

**(1954) 03 MAD CK 0017**

**Madras High Court**

**Case No:** Tax Revision Case No. 12 of 1953

State of Madras, by Deputy  
Commissioner of Commercial  
Taxes, Madras division, Madras

APPELLANT

Vs

Ralli Bros. Ltd., Madras

RESPONDENT

---

**Date of Decision:** March 24, 1954

**Acts Referred:**

- Civil Procedure Code, 1908 (CPC) - Section 115
- Madras General Sales Tax (Turnover and Assessment) Rules, 1939 - Rule 18(2), 5(1)
- Madras General Sales Tax Act, 1939 - Section 12

**Citation:** AIR 1955 Mad 251 : (1954) 67 LW 488 : (1954) 67 LW 1170 : (1954) 2 MLJ 589

**Hon'ble Judges:** Satyanarayana Rao, J; Rajagopalan, J

**Bench:** Division Bench

**Advocate:** Asst. Govt. Pleader, for the Appellant; C. Doraiswamy for King and Partridge,  
for the Respondent

**Final Decision:** Dismissed

---

### **Judgement**

Satyanarayana Rao, J.

There is no substance in this revision petition. The first point relates to the question whether the appeal was filed

within the period of limitation. The Tribunal in the circumstances set out in para. 4 of the Judgment considered that it is a fit case, where they should

exercise their discretion in excusing the delay in filing, the appeal. That discretion cannot be interfered with.

2. The second objection raised was, the Tribunal had no Jurisdiction to entertain the appeal. For the reasons given in para, 6 of the judgment, we

agree with the Tribunal and the appeal was competent,

3. The third and the last point is the manner in which the deduction is to be worked out under Rule 18(2) of the Turnover Rules, read with Rule 5

(1) (k). The language of Rule 18(2) does not present any, difficulty. It says:

Every such manufacturer shall be entitled to a deduction under Clause (k) of Rule 5(1) equal to the value of the groundnut and/or kernel

purchased and converted by him into oil provided that the amount for which the oil is sold is included in his turnover.

The deduction he is entitled to is the value of the groundnut from which he produced the oil. The total turnover of the oil should be taken into

consideration and from that the value of the groundnuts which he purchased, must be deducted. To take a simple example, if the turnover of the oil

is Rs. 100 and the value of the groundnut purchased, from which the oil was extracted was Rs. 75, this Rs. 75 should be deducted from Rs. 100

and on the balance of Rs. 25 alone the tax should be levied. This is a simple process, which is permitted under the rule, and it does not admit of

any serious argument. In our opinion, the rule was correctly applied by the Tribunal to the facts of the case, and we see no reason to interfere with

the order of the Tribunal. The revision is dismissed with costs, Rs. 250.