**IN THE HIGH COURT OF ORISSA AT CUTTACK**

**STREV Nos. 95 and 96 of 2013**

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| ***State of Odisha*** | .... | ***Petitioner*** |
| | | Mr. S.S.Padhy,Addl.Standing Counsel |

*-versus-*

| | | |
|---|---|---|
| ***M/S. Express Publication (Madurai) Ltd.*** | .... | ***Opposite Parties*** |
| | | Mr. R.P.Kar, Advocate |

**CORAM:**
**THE CHIEF JUSTICE**
**JUSTICE R.K. PATTANAIK**

**<u>ORDER</u>**
**18.07.2022**

**<u>Order No.</u>**

05. 1. The questions sought to be urged by the State in these revision petitions directed against an order dated 6th June, 2013 passed by the Orissa Sales Tax Tribunal, Cuttack (Tribunal) dismissing the State in S.A. Nos. 56(E) and 59(E)/2010-11 against the orders dated 8th March, 2010 of the DCST (Appeal) and 30th March, 2010 of DCST (Appeal) for the years 2003-04 and 2004-05 read as under:

> "(i) Whether on the facts and in the circumstances of the case, the Odisha Sales Tax Tribunal is not correct in concluding that activity of printing on the newsprint is "manufacture" so as to treat "newsprint" as raw material and therefore, is exigible @ 50% of rate of tax in terms of Rule 3(4) of the Odisha Entry Tax Rules, 1999?
>
> (ii) Whether on the facts and in the circumstances of the case, even though the learned Tribunal held that the activity of printing on the newsprint is manufacture, its order in second appeal is not tenable in the eye of law due to the fact that it ignored to take into consideration the provisions of

Section 26 read with Section 3 of the Odisha Entry Tax Act, 1999 while deciding the merits of the claim of the Assessee-Opposite Party under Rule 3(4) of the Odisha Entry Tax Rules, 1999?

(iii) Whether on the facts and in the circumstances of the case, the learned Sales Tax Tribunal is not justified in holding that value of "newsprint" is exigible to entry tax@ 50% as per Rule 3(4) of the Odisha Entry Tax Rules, 1999, especially when "newsprint" is not scheduled goods under the Schedule appended to the Odisha Entry Tax Act, 1999?"

2. Admittedly, the Opposite Parties-Assessee purchases blank newsprint and then prints newspapers on it. Consequently, the Assessee contended that printing newspapers on newsprint brings forth a commercially different product having a distinct characteristic, use and utility and therefore amounts to 'manufacture'. It was further contended that as a result the Assessee's entitled to pay Entry Tax @ 50% of the purchase turnover of the raw material. According to the Department, on the other hand, the Respondent was not a 'manufacturer' and 'newsprint' is not a raw material.

3. The Court notes that printing of a newspaper on a blank newsprint indeed involves a manufacturing process. While newsprint is a scheduled goods as specified it Sl.14 of Part 1 of the Schedule, it also constitute raw material for a newspaper. The act of printing ink on the newsprint and therefore bringing forth a newspaper involves a process resulting in a distinct and different product. The Assessee was granted a license/registration for such printing of newspaper.

4. Consequently, the Court concurs with the Tribunal that the activity of printing on the newsprint is "manufacture" for which "newsprint" is raw material and therefore, is exigible @ 50% of rate of tax in terms of Rule 3 (4) of the Odisha Entry Tax Rules, 1999.

5. The Court is therefore not inclined to admit these revision petitions and frame the questions of law as urged.

6. These revision petitions are dismissed.

***(Dr. S. Muralidhar)***
***Chief Justice***

***( R.K.Pattanaik )***
***Judge***

Kabita