M/S PARK LEATHER INDUSTRY (P) LTD. AND ANR. A

v.

STATE OF U.P.

FEBRUARY 14, 2001

[V.N. KHARE AND S.N. VARIAVA, JJ.] B

U.P. Krishi Utpadan Mandi Adhiniyam, 1964—Section 2(a)—Fees on Agricultural Produce—Hides and Skins included under the definition of 'Agricultural Produce'—Tanned leather—Levy of fees treating them as hides and skins—Validity of—Held, tanned leather is processed form of hides and skins which is not a distinct commodity—Hence exigible to fees under the Act. C

Interpretation of Statutes :

U.P. Krishi Utpadan Mandi Adhiniyam, 1964—Enactment in Hindi—English version simultaneously published—Hindi version of 'Hides and Skins' is 'Khal va Chamra'—Held, interpretation should be on the basis of the concerned statute and not on the basis of different statutes—If there is no conflict between Hindi version and English version of the Act, then one can always take assistance of the Hindi version whether the word used in English includes a particular item or not.—Constitution of India—Article 384. D E

Petitioners are doing business of preparing tanned and finished leather. Definition of 'agricultural produce' under Section 2(a) of the U.P. Krishi Utpadan Mandi Adhiniyam, 1964 includes, *inter alia*, 'animal husbandry' which includes, 'hides and skins'. Fees were levied under the Act by respondent-State treating the tanned leather produced by the petitioners as hides and skins. Writ petitions were filed before High Court against the levy under the Act. The High Court dismissed the Writ Petitions. F

In appeal to this Court, the petitioners contended that tanned leather is not hide or skin; that it is not derived by processing hide or skin; and that tanned leather is a distinct manufactured commodity having a distinctive name, character and use. G

The respondent-State contended that the definition of the term 'agricultural produce' under Section 2(a) of the Act is an inclusive definition; H

A that any item would be an 'agricultural produce' if it is specified in the Schedule or if it is an admixture of two or more items specified in the Schedule or it is a processed form of any of the items specified in the Schedule; that tanned leather is covered by the definition; that tanned leather is a processed form of hide and skin; that in the State of U.P., all the enactments are in Hindi language; that in the Hindi version, the term used is 'khal va Chamra'; B that the dictionary meaning of the word 'Chamra' means leather which clearly shows that leather is included under the Act; that under Article 384 of the Constitution, if there is no conflict between Hindi version and English version of the Act, then the Hindi version can be looked at to determine any ambiguity or to find out if any item is included or not.

C

Dismissing the appeal, the Court

HELD :1.1. Tanned leather retains its basic character namely it remains hide or skin, though there is some change in form and physical appearance. There is no manufacture but mere processing of hides and skins to bring D them into a tanned state. [1040-F; 1041-A]

1.2. A perusal of Section 2(a) of the U.P. Krishi Utpadan Mandi Adhiniyam, 1964 makes it clear that an agricultural product would be a product which is specified in the Schedule or one which is admixture of two E or more items and would also include any such item is a processed form. It makes no difference for the purposes of the Act that the concerned item is a different commodity from the one which is included in the Schedule. It is possible that by virtue of an admixture of two or more items or by virtue of processing a different commodity or item may come into existence. Even though a different commodity may come into existence, it would still be an F 'Agricultural produce'. [1048-B-C]

1.3. It is very clear that for hide and skin to be converted into leather or tanned leather, all that is required is a process. It is a process of cleaning, curing and adding preservations. The finished product i.e., 'tanned leather' G even though it may have changed in physical appearance or chemical combination and even though it may commercially be a different item, still it remains a 'hide' or a 'skin'. [1048-E-F]

2.1. Interpretation has to be on the basis of the expression 'Agricultural Produce' as set out in Section 2(a) of the Act. Interpretation on the basis of H different statutes like Sales Tax Laws is of on assistance. [1048-A]

