(1995) 03 MAD CK 0021

In the Madras High Court

Case No : Tax Case No''s. 1177 to 1179 of 1984 (Revision No''s. 160 to 162 of 1984)

State of Tamil Nadu — APPELLANT

Vs

Madura Coats Ltd. — RESPONDENT

Date of Decision : 14-03-1995

Acts Referred:
Tamil Nadu General Sales Tax Act, 1959 — Item 4(III)

Citation : (1995) 03 MAD CK 0021

Hon'ble Judges : T. Jayarama Chouta, J;K.A. Thanikkachalam, J

Bench : Division Bench

Judgement

Thanikkachalam, J.—The department is the petitioner herein. T.C. (R) No. 1177 of 1984 relates to the assessment year 1978-79, T.C. (R)

No. 1179 of 1984 relates to the assessment year 1979-80. Both the revisions are relating to tax leviable under the Tamil Nadu General Sales Tax

Act, 1959. T.C. (R) No. 1178 of 1984 relates to the assessment year 1977-78, relates to the tax leviable under the Central Sales Tax Act, 1956.

2. The point for consideration in these revisions is whether the cotton tyre cord warp sheet and rayon tyre warp sheet are textile fabrics. The

Tribunal held that the cotton tyre cord warp sheet and rayon tyre cord warp sheet are textile fabrics within the meaning of item 4 of the Third

Schedule to the Tamil Nadu General Sales Tax Act, and therefore, exempted from tax in view of the decision of the Supreme Court in the case of

Delhi Cloth & General Mills Co. Ltd. v. State of Rajasthan 1980 46 STC 256. In the abovesaid decision the Supreme Court of India has held as

under :

.... Rayon fibre is spun into rayon and twisted into cord. The cords are arranged lengthwise, and are commonly described as the ""warp"". They

are packed 25 to the inch. By a process of weaving, cotton threads are wafted through a loom across the cords. The wefts are thinner and fewer

than the cords, being not more than two to five per inch. The cord component comprises the major content of the product. The unprocessed rayon

tyre cord fabric so produced is sold in the form of rolls in the market. After initial chemical treatment it is put through a process of rubberizing in the

manufacturing plant. The rayon tyre cord fabric is used as a reinforcing base in the manufacture of tyres. It is a product generally intended for

industrial use. The rayon tyre cord employed as a component in the manufacture of rayon tyre cord fabric is also sold directly as such .... Tyre

cord is purchased directly by some tyre manufacturers, who by applying the same process of putting in the wefts, convert it into a tyre cord fabric

for use in the tyre.

3. In view of the fact that the Tribunal came to the conclusion that cotton tyre cord warp sheet and rayon tyre cord warp sheet are textile fabrics

within the meaning of item 4 of the Third Schedule to the Tamil Nadu General Sales Tax Act and Central Sales Tax Act, in accordance with the

decision of the Supreme Court of India cited above, we hold that the order passed by the Tribunal is in order on this aspect. Accordingly, we are

not inclined to interfere with the same. In the result, the revisions are dismissed with costs.

Counsel fee fixed at Rs. 1,000 (one thousand) one set only.

4. Petitions dismissed.

