.04.2025, PASSED IN STA.NO. 70/2022 ON THE FILE OF KARNATAKA APPELLATE TRIBUNAL AT BANGALORE, ALLOWING THE APPEAL AND SETTING ASIDE THE ORDER DATED 29.03.2022 PASSED IN VAT.AP. 17/2020-21 ON THE FILE OF JOINT COMMISSIONER OF COMMERCIAL TAXES (APPEALS -1), BENGALURU, DISMISSING THE APPEALS AND UPHELD THE RECTIFICATION ORDER DATED 21.03.2020 PASSED IN VAT AP. 17/2020-21 ON THE FILE OF DEPUTY COMMISSIONER OF COMMERCIAL TAXES (AUDIT) 1.1, DGSTO-I BENGALURU, FOR THE TAX PERIOD 2015-16.IN TIMECF EXEMPTEDGOVERNMENT ADVOCATE POST STRP BEFORE (DB) COURT FOR ADMISSION.VSKRN 24.12.2025.

THIS PETITION, COMING ON FOR ADMISSION, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE R DEVDAS
and
HON'BLE DR. JUSTICE K.MANMADHA RAO

ORAL ORDER

(PER: HON'BLE MR. JUSTICE R DEVDAS)

The issue brought before this Court is no more *res integra*. Simply put, the question is whether refund could be claimed by an assessee beyond the period of six months as contemplated in Section 35(4) (b) of the Karnataka Value Added Tax Act, 2003 (hereinafter referred to as 'the Act', for short)?



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2. For that purpose, learned counsel for the respondent has placed reliance on a decision of the Co-ordinate Bench in the case of the ***State of Karnataka and others vs. Tractor and Farm Equipment Limited*** in STRP No.26/2023 and connected matter decided on 03.03.2025.

3. Learned counsel for the respondent submitted that the Co-Ordinate Bench has taken into consideration the contention put forth on behalf of the appellant - State that the duty to rectify mistake arises only when it proves advantages to the State Exchequer. Similar to the present case, learned AGA appearing for the appellant - State therein contented having regard to Section 39(2)(e) of the Act, that a larger period of time granted for rectification is in the wisdom of the legislature that an order that would take away the benefit legitimately provided to the State Exchequer is not the same as the benefit given to an assessee in the form of six months in Section 35 of the Act.

4. It was argued by the learned AGA that literal interpretation is required to be given to such provisions. However, the Co-ordinate Bench held that if the Assessing



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Authority while undertaking the re-assessment, discovers deductions or exemptions that are wrongly allowed, he has to rectify the same even if it enures to the benefit of the dealer. Such a duty becomes more onerous when a representation is given by the dealer. It was held that there is no escape from this duty when deductions and exemptions have to be worked out on the basis of statutory notifications that have the character of subordinate legislation. A sectarian interpretation cannot be placed on a provision like this on the ground that whatever amount otherwise is due to the dealer, lying at the hands of the State would be used for the public at large. The Co-Ordinate Bench held that such an argument would be a laudable object, but legally impermissible.

5. As could be seen from the decision of the Co-ordinate Bench, the Co-ordinate Bench has rightly held that the State cannot deprive a citizen of this country, the legitimate right to get back the money that has mistakenly gone out of the hands of a citizen/assessee. Although Section 35 of the Act provides a period of six months for such an assessee to reclaim the money excessively paid to the State Exchequer or retained



by the State Exchequer and at the same time, a larger period of five years is provided to the State in order to regain such lost funds which are legitimately belong to the State Exchequer. Nevertheless, the Co-ordinate Bench rightly held that at the time of assessment or reassessment, if the Assessing Authority discovers that the assessee has wrongly sought for lesser deduction than what is legitimately available to the assessee, then it will be the duty of the Assessing Authority to pay back the assessee his rightful dues.

6. We respectively agree with the decision of the Co-ordinate Bench. At this juncture, learned AGA appearing for the appellant and learned counsel for the respondent submit that the decision of the Co-ordinate Bench has been confirmed at the hands of the Hon'ble Supreme Court in Special Leave Petition (Civil) Dairy No(s).47212/2025 dated 23.02.2026.

7. In that view of the matter, we do not find any merits in the appeal. Accordingly, the appeal stands ***dismissed***. Needless to observe that the appellant - State and its authorities are required to refund the amounts due to the respondent as expeditiously as possible and at any rate within



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a period of three months from the date of receipt of copy of this order.

**Sd/-
(R DEVDAS)
JUDGE**

**Sd/-
(DR.K.MANMADHA RAO)
JUDGE**

MH/-
List No.: 1 Sl No.: 11