

Supreme Court of India

Donlop India Ltd vs Union Of India on 5 April, 1994

Equivalent citations: 1994 SCC (4) 686

Author: S Agrawal

Bench: Agrawal, S.C. (J)

PETITIONER:

DONLOP INDIA LTD.

Vs.

RESPONDENT:

UNION OF INDIA

DATE OF JUDGMENT 05/04/1994

BENCH:

AGRAWAL, S.C. (J)

BENCH:

AGRAWAL, S.C. (J)

JEEVAN REDDY, B.P. (J)

CITATION:

1994 SCC (4) 686

ACT:

HEADNOTE:

JUDGMENT:

ORDER

1. The only question which arises for consideration in this appeal is whether the process known as "soap treatment "whereunder Grey Cotton Duck/Canvas is treated with soap clour and water in a soaping machine and the processed fabric is used in different shops of the tyre factory of the appellant for wrapping rubberised cloth layer by layer so that the same do not get pasted or glued together amounts to a manufacturing process. It has been so held by the Central Government in revision by its order dated 27-12-1976. This appeal has been filed against the said order.

2. We have heard Dr Sankar Ghosh, learned Senior Counsel appearing for the appellant, and Mr Joseph Vellapally, learned Senior Counsel appearing for the respondent.

3. The process has been described in the impugned order in the following words :

" For processing on soap treatment the party use soaps/soap flakes which are diluted in plain water in a tank. This solution is transferred to a Soaping Machine operated by power where different colours are added. The fabrics are then dipped in the solution which is heated with steam. After the colouring treatment and soap impregnation the wet fabrics are dried up with the aid of steam on passing the fabrics through rollers fitted with the aforesaid Soaping Machine."

4. In our opinion the said process cannot be said to be one which results in changing the identity of the cloth which is subjected to the said treatment and the said process does not give rise to a new product which is marketable. The said process cannot, therefore, be regarded as a manufacturing process. We find that the Central Government itself, in another matter relating to M/s Premier Tyres Ltd., has passed an order on 17-5-1977 (page 83 of Paper Book) wherein, it has been held that the transformation brought about the dipping of cotton fabrics in a soap solution is not a permanent one; it is not an operation which results in the production of a new article which could be brought and sold as such in the market.

5. The appeal is, therefore, allowed. The impugned order passed by the Central Government is set aside and the order of the Appellate Collector dated 3-3-1975 is restored. No order as to costs.