

GIB/KN/UNITED INDIA/25-03-1986/HC-165

High Court Category : Input Tax Credit

State : Karnataka

Order No.: GIB/KN/UNITED INDIA/25-03-1986/HC-165

Name of Entry :

United India Insurance Co. Ltd. vs Commissioner Of Commercial

Date : 25-03-1986

Breif Issue :

Facts & Issues Involved:

Petitioner is a company registered under the Companies Act, 1956 ("the Act"), and carries on business in general insurance. On the nationalisation of the petitioner-company, it is now a subsidiary of the General Insurance Corporation of India and is a Government company, as defined in section 617 of the Act.

The business of the petitioner-company is to insure motor vehicles, goods, machinery against damage, risk or theft, personal accidents, injuries and the like.

The petitioner was carrying its business in General Insurance and was selling used goods received against settlement of claim. The activity of selling used goods was held to be ancillary to its main business.

Decision of Advance Ruling Authority :

Decision:

In the nature of business of the insurance company the sale of the goods in question had to be treated as a transaction incidental to its business and the CTO rightly called upon the petitioner to register itself as dealer under the K.S.T. Act so that it may be subjected to tax under the Act in respect of the sale of the goods.

In the result, the writ petition is dismissed and the rule issued is discharged.