(1998) 08 SC CK 0044

In the Supreme Court Of India

Case No : Civil Appeal No. 919 Of 1995

State of Maharashtra APPELLANT

Vs

Sarvodya Printing Press Fine Art Printer RESPONDENT

Date of Decision : 11-08-1998

Acts Referred:

Citation : (1999) 9 SCC 65 : (1999) 114 STC 242

Hon'ble Judges : V. N. Khare, J;S. P. Bharucha, J

Bench : Division Bench

Final Decision : Dismissed

Judgement

S.P. Bharucha and V.N. Khare, JJ. 1. A Full Bench of the Bombay High Court See [1994] 93 STC 387 (Sarvodaya Printing Press v. State of Maharashtra). answered in the negative the following question referred to it under the provisions of the Bombay Sales Tax Act, 1959 :

Whether, on the facts and circumstances of the case, the Tribunal was justified in law in holding that the supply of printed material to Madhya Pradesh Electricity Board by the applicant was a sale and not a works contract ?

2. The judgment of the Maharashtra Sales Tax Tribunal is not before us but we find the facts found stated in its order on the reference application. They are that the respondent ran a printing press at Nagpur wherein it carried on printing work for its customers. The respondent entered into an agreement with the Madhya Pradesh Electricity Board for the supply of "revenue money receipt books" at the rate of Rs. 8.88 per receipt book. The judgment of the High Court See [1994] 93 STC 387 (Sarvodaya Printing Press v. State of Maharashtra) shows that only job work was done in the respondent''s printing press and that the charge for the supply of the receipt books was of a composite nature. The judgment states that the paper and ink used were the property of the respondent before printing but thereafter they became the property of the Board; while the property in these goods passed to the Board, this was, in the very nature of things, only incidental

or ancillary to the contract of printing. The High Court laid stress on this Court''s judgment in State of Tamil Nadu v. Anandam Viswanathan [1989] 73 STC 1 where the printing and supply of question papers to a university was involved. This Court held that though there was sale of paper and ink, it was merely incidental. It was not a case of sale but a works contract having regard to the nature of the job to be done. Following this judgment, the High Court held that there was no sale.

3. Having regard to the fact as found, we do not see any error in the conclusion of the High Court. Accordingly, we dismiss the appeal with no order as to costs.