

Dhaval Talati

18 Can free samples provided be treated as Trade Discount? Held: No Facts of the Case The petitioner, M/s Aglowmed Ltd, is a registered dealer under the Assam Value Added Tax Act, 2003 (AVAT Act), dealing in the sale of medicines. As part of its promotional policy, the petitioner distributed free supplies of medicines as samples to retailers. Initially, the tax authorities accepted these supplies as exempt from tax for the assessment years 2007-08, 2008-2009, and 2009-10. However, the Superintendent of Taxes later initiated re-assessment proceedings under Section 40 of the AVAT Act, determining that the free samples were taxable. This resulted in a demand for unpaid taxes and interest. The petitioner's revision applications against these orders were dismissed by the Joint Commissioner of Taxes, who.....