

Supreme Court of India

Deputy Commissioner Of ... vs Aluminium Industries Ltd., ... on 12 October, 1979

Equivalent citations: AIR 1980 SC 839, (1980) 1 SCC 467, 1980 Supp SCC 467, 1980 45 STC 251 SC, 1979 (11) UJ 848 SC

Author: R Pathak

Bench: N Untwalia, R Pathak

JUDGMENT R.S. 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 catalogue price to cover the expenses incurred by the dealers and permit a margin of profit to 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* [1975] 35 S.T.C. 84. For the reasons contained in our judgment delivered today in *Deputy Commissioner of Sales Tax (Law), Board of Revenue (Taxes), Ernakulam v. Advani Oerlikon (P.) Ltd., Trivandrum*, we are of the opinion that the High Court is right.

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