(1982) 12 MAD CK 0021

In the Madras High Court

Case No : Tax Case No. 1431 of 1982 (Revision No. 448 of 1982)

The State of Tamil Nadu APPELLANT

Vs

Indian Cable Company Ltd. RESPONDENT

Date of Decision : 20-12-1982

Acts Referred:
Central Sales Tax Act, 1956 — Section 2

Citation : (1984) 56 STC 192

Hon'ble Judges : Ratnam, J;N.V. Balasubramanian, J

Bench : Division Bench

Advocate : K.S. Bakthavatsalam, Additional Government Pleader, for the Appellant;

Judgement

Balasubrahmanyan, J.—The assessee claimed in his assessment a sum of Rs. 52,285.27 which it gave to its distributors as additional

discount or rebate, over and above the normal discount. The assessing authority held that the assessee was not entitled to exclude this sum of Rs.

52,285.27 form the taxable turnover. On appeal, the Tribunal pointed out that the liability of the assessee to pay additional discount or rebate had

been contracted under the distribution agreement entered into between the assessee and the distributor and it was not as though the additional

discount was allowed subsequently on second thought, nor is there any suggested by the assessing authority that Rs. 52,285.27 was not, in fact,

paid by way of discount. This being so, the Tribunal held that the amount cannot form part of the sale price at which the goods were sold and

hence it cannot be included in the turnover much less in the taxable turnover.

2. The Tribunal''s decision is quite right both on the facts and on the application of the law, especially on the definition of section 2(h) of the Central

Sales Tax Act. Hence, the tax case is dismissed.

