Appasamy and Sons Vs. the State of Madras

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Court : Chennai

Decided On : Sep-02-1958

Reported in : [1959]10STC170(Mad)

Judge : Rajagopalan and ;Ramachandra Iyer, JJ.

Appeal No. : Tax Revision Cases Nos. 167 and 168 of 1956

Appellant : Appasamy and Sons

Respondent : The State of Madras

Advocate for Def. : The Additional Government Pleader

Advocate for Pet/Ap. : G.N. Chary, Adv.

Disposition : Petition allowed

Judgement :
ORDER

1. The turnover, the liability of which to sales tax was in dispute, was Rs. 36,020-10-0 for 1951-52, and Rs. 1,12,147-14-6 for 1952-53. The Tribunal treated the amounts as the turnover of works contracts executed by the assessee, and held that 70 per cent of the turnover was liable to be taxed. The amounts in question represented the charges collected by the assessee for carrying out embroidery work on the material supplied to the assessee by its customers. Such contracts did

not involve the sale of any goods of the assessee to the customers. The principles on which the question has to be decided, whether there was any element of sale in a given works contract, have been explained by us in our judgment in T.R.C. Nos. 233 to 236 of 19561, on the application of the principles laid down by the Supreme Court in State of Madras v. Gannon Dunkerley2.

2. The assessments are set aside, and the petitions are allowed with costs in T.R.C. No. 167 of 1956. Counsel's fee Rs. 100.