**(1984) 07 AP CK 0001**

**In the Andhra Pradesh High Court**

**Case No :** T.R.C. No. 107 of 1982

The State of Andhra Pradesh APPELLANT

Vs

Srinivasa Trading Co. RESPONDENT

**Date of Decision :** 18-07-1984

**Acts Referred:**
Central Sales Tax Act, 1956 — Section 14, 15

**Citation :** (1986) 61 STC 208

**Hon'ble Judges :** Y.V. Anjaneyulu, J;B.P. Jeevan Reddy, J

**Bench :** Division Bench

**Advocate :** A. Venkataramana, Government Pleader for Commercial Taxes, for the Appellant;

## Judgement

Anjaneyulu, J.—This tax revision case is filed against the consolidated order of the Sales Tax Appellate Tribunal dated 24th September, 1979. The assessee is a dealer in the purchase of paddy and sale of rice. The assessee purchased paddy within the State of Andhra Pradesh and, after converting the same into rice, sold the resultant rice in the course of inter-State trade. Before the Commercial Tax Officer, the assessee claimed that he is entitled u/s 15(c) of the Central Sales Tax Act for the reduction of the amount of tax paid on the purchase of paddy within the State. The Commercial Tax Officer accepted the contention of the assessee and allowed the reduction. The Deputy Commissioner of Commercial Taxes revised the orders of the Commercial Tax Officer holding the view that section 15(c) of the Central Sales Tax Act does not contemplate reduction of tax where the rice is sold in the course of inter-State trade or commerce. Against the order of the Deputy Commissioner of Commercial Taxes, the assessee filed an appeal before the Sales Tax Appellate Tribunal. The Tribunal allowed the appeal filed by the assessee following the decision of this Court in Aitha Narasaiah & Co. v. State of Andhra Pradesh [1979] 43 STC 183.

2. It is against the above order of the Tribunal that the present tax revision case is filed by the State.

 

3. The learned Government Pleader does not dispute that the point in dispute in the present case is covered by the decision of this Court above referred. It is stated that a petition for special leave to appeal against the judgment of this Court was filed in the Supreme Court and consequently the present tax revision case was filed. We are informed across the Bar that the Supreme Court declined to grant special leave to appeal against the above judgment of this Court. This apart, a perusal of section 15(c) of the Central Sales Tax Act clearly supports the claim of the assessee for the reduction of tax. Section 15(c) provides :

"15. Every sales tax law of a State shall, in so far as it imposes or authorises the imposition of a tax on the sale or purchase of declared goods, be subject to the following restrictions and conditions, namely :-

(a) ........................

(b) ........................

(c) where a tax has been levied under that law in respect of the sale or purchase inside the State of any paddy referred to in sub-clause (i) of clause (i) of section 14, the tax leviable on rice procured out of such paddy shall be reduced by the amount of tax levied on such paddy."

It is not in dispute that the assessee purchased paddy referred to in section 14(i)(i) of the Central Sales Tax Act and paid tax under the State law. If so, the tax leviable under the Central Sales Tax Act on rice procured out of such paddy and sold in the course of inter-State trade or commerce has to be reduced by the amount of tax levied on such paddy by the State law. In our opinion, the claim for reduction by the assessee is clearly supported by the provisions of section 15(c) of the Central Sales Tax Act. The tax revision case is accordingly dismissed. No costs. Advocate''s fee Rs. 150.