(1997) 03 SC CK 0077

In the Supreme Court Of India

Case No : Civil Appeal Nos. 384 of 1987 with C.A. No. 168 of 1988

Brakes India Ltd. APPELLANT

Vs

Supdt. of Central Excise and Others RESPONDENT

Date of Decision : 13-03-1997

Acts Referred:
Central Excises and Salt Act, 1944 — Section 2

Citation : (1998) 79 ECR 232 : (1998) 101 ELT 241 : (1997) 10 SCC 717

Hon'ble Judges : A. M. Ahmadii, C.J;B.P. Jeevan Reddy, J

Bench : Division Bench

Final Decision : Dismissed

Judgement

A.M. Ahmadi, CJI and B.P. Jeevan Reddy, JJ.—We have heard the learned Counsel for the appellant. The short question is whether brake lining blanks purchased by the appellant when put to the process of drilling, trimming and chamfering can be said to amount to manufacturing within the meaning of Section 2(f) of the Central Excises and Salt Act, 1944. The High Court has examined this question in considerable detail and has then observed in paragraph 15 as under :

If by a process, a change is effected in a product, which was not there previously, and which change facilitates the utility of the product for which it is meant, then the process is not a simple process, but a process incidental or ancillary to the completion of a manufactured product. It will not always be safe solely to go by a test as to whether the commodity after the change takes in a new name, though in stated circumstances, it may be useful to resort to it. This may prove deceptive sometimes for it will suit the manufacturer to retain and stamp the same name to the end product also. The ''character or use'' test has been given due importance by pronouncements of the Supreme Court. When adopting a particular process, if a transformation takes place, which makes the product have a character and use of its own, which it did not bear earlier, then the process would amount to manufacture within the meaning of Section 2(f) irrespective of the fact whether there has been a single process or have been several processes.

2. The learned Single Judge from whose judgment the Division Bench was considering the appeal had pointed out that brake lining blanks could not be used by owners of motor vehicles without holes and trimming and chamfering. The learned Single Judge also pointed out that it was only after this process which the blank brake linings underwent that they could be used by automobile manufacturers in the manufacture of their vehicles. We are of the opinion that both the learned Single Judge as well as the Division Bench applied the correct test and we see no reason to interfere therewith. The appeals are, therefore, dismissed with no order as to costs.

