

**IN THE SUPREME COURT OF INDIA**

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.10270 OF 2003

**Commissioner of Income Tax, Ahmedabad and Ors. ...Appellant(s)**

Versus

**Ahmedabad Stamp Vendors Association ...Respondent(s)**

O R D E R

Heard learned counsel on both sides.

The respondent in this civil appeal is Ahmedabad Stamp Vendors Association and the Members of the said Association are licensed Stamp Vendors.

We are satisfied that 0.50% to 4% discount given to the Stamp Vendors is for purchasing the stamps in bulk quantity and the said discount is in the nature of cash discount.

In the circumstances, we concur with the impugned judgement that the impugned transaction is a sale. Consequently, Section 194H of the Income Tax Act, 1961, has no application.

The civil appeal filed by the Department is dismissed with no order as to costs.

.....CJI.  
[S.H. KAPADIA]

.....J.  
[MADAN B. LOKUR]

New Delhi,

September 06, 2012.