2.2. If there is a conflict between the Hindi version and the English version of the Act, then the English version would prevail. However, if there is no conflict then one can always have assistance of the Hindi version in order to find out whether the word used in English includes a particular item or not. In the Hindi version the word used is 'chamra'. There can be no dispute that the term 'Chamra' would include 'leather' in all its forms. **[1048-H; 1049-A]**

A Hajee Abdul Shakoor & Company **v.** *State of Madras,* **[1964] 8 SCR 217 (CB);** *TVL K.A.K. Anwar & Co.* **v.** *State of T.N.,* **[1998] 1 SCC 437;** *Rajasthan Roller Flour Mills Association & Anr.* **v.** *State of Rajasthan & Ors.,* **AIR (1994) SC 64;** *Edward Keventer Pvt. Ltd.* **v.** *Bihar State Agricultural Marketing Board & Ors.,* **[2000] 6 SCC 264;** *M/s Saraswati Sugar Mills* **v.** *Haryana State Board & Ors.,* **AIR (1992) SC 224;** *Union of India & Anr. etc.* **v.** *I. Delhi Cloth & General Mills Co. Ltd.,* **AIR (1963) SC 791;** *Krishi Utpadan Mandi Samiti, Kanpur & Ors.* **v.** *Ganga Dal Mill & Co. & Ors.,* **[1984] 4 SCC 516;** *Rathi Khandsari Udyong & Ors.* **v.** *State of Uttar Pradesh & Ors.,* **[1985] 2 SCC 485;** *Krishi Utpadan Mandi Samiti & Anr.* **v.** *M/s Shankar Industries & Ors.,* **[1993] Supp 3 SCC 361 and** *State of Tamil Nadu etc.* **v.** *Mahi Traders & Ors. etc.,* **[1989] 1 SCC 724, referred to.**

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 11768 of 1996.

From the Judgment and Order dated 10.7.96 of the Allahabad High Court in C.M.W.P. No. 18535 of 1987.

Sudhir Chandra, A.P Sinha, Achintya Dwivedi, P. Niroop and Ms. Nandini Gore for the Appellants.

Pradeep Misra for the Respondents.

The Judgment of the Court was delivered by

S. N. VARIAVA, J. This Appeal is against a judgment dated 10th July, 1996. By this judgment a number of Writ Petitions filed before the Allahabad High Court have been dismissed.

The Petitioners in all the Writ Petitions were doing the business of preparing tanned and finished leather. The question involved in all the four Petitions was whether 'tanned leather' can be subjected to Uttar Pradesh Mandi Fee payable under the provisions of U.P. Krishi Utapadan Mandi

A Adhiniyam, 1964 (hereinafter for the sake of convenience called the said Act).

For an understanding of this question it is necessary to see Section 2 (a) of the said Act which reads as follows :

> " 'Agricultural produce' means such items of produce of agriculture,
> B horticulture, viticulture, apiculture, sericulture, pisciculture, animal husbandry or forest as are specified in the Schedule, and includes admixture of two or more of such items, and also includes any such item in processed form, and further includes Gur, Rab, Shakkar, Kandsari and jaggery".

C Schedule G of the said Act deals with "Animal Husbandry". Serial No. 11 thereunder includes 'hides and skins'.

The question which had been raised in the Writ Petitions and which is raised here is whether the term 'hides and skins' includes 'tanned leather'. Mr. Sudhir Chandra has submitted that admittedly the term 'tanned leather' D has not been used either in the Act or in the Schedule. He admits that under Section 2(a), not just the items which have been specified in the Schedule but also an admixture of two or more such items or any of those items in a processed form, would also be included. He, however, submits that tanned leather is not 'hide or skin' and is not derived by processing 'hide' or 'skin'. E He submits that 'tanned leather' is a manufactured commodity. He submits that "tanned leather" is an entirely different commodity from 'hide' or 'skin'.

