
(1971) 09 MAD CK 0025

In the Madras High Court

Case No : T.C. No's. 4 and 5 of 1970 (Revision No's. 4 and 5 of 1970)

State of Madras

APPELLANT

Vs

SF Products India Ltd.

RESPONDENT

Date of Decision : 07-09-1971

Acts Referred:

Citation : (1972) 85 LW 504 : (1972) 29 STC 454

Hon'ble Judges : Veeraswami, C.J.;Raghavan, J

Bench : Division Bench

Advocate : K. Venkataswami, First Assistant Government Pleader, for the Appellant; V.K. Thiruvenkatachari, for King and Partridge, for the Respondent

Final Decision : Dismissed

Judgement

Veeraswami, C.J.—In these two tax cases, the question presented is whether spray booths, dust collectors and textile humidification plants are air-conditioners within the meaning of entry 4 of the First Schedule to the Madras General Sales Tax Act, 1959. That entry is: Refrigerators, air-conditioning plants, component parts of refrigerators or air-conditioning plants. On such goods, the rate of tax levied on their sales is 12 per cent., and the levy is at the point of first sale in the State. The Tribunal has held that these articles are not within the purview of the entry.

2. In respect of the first two, namely, spray booths and dust collectors, we are clearly of opinion that they are not air-conditioners. The spray booth is intended for component painting in the engineering industry. The spray booth comprises of a collecting section and a booth section. The former may be used separately as a paint-mist collector in a spray shop or in combination with one or two booth sections in sequence. The paint-mist collector uses a closed-cycle water system, a suitable paint neutraliser being added. From a channel at the top of the booth, the water runs in an even film down the screen wall to the venturi throat, where it is atomized by the inducted air. The minute water droplets enclose the paint particles and drop into a tank below, where the paint forms an easily skimmed

surface layer. Entrained water droplets are removed from the cleaned air in the dewatering section, and the air is exhausted by a fan to the atmosphere. This fan, preferably of sparkproof construction, is located at any suitable position and connected to the booth by ducting. The booth sections are equipped with tubular lighting at the roof. Dust collectors are used in modern industries, which have created severe problems of air pollution. It has been found necessary to limit the emission of dust into atmosphere as far as possible in order to minimise the health hazard as well as damages to machinery, crops etc. It is in this connection well-planned plants with good dust collectors are found essential. Dust collectors are also used for gas cleaning, for recovery of valuable dust and as final collectors for pneumatic conveyors. There are four main types of industrial dust collectors, namely, dynamic collectors based on forces of inertia, wet collectors based on agglomeration with water, fabric filters based on the screening effect of a textile material, and electric precipitators based on electrostatic forces. In designing the dust collector plants are taken into consideration the factors like the plant or process in which the dust collector is to be installed, the nature of the gas, the temperature and humidity of the gas, the chemical and physical properties of the dust and dust concentration in the gas and the collecting efficiency required. In some cases, only one particular type of dust collector is suitable, in other cases, different types are possible. The choice will be a compromise considering the collecting efficiency, resistance to wear, the space available, installation cost, operational cost etc. Textile humidification plants are an integral part of the Indian textile industry and it is stated that at present more than 3/4 of all mills are equipped with SF plants. An SF textile humidification plant consists mainly of a number of humidification towers, duct system and high efficiency distributors. The towers which are suitably placed, vary in size and number and are correctly designed from the standpoint of air technology to suit each particular application. A stream line axial flow fan turns outside air, returns air or a mixture of both into a tower through screened inlets. On the pressure side of the fan, the air flow is reduced in a diffuser and then passed through a spray washer, lowering the dry pulp temperature and giving a marked cooling effect known as evaporative cooling. A fan of type PMA is specially designed for humidification towers and fitted with a more powerful motor to permit the higher speeds required. By installing several units in each department and by adding air heaters, temperature and humidity can easily be controlled, which is of great importance in climates with great variations in temperature and humidity.

3. Trane's Air-conditioning Manual, Chapter II, page 11, says that air-conditioning is the science of maintaining the atmosphere of an enclosure at any required temperature and humidity. Air-conditioning can provide and maintain any atmospheric condition regardless of variations in outdoor weather. In "Marks "Mechanical Engineers" Handbook", whose author is one James H. Carpenter, in a chapter on air-conditioning, we find that the factors affecting the physical and chemical conditions of the atmosphere include temperature, humidity, motion, distribution, dust, bacteria, odours, toxic gases and ionization. Most of these

affect human health and comfort. Air-conditioning is the simultaneous control of at least the first, three of these factors. In Random's House Dictionary, an air-conditioner is defined as an air-conditioning device, and air-conditioning means a system or process for controlling the temperature, humidity, and sometimes the purity of the air in an interior, as of an office, theatre, laboratory, house or the like. The Chambers's Twentieth Century Dictionary gives the meaning of air-conditioning as the bringing of air to the desired state of purity, temperature and humidity. Webster also says that to air-condition is to equip with an apparatus for washing, humidifying, dehumidifying and controlling the temperature of air. Encyclopaedia Britannica, under the head "air-conditioning" states :

The term is derived from the word conditioning, which was applied to the determination of the moisture content of textiles, and covers the treating of air in an enclosure to regulate its moisture content, temperature, purity and usually its circulation. For increasing human comfort and for the manufacturing or processing of certain materials, an accurate control of the moisture content of the air is most important. It is sometimes roughly effected by adding water vapour or mist directly to the enclosed air, but more precisely by using an air-conditioning apparatus by which the air is purified and its temperature and moisture definitely controlled before it is introduced into the space to be conditioned.

