

Dhaval Talati

10 Whether freight charges collected by the assessee from its customers for transporting goods from its factory to the purchasers' premises form part of the "sale price" under Section 2(29) of the Bombay Sales Tax Act, 1959, and are therefore liable to sales tax. Held: Not liable to sales tax Facts: The assessee, Parle Products Ltd., manufactures biscuits, chocolates, and confectionery. Sales were made to wholesalers on ex- factory terms, i.e., sale completed at factory gate. Transportation to the wholesalers' premises was undertaken by Parle on behalf of the purchasers, and freight expenses were reimbursed by the purchasers. The Department included freight in "sale price" and levied sales tax. The Tribunal held that freight did not form part of the sale price.