**(1981) 02 MAD CK 0050**

**In the Madras High Court**

**Case No :** Tax Case No. 1102 of 1980 (Revision No. 669 of 1980)

The State of Tamil Nadu APPELLANT

Vs

K.M. Natarajan RESPONDENT

**Date of Decision :** 16-02-1981

**Acts Referred:**
Tamil Nadu General Sales Tax Act, 1959 — Section 7A(1)

**Citation :** (1981) 48 STC 315

**Hon'ble Judges :** Gokulkrishnan, O.C.J.;Venugopal, J

**Bench :** Division Bench

**Advocate :** Additional Government Pleader, for the Appellant;

## Judgement

Gokulakrishnan, Offg. C.J.

1. The short question that comes up before us is whether there is manufacture as contemplated u/s 7-A(1)(a) of the Tamil Nadu General Sales Tax Act warranting the levy of purchase tax. The Tribunal, after elaborately discussing the definition of the word "manufacture" occurring in the section, came to the conclusion that the transformation of white ash into sacred ash by cleaning and adding perfume does not result in a new commercial produce and there is no manufacturing process involved therein. After such observation, the Tribunal has held that the commodity in question will not attract purchase tax. In Deputy Commissioner of Sales Tax (Law), Board of Revenue (Taxes), Ernakulam Vs. Pio Food Packers, the Supreme Court, dealing with sliced pineapple and referring to section 5A(1)(a) of the Kerala General Sales Tax Act, which is analogous to section 7-A(1)(a) of the Tamil Nadu General Sales Tax Act, has observed that where there is no essential difference in identity between the original commodity and the processed article it is not possible to say that one commodity has been consumed in the manufacture of another, and that although it has undergone a degree of processing, it must be regarded as still retaining its original identity. In respect of the commodity involved in that case, namely, sliced pineapple, the Supreme Court has further held that where the commodity retains a continuing

substantial identity through the processing stage it cannot be said that it has been manufactured. Applying this principle the Supreme Court held that although a degree of processing is involved in preparing pineapple slices from the original fruit, the commodity continues to possess its original identity, notwithstanding the removal of inedible portions, the slicing and thereafter canning it on adding sugar to preserve it. The reasoning applies to the present case in all fours and we are in complete agreement with the reasoning of the Tribunal in its order. In these circumstances, the tax revision case is dismissed.

2. Petition dismissed.

 