2026:RJ-JD:14662

HIGH COURT OF JUDICATURE FOR RAJASTHAN AT JODHPUR

S.B. Sales Tax Reference/Revision No. 1/2025

M/s Jindal Saw Limited, Araji No 6711, 9697/ 6711, Near Tiranga Hills, Village Pur, Bhilwara, Rajasthan- 311001, Through Its Head Indirect Tax, Kailash Chand Gupta S/o Shri Rameshwar Prasad Gupta, Resident Of Bungalow No 118, Fourth Floor, Arihant Nagar, Punjabi Bagh West, New Delhi 110026

----Petitioner

Versus

1. The Appellate Authority, Commericial Taxes Department, Ajmer
2. Commercial Taxes Office, Circle A, Bhilwara

----Respondents

Connected With

S.B. Sales Tax Reference/Revision No. 30/2018

M/s Ultratech Cement Limited, (Earlier Known As Grasim Industries Limited), (Unit- Aditya Cement Work), Sawa Shambhupura, Chittorgarh, Rajasthan-312622, through its Senior Vice President F & C, Somabrata Chakrabarti S/o Shri Kalidas Chakrabarti, aged about 53 years, Resident Of Aditya Cement Staff Colony Adityapuram Shambhupura, Chittorgarh, Rajasthan - 312622.

----Petitioner

Versus

The Commercial Taxes Officer, Anti - Evasion , Circle - Ii , Jaipur

----Respondent

S.B. Sales Tax Reference/Revision No. 6/2022

M/s Jindal Saw Limited, Araji No. 6711, 9697/6711, Near Tiranga Hills, Village Pur, Bhilwara, Rajasthan- 311001, Through Its Dgm (Accounts), Rajendra Mathur S/o Late Shri Trilokinath Mathur, Aged About 56 Years, R/o 285, Sector-14 B, Hiran Magri, Udaipur Rajasthan-313002.

----Petitioner

Versus

The Assistant Commissioner, Commercial Taxes Dept., Circle-C, Bhilwara.

----Respondent

S.B. Sales Tax Reference/Revision No. 7/2022

M/s Jindal Saw Limited, Araji No. 6711, 9697/6711, Near Tiranga Hills, Village Pur, Bhilwara, Rajasthan-311001, Through Its Dgm (Accounts), Rajendra Mathur S/o Late Shri Trilokinath Mathur, Aged About 56 Years, R/o 285, Sector-14B, Hiran Magri, Udaipur Rajasthan-313002.

----Petitioner

Versus

The Assistant Commissioner, Commercial Taxes Dept., Circle-C, Bhilwara.

----Respondent

S.B. Sales Tax Reference/Revision No. 25/2023

M/s Jindal Saw Limited, Araji No. 6711, 9697/6711, Near Tiranga Hills, Village-Pur, Bhilwara, Rajasthan 311001, Through Its Dgm (Accounts), Rajendra Mathur S/o Late Shri Trilokinath Mathur, Aged About 56 Yrs., Resident Of 285, Sector-14B, Hiran Magri, Udaipur Rajasthan-313002.

----Petitioner

Versus

1. The Assistant Commissioner, Commercial Taxes Dept. Circle-C, Bhilwara
2. The Appellate Authority, Commercial Taxes Department, Ajmer.

----Respondents

S.B. Sales Tax Reference/Revision No. 26/2023

M/s Jindal Saw Limited, Araji No. 3711, 9697/6711, Near Tiranga Hills, Village Pur, Bhilwara Rajasthan 311001, Through Its Dgm (Accounts), Rajendra Mathur S/o Late Shri Trilokinath Mathur, Aged About 56 Yrs., Resident Of 285, Sector 14B, Hiran Magri, Udaipur, Rajasthan 313002.

----Petitioner

Versus

1. The Assistant Commissioner, Commercial Tax State, Department Circle A, Bhilwara
2. Commercial Taxes Department, Bhilwara

----Respondents

S.B. Sales Tax Reference/Revision No. 27/2023

M/s Jindal Saw Limited, Araji No. 6711, 9697/6711, Near Tiranga Hills, Village Pur, Bhilwara, Rajasthan 311001, Through Its Dgm (Accounts) Rajendra Mathur S/o Late Shri Trilokinath Mathur, Aged About 56 Yrs., Resident Of 285, Sector 14B, Hiranmagri, Udaipur Rajasthan 313002.

----Petitioner

Versus

1. The Assistant Commissioner, Commercial Taxes Department, Circle A, Bhilwara.
2. Commercial Tax Department, Bhilwara.

----Respondents

For Petitioner(s)	:	Mr. Pankaj Kumar Bohra with Mr. Rahul Sharma
For Respondent(s)	:	Mr. Kuldeep Vaishnav, Dy.G.C.

HON'BLE MS. JUSTICE REKHA BORANA

Order

28/03/2026

1. The present revision petitions have been filed aggrieved of orders dated 23.08.2024, 06.12.2017, 20.04.2022, 20.04.2022, 22.12.2022, 05.06.2023 & 12.05.2023 passed by the Rajasthan Tax Board, Ajmer in the respective appeals as filed by the respective appellant-Company.

2. Counsel for the appellant, at the very inception, submitted that the issue rests covered by the judgment passed by this Court in a bunch of revision petitions led by ***S.B. Civil Revision Petition No.169/2014; Hindustan Zinc Ltd., Yashad Bhawan, Udaipur. vs. Assistant Commissioner Commercial Taxes Special Circle, Udaipur*** (decided on 23.04.2025).

3. Counsel for the respondents however submitted that the issue would not be covered by judgment dated 23.04.2025 as there are three distinguishing factors in the present matters.

