IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

213 **GSTR-25-1990** (O&M)
Date of decision:-11.10.2023

M/S JAGATJIT COTTON TAXTILE MILLS LTD.,

.... Petitioner

Vs

STATE OF PUNJAB

...Respondents

CORAM: HON'BLE MS. JUSTICE RITU BAHRI
HON'BLE MRS. JUSTICE MANISHA BATRA

Present:: Mr. Surjeet Bhadu, Advocate
Mr. Veer Singh, Ms. Sanya Thakur, Advocate
for the petitioner.

Ritu Bahri, J. (Oral)

Challenge in this appeal is to the order dated 30.01.1986 passed by the Commissioner-cum-Assessing Authority, Kapurthala.

As per the reference order dated 30.01.1990, question which has been referred was whether in the facts and circumstances of the case the tribunal is correct in holding that the purchase value of materials, purchases from within the State of Punjab and used in the manufacture of cloth sold in the course of inter-state trade or commerce can be subjected to tax under Section 4-B of Punjab General Sales Tax Act, 1948 (for short 'the Act, 1948').

Learned counsel for the parties states that the provisions of Section 4-B of General Sales Tax Act has been considered by the

Hon'ble Supreme Court in ***M/s Jagatjit Sugar Mills Co. Ltd. Vs. State of Punjab and another,*** 1995(1) PLR 307 while upholding the interpretation of Section 4-B of the Act, 1948 that the purchasers are liable to pay tax on its purchases if the item is used in manufacturing of the interstate goods. Thus, the reference is answered.

In the present petition, as per the Assessing Officer's order dated 30.01.1986, as far as synthetic yarn and cotton waste is concerned, the matter has attained finality and it does not require any interference.

With respect to the declared goods, general goods, electric goods and goods used in consignment sales against 'F' forms and affidavits of the consignee and consignor, the matter is remanded back to the Assessing Authority to re-examine whether these abovesaid goods, fall under the provisions of Section 4-B of the Act, 1948 and have been used in manufacturing of the product. Petitioner can take all his pleas before the assessing authority. In view of the above, the petition is allowed and orders passed by the Tribunal, appellate authority and assessing authority are set aside.

(RITU BAHRI)
JUDGE

(MANISHA BATRA)
JUDGE

11.10.2023
pooja saini

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No