

(1979) 04 AHC CK 0008

Allahabad High Court

Case No: Sales Tax Reference No. 733 of 1978

Commissioner of Sales
Tax

APPELLANT

Vs

Nirankari Engineering

RESPONDENT

Date of Decision: April 26, 1979

Acts Referred:

- Central Sales Tax Act, 1956 - Section 14, 15

Citation: (1982) 51 STC 197

Hon'ble Judges: C.S.P. Singh, J

Bench: Single Bench

Final Decision: Dismissed

Judgement

C.S.P. Singh, J.

The revising authority has referred the following question for the opinion of this Court:

Whether, on the facts and circumstances of the case, the revising authority was justified in holding that iron shafts were taxable as iron and steel ?

2. The assessee was a dealer in iron bars (shafts). Sales tax was paid at the time of purchase and the question arose as to whether he was liable to pay sales tax on the subsequent sales made by him. The Sales Tax Officer held that iron bars (shafts) sold by him did not fall in the category of iron and steel as referred to in Section 14(iv) of the Central Sales Tax Act and as such, taxed the turnover. The appeal filed by the assessee on the point failed. He then filed a revision. The revising authority has taken the view that iron bars (shafts) sold by the assessee was nothing but iron and steel and has excluded the turnover of this commodity from payment of tax.

3. Section 14(iv) of the Central Sales Tax Act in the relevant year reads as under:

14. (iv) Iron and steel, that is to say,

(c) steel scrap, steel ingots, steel billets, steel bars and rods.

4. Section 15(a) of the Central Sales Tax Act imposes a restriction on sales and purchase tax on commodities specified in Section 14 to the effect that the tax cannot be levied at more than one stage. As bars (shafts) sold by the assessee come within the category of iron and steel as contemplated by Section 14(iv)(c) the turnover of sales of these items could not be taxed, as it is not disputed that the tax had already been paid at the time of purchase. The order of the revising authority does not require any interference.

5. The reference which is treated as a revision is accordingly dismissed with costs to the assessee which is assessed at Rs. 200.