

(1994) 07 MAD CK 0066

Madras High Court

Case No: T.C. (R) No"s. 224 to 226 of 1994

State of Tamil Nadu

APPELLANT

Vs

Gunasundari Modern
Art Printers

RESPONDENT

Date of Decision: July 1, 1994

Hon'ble Judges: K.A. Swami, C.J; Somasundaram, J

Bench: Division Bench

Judgement

K.A. Swamy, C.J.

Following the decision of the Supreme Court in State of Tamil Nadu v. Anandam Viswanathan [1989] 73 STC 1 the Appellate Tribunal has set aside the order of the Appellate Assistant Commissioner in part and confirmed the order in so far as it related to levy of penalty on the turnover equal to the tax as the appellant did not disclose the turnover in the returns.

2. It is contended before us that the Tribunal is not right in holding that the printing of certain account books by the assessee for the Indian Bank, amounts to works contract, whereas the assessee has used the paper for the purpose of printing and to the extent of the value of the paper it becomes a sale of paper. Even otherwise, it is contended that what is sold is printed material and, therefore, there is a sale of the printed material and such sale becomes liable to sales tax. Under similar circumstances in the aforesaid case, the Supreme Court has held that such printed material has no commercial value, in the sense it cannot be sold in the market to any other person. The same proposition will apply to the case on hand, because the books printed by the assessee on the order placed by the Indian Bank, cannot be sold to any other person. However, it is contended that if the printed material is not lifted by the Indian Bank, at least it shall have to be sold as a waste paper. However, we are not concerned with that event and, therefore, we do not consider it necessary to go into the question whether the material in question if sold as a waste paper, would attract sales tax. For the reasons stated above, we see no ground to

interfere with the order of the Tribunal and the tax cases are rejected.

3. Petition dismissed.