

Deputy Commissioner of Agricultural Income-Tax and Sales-Tax (Law), Board of Revenue (Taxes),
Ernakulam

Vs

Aluminium Industries Ltd., Kundara

Special Leave Petitions (Civil) Nos. 354-357 of 1977

(N.L. Untwalia, R.S. Pathak JJ)

12.10.1979

JUDGMENT

PATHAK, J. –

1. Special leave to appeal granted.

ORDER ON THE APPEALS

2. These appeals raise the question whether for the purpose of determining the taxable turnover for assessment under the Central Sales-tax Act, 1956, the sale price must be computed by including the amount allowed by way of trade discount.

3. The assessee effected sales of goods to its dealers and allowed a trade discount on the catalog price to cover the expenses incurred by the dealers and permit a margin of profit them. The dealers were required to sell the goods at the catalogue price. For the assessment years 1960-61 to 1963-64, the High Court of Kerala has held that the amount allowed as trade discount could not be included in the taxable turnover. It has relied on *Orient Paper Mills v. State of Orissa*. For the reasons contained in our judgment delivered today in the *Deputy Commissioner of Sales-tax (Law), Board of Revenue (Taxes), Ernakulam v. M/s. Advani Oorlikon (P) Ltd., Trivandrum*, we are of opinion that the High Court is right.

4. The appeals are dismissed with costs. Cost to be in one set only.

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