

Glaxo Laboratories (India) Ltd.

Vs

L. K. Shatye and Others

Civil Appeal No. 308 of 1979

Civil Appeal No. 3450 of 1996

(B. N. Kirpal, S. P. Bharucha JJ)

06.02.1996

ORDER

1. This is an appeal by special leave. It impugns the judgment and order of a Division Bench of the Bombay High Court.

2. The only argument before us relates to the correct interpretation of Section 18-B of the Bombay Sales Tax Act, 1953. The provision deals with the rule for granting drawback, set-off, refund, etc. It provides for the same

"after deducting therefrom one per cent of the sale price of any goods, manufactured or processed, where the sale of the goods takes place outside the pre-reorganisation State of Bombay, excluding the transferred territories".

3. The High Court accepted the contention of the Revenue that the deduction of 1 per cent of the sale price of any goods meant the sale price of the finished products. It is contended on behalf of the appellant that this was erroneous and the deduction should be of 1 per cent of the proportionate part of the sale price of the finished products, having regard to the tax-paid raw material utilised therein.

4. We find it difficult to accept the contention. Plainly, the deduction is of 1 per cent of the sale price of the finished product. This is clear from the use of the words "goods, manufactured or processed". It is also clear from the fact that "sale of the goods" is contemplated; the "sale of the goods" would, necessarily, be of the finished goods.

5. In the result, the appeal is dismissed. There shall be no order as to costs.