
(1996) 02 SC CK 0184

Supreme Court of India

Case No: Civil Appeal No. 3559 of 1996 Arising out of SLP Â© No. 17116 of 1992

Khadi and Village
Industries Commission,
Sattur, T.N.

APPELLANT

Vs

State of T.N.

RESPONDENT

Date of Decision: Feb. 16, 1996

Acts Referred:

- Central Sales Tax Act, 1956 - Section 8

Citation: (1998) 8 SCC 546

Hon'ble Judges: K. S. Paripoornan, J; B.P. Jeevan Reddy, J

Bench: Division Bench

Final Decision: Allowed

Judgement

@JUDGMENTTAG-ORDER

1. Leave granted.

2. The only question in this case is whether the sales, whether by way of inter-State sales or intra-State sales effected by the Khadi & Village Industries Commission, Tamil Nadu are exempted from the State sales tax/Central sales tax by virtue of the notifications in GOPs No. 272 dated 11-2-1967 issued under the Tamil Nadu General Sales Tax Act, 1959 and Central Sales Tax Act, 1956. The statutory notifications contained in the said government order read as follows:

"NOTIFICATION I

In exercise of the powers conferred by Section 17 of the Madras General Sales Tax Act, 1959 (Madras Act 1 of 1959), the Governor of Madras hereby makes the exemption in respect of the tax payable under the said Act on the sale of all products of village industries specified in the Schedule to the Khadi & Village Industries Commission Act,

1956 (Central Act 61 of 1956) effected by the institutions and persons certified for the purpose by the Khadi & Village Industries Commission or Madras State Khadi & Village Industries Board, subject to the condition that they shall deal only in products of village industries specified in the Schedule to the said Central Act 61 of 1956.

NOTIFICATION II

In exercise of the powers conferred by sub-section (5) of Section 8 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) the Governor of Madras hereby directs that no tax under the said Act shall be payable in respect of the sales of all products of village industries specified in the Schedule to the Khadi & Village Industries Commission Act, 1956 (Central Act 61 of 1956) effected by the institutions and persons certified for the purpose, by the Khadi & Village Industries Board, subject to the condition that they shall deal only in products of village industries specified in the Schedule to the said Central Act 61 of 1956."

The relevant facts herein are that institutions and persons certified by the Commission manufactured goods specified in the Schedule to the Khadi & Village Industries Commission Act, 1956 and sold those goods to the Commission. The Commission in turn sold those goods to others. The question in this appeal is whether the sales effected by the Commission to others are exempted under the aforesaid notifications. In view of the clear and unambiguous language of the notifications, we are of the opinion that under these notifications the Commission cannot claim any exemption. The exemption applies to sales of specified goods effected by the certified institutions and persons. The Commission is not a certified person or institution. We are therefore of the opinion that the said notifications do not avail the Commission.

3. We do not express any opinion whether there is any other notification or any other provision of law under which the Commission can claim exemption in respect of the said sales. This observation we are making because in GOPs No. 272 dated 11-2-1967, there is a reference to GO No. 3131 Revenue dated 25-10-1963 which appears to exempt the sales effected by the Khadi & Village Industries Board. The record before us however, does not show whether the GO was in force during the relevant time concerned herein. Our decision is confined to the interpretation and effect of the statutory notifications contained in GOPs No. 272 aforesaid.

4. The appeal is allowed to the extent indicated above.

5. No costs.