In support of his contention that 'tanned leather' is a different commodity from 'hide' and 'skin' he relies upon a Judgment of the Constitution Bench of this Court in the case of *A Hajee Abdul Shakoor and Company* v. *State* F *of Madras,* reported in [1964] 8 SCR 217. In this case the Petitioners were dealers in skins in the State of Madras. They purchased raw skins from places both within and outside the State of Madras, tanned those skins and sold them through their agents in Madras. They were assessed to sales tax under the provisions of the Madras General Sales Tax Act, 1939 and under rules G 16(2)(ii) of the Madras General Sales Tax (Turnover and Assessment) Rules. They filed the Petition under Article 32 contending that Section 2 of the Madras General Sales Tax (Special Provisions) Act, 1963 was *ultra vires* the Constitution. That challenge was upheld on the ground that Section 2(1) discriminated against imported hides and skins and local hides and skins. It was however held that Rule 16(1) did not become invalid because Rule 16(2) H had been held to be invalid. Under the Rules tax was levied on sale of hides

and skins in raw condition but no tax was levied on sale of hides and skins in tanned condition. Therefore, the Rules themselves made a distinction between hides and skins in raw condition and hides and skins in tanned condition. It was contended that hides and skins whether tanned or untanned constituted one commodity and, therefore, there could be no tax on sales of hides and skins in raw condition when there was no tax on sale of hides and skins in tanned condition. It was held that they were two different commodities and constituted two separate categories for purposes of taxation. It was so held because the two were treated differently in the Rules.

Reliance was also placed upon the authority in the case of *TVL K.A.K. Anwar and Co.* v. *State of T.N.*, reported in [1998] 1 SCC 437. This again was a case under the T.N. General Sales Tax Act, 1959. The question here was whether raw hides and skins and dressed hides and skins were different commodities. The Court following the decision in A. *Hajee Abdul Shukoor & Co.* (Supra) held that dressed hides and skins were different goods from raw hides and skins. It may be noted that it was so held in the context of the definition as given in Item 7 of the Second Schedule of the said Act, which provided both for raw hides and skins as well as dressed hides and skins. Thus the Act itself made a distinction between raw hides and skins and dressed hides and skins. It is on that basis that the Court held that they were not the same commodity.

Mr. Sudhir Chandra also placed reliance in the case of *Rajasthan Roller Flour Mills Association and another* v. *State of Rajasthan and others,* reported in AIR (1994) S.C. 64. This was a case under the Central Sales Tax Act and the question for consideration was whether the term "Wheat", within the meaning of Section 14(i)(iii) of that Act, included "flour, maida and suji" which were derived from Wheat. It was held that flour, maida and suji are different and distinct goods from wheat. It was held that flour, maida or suji were not included in the Act and they would not fall within the term "Wheat" as defined in the Act. It must immediately be noted that the Act only contained the term "Wheat". That Act did not cover "Wheat" in its processed form. It is because the Act did not cover "Wheat in a processed form" that the Court held that flour, maida and suji were not wheat.

Reliance was also placed upon the judgment of this Court in the case of *Edward Keventer Pvt. Ltd.* v. *Bihar State Agricultural Marketing Board and Ors. reported in,* [2000] 6 S.C.C. 264. In this case the question was whether fruit drinks "Frooti" and "Appy" fell within the term agricultural

A produce under the Bihar Agricultural Produce Markets Act, 1960. This Court held that even though these "Frooti" and "Appy" were manufactured out of mango pulp and apple concentrate but after the mango pulp and apple concentrates were processed and beverages were manufactured, the products becomes entirely different from the fruits that is the mango and apple. It was held that even though the basic character of the mango pulp and apple B concentrate may be present in beverages, but the end products were not fruits which were specified in the Schedule. On this basis it was held that the products like "Frooti" and "Appy" were not covered by the Item Agricultural produce as defined in Section 2(i)(a) of that Act.