4. The above extracts point to the quality of air-conditioning to be the controlling of the temperature, humidity and sometimes the purity of the air in an interior space. Air-conditioning should comprise the simultaneous control of at least the temperature, humidity and the motion of the air in an inside enclosed space.

5. Can we say with reference to the requirements of an air-conditioner that the spray booth, the dust collectors and the textile humidification plants, the description of each of which we have taken from certain printed brochures supplied to us, are air-conditioners ? We are clearly of opinion that the first two are not air-conditioners. The spray booth has nothing to do with conditioning of air in the sense that it is used to control the temperature or the humidity of the air. That is an article which is used in the spray painting in order to collect the paint-mist and to obtain a skimmed surface layer of paint by allowing minute water droplets to enclose the paint particles and thereby drop into the tank in the system of spray booth. No doubt, there is a fan, which is generally of a spark proof construction, located at suitable position, and connected to the booth by ducting. But this is for the purpose of not controlling the temperature of the air as in air-conditioning. The spray booth is not clearly an air-conditioner.

6. So too, we think the dust collectors have nothing in common with an air-conditioner. The main purpose of the dust collectors is to limit the emission of dust into atmosphere, so as to minimise the health hazard as well as damage to machinery. It may be that one of the purposes of air-conditioning is to let into an enclosed space surrounding air free from dust. But that purpose by itself will not make dust collectors to be regarded as air-conditioners. The dust collectors are

not used and are not intended to be used for controlling the temperature or humidity of air as required.

7. The textile humidification plants do in a way resemble to an extent air-conditioners, at least inasmuch as that in their use the temperature is lowered and a cooling effect known as the evaporative cooling is brought about by reducing the air flow in a diffuser on the pressure side of the fan and then passing it through a spray washer. The indications of a textile humidification plant are axial flow fan, centrifugal pump, pot strainer, spray set with nozzles, return air damper, air heater, outside air damper, baffle plate, K. K. valves, water tank, water supply pipe and level regulator and steam valve. By installing several units in each department and by adding air heaters, the temperature and humidity can easily be controlled, which is of great importance in climates with great variations in temperature and humidity. If that alone should matter, humidification plants somewhat serve the purpose of air-conditioners. But, on that again, we doubt whether they can be called air-conditioners as such. Whatever device is adopted to cool the air cannot ipso facto be styled as an air-conditioner, though it may be done in a rough way and in a broad sense. But an air-conditioner should be one which should enable not merely cooling the atmosphere in enclosed place, but, as indicated by the word "air-conditioner", it should control the temperature by a device of adjustment, lowering or increasing it to the required degree. In our opinion, therefore, the textile humidification plants do not entirely answer the description of an air-conditioner.

8. Our attention was invited for the revenue to *Industrial Machinery Manufacturers Pvt. Ltd. v. The State of Gujarat* [1965] 16 S.T.C. 380. There the Gujarat High Court was concerned with entry 15 of Schedule C to the Bombay Sales Tax Act, 1959, which is "machinery used in the manufacture of cloth". The question Shelat, C. J., and Bhagwati, J., had to decide was whether humidifiers used by cotton mills in order to maintain a certain humidity for the purpose of increasing the strength of yarn, avoiding breakages of yarn and improving the quality of yarn, were essential to the modern textile industry and were, therefore, machinery used in the manufacture of cloth within the meaning of that entry. The court held that humidifiers were a necessary part of the machinery used in the manufacture of cloth. In the course of answering the question, the court extracted the Deputy Commissioner's description of the role of humidifiers in the textile industry :

The humidifiers are used by the textile mills. The purpose of this is to maintain the humidity of a particular room where the process of spinning etc. is done. This humidity helps to increase the length and strength of yarn....

9. The decision as such does not help us to decide whether humidifiers are refrigerators, except to know that humidifiers are used in the manufacture of textile cloth by providing or maintaining a particular humidity in the room in which the manufacturing process is being carried on. In *Star Trading Co. Pvt. Ltd. v. The State of Bombay* [1962] 13 S.T.G. 102 the Bombay High Court held that

cooling plant used to cool caustic soda solution used for mercerising process by a textile mill was a refrigerator within the meaning of item 69 of Schedule B to the Bombay Sales Tax Act, 1953. Tambe and Desai, JJ., were of opinion that the entry should be given the meaning of the articles as understood in the market, that is to say, in the commercial sense. This decision again is not of much assistance, except to indicate that refrigerators or air-conditioners in entry 4 of Schedule I to the Madras Act should not be given a strained or strange meaning, but that they should be understood as normally people would understand in the commercial sense.

10. On a consideration of all the circumstances, we think that spray booths, dust collectors and textile humidification plants are not air-conditioners within the meaning of entry 4 of Schedule I to the Act. The tax cases are accordingly dismissed with costs (one set); counsel's fee Rs. 250.