(1988) 02 AP CK 0024

In the Andhra Pradesh High Court

Case No : Tax Revision Case No''s. 410, 411 and 412 of 1985 and 109 and 110 of 1987

Katragadda Electronics (P.) Ltd. and Another — APPELLANT

Vs

The State of Andhra Pradesh — RESPONDENT

Date of Decision : 24-02-1988

Acts Referred:
Andhra Pradesh General Sales Tax Act, 1957 — Section 14(4), 8

Citation : (1988) 71 STC 281

Hon'ble Judges : Y.V. Anjaneyulu, J;G. Ramanujulu Naidu, J

Bench : Division Bench

Advocate : V.T.M. Prasad and T. Ramam, for the Appellant; The Government Pleader for Commercial Taxes, for the Respondent

Judgement

Ramanujulu Naidu, J.—The petitioner in Tax Revision Cases Nos. 410, 411 and 412 of 1985 is M/s. Katragadda Electronics (Private) Limited, Kushaiguda, Hyderabad, whereas the petitioner in Tax Revision Cases Nos. 109 and 110 of 1987 is M/s. Hytronics Enterprises, Hyderabad, a registered firm.

2. The petitioners are manufacturers of voltage stabilizers and the entire stock manufactured by the petitioners was supplied to M/s. Electronics Corporation of India Limited, Hyderabad. The assessing authority subjected the turnovers representing the total sale proceeds of the goods to tax under entry 38 of the First Schedule at the rate of 8 per cent. The orders of assessment were however revised subsequently by the Commercial Tax Officer, Hyderabad (Rural), u/s 14(4) of the Andhra Pradesh General Sales Tax Act, as according to him the voltage stabilizers were accessories to television sets and therefore liable to tax at the rate of 12 per cent. under entry 3 of the First Schedule to the Act. The Deputy Commissioner, Commercial Taxes, Hyderabad II Division, on appeal preferred by the petitioners set aside the orders of the Commercial Tax Officer and restored the orders of the assessing authority. Aggrieved by the orders of the Deputy Commissioner, Commercial Taxes, Hyderabad II Division, confirming

the orders of the assessing authority, the petitioners again preferred appeals before the Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad. The Tribunal having dismissed the appeals, the above tax revision cases were preferred.

3. It is urged by Sri V. T. M. Prasad, learned counsel appearing for the petitioner in the first three tax revision cases, submits that as the voltage stabilizers supplied by the assessee therein are accessories to electrical energy, the same are exempted from tax u/s 8 of the Act. We find it extremely difficult to accede to the submission of the learned counsel. What is exempted from tax is electrical energy and not any accessories to the same. Further electrical energy is supplied in the State by the Andhra Pradesh State Electricity Board for domestic and non domestic purposes. The purposes are varying. For convenient use and enjoyment of supply of energy for a variety of appliances such as air-conditioners, refrigerators, television sets, video cassette players or recorders, etc., voltage stabilizers of different sizes and different capacities suitably regulating supply of electrical energy, are used. The said stabilizers can never be regarded as accessories to electrical energy.

4. Item 38(v) of the First Schedule sets out a number of sub-items which are made taxable at the point of first sale in the State at the rate of 8 per cent. at the relevant time. The entry of sub-item (v) of item 38 is wide enough so as to take within its ambit voltage stabilizers. There is there fore no substance in the submission made by Sri V. T. M. Prasad that voltage stabilizers supplied by M/s. Katragadda Electronics (Private) Limited, Hyderabad, could only be taxed as general goods.

5. Sri T. Ramam, learned counsel appearing for the other assessee in the last two tax revision cases, however submits that the goods supplied by the assessee answer the description of the goods noted against item 83 of the First Schedule. We find it difficult to accept his submission. Voltage stabilizers cannot be treated as machinery propelled or operated by electricity. Voltage stabilizers merely regulate supply of electrical energy. The tax revision cases are without merit. The same are accordingly dismissed. No costs. Advocate''s fee Rs. 150 in each.

6. Petitions dismissed.