4. The first distinction sought to be made by the Counsel is that in the present matters, the mining/excavation was got conducted by the Company on job work basis. Meaning thereby, the Company itself did not excavate or mine and hence, it could not be held entitled for the benefit of input tax credit on the raw material used for mining purposes.

5. Counsel submitted that herein, it could not be concluded that the mining and the manufacturing process was an integral process, as both these processes were conducted by two different entities.

6. The second distinction has been pointed out to the effect that 'Capital Goods' include plant and machinery only. Consumable goods are not included in capital goods. Herein, the raw material on which the input tax credit is claimed is the explosives which cannot fall within the definition of 'Capital Goods'.

7. Counsel lastly submitted that the raw material i.e. the explosives had been used for mining activity and not for manufacturing purposes. Therefore, the consumable goods used for mining purposes cannot be covered under the definition of 'Capital Goods'. Hence, the benefit of input tax credit in terms of Section 18 of the Rajasthan Value Added Tax Act, 2003 (for short 'the Act of 2003'), cannot be claimed on the said goods.

8. Heard the counsels. Perused the record.

9. So far as the first issue raised by counsel for the respondents is concerned, it is an admitted fact that it is the appellant-Company only who had been issued the mining license qua the captive mine in question.

10. It is not the case of the respondents that the material excavated after the mining process was sold out by some other entity, to the appellant-Company, rather it is the appellant-Company only who got the material excavated, may be on job work basis.

11. In the considered opinion of this Court, the appellant-Company only being the lessee of the concerned mine, the mining activity been conducted on a job work basis would be of no consequence. In ***Hindustan Zinc Ltd.*** (supra), the Court had framed question No.3 as under:

> *"(3) Whether the capital goods used in the process of mining in the captive mines of the assessee can be termed to be used in the process of manufacturing of goods?"*

12. The said question stood decided in favour of the petitioner therein, as under:

> *"24. In view of the above ratio, it is evident on record that the learned Member of Rajasthan Tax Board misinterpreted the ratio laid down by Hon'ble the Apex Court in* ***Chowgule's*** *case (supra). The Hon'ble Apex Court in unequivocal terms held that* ***where a dealer is engaged both in mining operation as also in processing the mined ore for sale,*** *the two processes being inter-dependent, it would be essential for carrying on the operation of processing that the ore should be*

carried from the mining site where the mining operation comes to end to the place where the processing is carried on and that would clearly be an integral part of the operation of processing and if any machinery, vehicles, barges and other items of goods are used for carrying the ore from the mining site to the place of processing, they would clearly be goods used in processing of ore for sale."

13. In view of the above conclusion, the first issue raised by Counsel for the respondents does stands covered by the same.

14. So far as the second issue is concerned, the same stands covered by the judgment of Hon'ble the Apex Court in ***Chowgule & Co. Pvt. Ltd. & Anr. vs. Union of India & Ors.; AIR 1981 SCC 1014*** wherein the Court observed that "the requirement on Section 8(3)(b) and Rule 13 is that the goods must be purchased for use 'in mining' and not use 'in the business of mining'. It is only the items of goods purchased by the assessee for use in the actual mining operation which are eligible for inclusion in the certificate of registration under this head and these wold not include goods purchased by the assessee for use in the operations subsequent to the stacking of the ore at the mining site. This view finds support from the decision of this Court in ***Indian Copper Corporation Limited vs. Commissioner Of Commercial Taxes, 16 STC 259 : (AIR 1965 SC 891)***.

15. Applying the above ratio to the present matter, it is not disputed that the explosives purchased by the appellant-Company were used in the mining operation and not in any other operation subsequent to mining. In view of the said undisputed fact, the explosives on which the input tax credit has been claimed by the

appellant-Company, would definitely be covered by the definition of 'Capital Goods'.

16. For the same reasoning, ground No.3 as raised by counsel for the respondents is also not tenable.

17. It is not disputed that the iron ore/lime stone, that is, the material as excavated after mining had been used in the manufacturing of iron ore pellets/cement. As has already been held in ***Chowgule & Co.*** (supra), the mining and manufacturing processes are integral.

18. All the three grounds as raised by counsel for the respondents are not found to be tenable.

19. In view of the above, the present revision petitions are **allowed.** Orders dated 23.08.2024 (Appeal No.2020/814/Bhilwara), 06.12.2017 (Appeal No. 1890/2012/Chittorgarh), 20.04.2022 (Appeal No. 738/2015/Bhilwara), 20.04.2022 (Appeal No. 737/2015/Bhilwara), 22.12.2022 (Appeal No. 648/2018/Bhilwara), 05.06.2023 (Appeal No. 2020/229/Bhilwara) and 12.05.2023 (Appeal No. 2019/1120/ Bhilwara) being contrary to the ratio laid down by Hon'ble the Apex Court in ***Chowgule's case*** (supra) are hereby quashed and set aside.

20. It is hereby held that the petitioner Companies shall be entitled to claim Input Tax Credit on the taxes paid by them on purchase of the Inputs and Capital Goods qua the assessment years 2017-18 (In Civil Revision Petition No.1/2025), 2008-09 (In Civil Revision Petition No. 30/2018), 2013-14 and 2014-15 (In Civil Revision Petition Nos. 06/2022 & 07/2022), 2012-13 (In Civil

Revision Petition No. 25/2023), 2016-17 (In Civil Revision Petition No. 26/2023) and 2015-16 (In Civil Revision Petition No. 27/2023), respectively in terms of Section 18 of the Rajasthan Value Added Tax Act, 2003.

21. Pending applications, if any, stand **disposed of**.

(REKHA BORANA),J

170-176/KashishS/-