C Mr. Sudhir Chandra also relied upon the case of *M/s. Saraswati Sugar Mills* v. *Haryana State Board and others*, reported in AIR (1992) S.C. 224 for the proposition that there is a difference between 'manufacture' and 'processing'. In this case the question was whether an industry which manufactures sugar from sugar cane was covered by Entry 15 of Schedule I to the Water (Prevention and Control of Pollution) Cess Act, 1977. The D relevant Entry under which the industry was sought to be brought in was item 15 of Schedule I which reads as "processing of animal or vegetable products industry". This Court held, in para 13, that the term 'processing' as normally understood would mean that even after processing the product would retain its character. The Court held that 'processing' essentially effectuates a change E in form, contour, physical appearance or chemical combination or otherwise by artificial or natural means. The Court held that a 'manufacture' implies a change but that every change was not 'manufacture'. The Court held that for 'manufacture' something more was necessary and that there must be a transformation and a new and distinct article must emerge having a distinctive name, character or use. Based on this authority it was submitted that tanned F leather was a different article and a distinctive commodity having a distinctive name, character and use and that tanned leather was a manufactured item. In our view the authority would, if anything be against the Appellants. Tanned leather retains its basic character namely, it remains hide or skin, though there is some change in form and physical appearance.

G Lastly reliance was placed upon the case of *Union of India and another, etc.* v. *I. Delhi Cloth and General Mills Co. Ltd.*, etc. reported in AIR (1963) SC 791. This was a case under the Central Excises and Salt Act and the question was whether the Raw oils which were purified but not deodorised in the process of manufacture of Vanaspati was covered by the expression H "non- essential vegetable oils" in Item 12 of Schedule I of that Act. In this

case it was held that processing cannot be equated to manufacture. It was held that the word "manufacture" is generally understood to mean as "bringing into existence a new substance" and does not mean merely "to produce some change in a substance". In our view this authority would also show that in fact there is no manufacture but mere processing of hides and skins to bring them into a tanned state. A B

Based upon the above authorities Mr. Sudhir Chandra submitted that 'tanned leather' was not an 'agricultural produce' inasmuch as it is a different item or commodity from hide and skin and it is an item which is not a processed form of hide or skin but an item which is manufactured. He submits that for the above reasons the Judgment of the High Court cannot be sustained and requires to be set aside. C

As against this Mr. Pradeep Misra submitted that definitions and meanings given in other Acts or in the context of other Acts can be of no assistance. He submits that one has to look at the provisions of the said Act itself. He submitted that the term 'agricultural produce' had been given a wide meaning in Section 2 (a) of the said Act. He points out that it is a definition which is not an exhaustive definition but is an inclusive definition. He submits that any item would be an 'agricultural produce' if it is specified in the Schedule or if it is an admixture of two or more items specified in the Schedule or if it is a processed form of any of the items specified in the Schedule. He points out that in U.P. all Acts are enacted in Hindi even though an equivalent English version is printed. He points out that in the Hindi version the terms used are 'Khal Va Chamra'. He submits that a dictionary meaning of the term 'Chamra' is leather and therefore the Hindi version clearly shows that leather was meant to be included. He admits that if there was a conflict between an Hindi version and an English version then by virtue of Article 384 of the Constitution of India the English version would prevail. He submits that if there is no conflict, then the Hindi version can be looked at in order to determine any ambiguity or to find out if any item is included or not. D E F

In support of his submission he relies upon the case of *Krishi Utpadan Mandi Samiti, Kanpur & Ors.* v. *Ganga Dal Mill and Co. and Ors., etc.* reported in [1984] 4 SCC 516. This was a case under the said Act. The question was whether 'Dal' of legume is an agricultural produce and therefore eligible to market fee. In that case it had been argued, as in the present case, that as 'Dal' has not been specified in the Schedule and it was a distinct commodity no market fee could be levied. This Court held that to resolve a G H

A controversy of this nature one has to seek light from the definition of expression 'agricultural produce' as set out in Section 2(a) of the Act. This Court held that no resort can be taken to decisions under entirely different statutes, such as the sales tax laws, to find out whether the product were same or two different and independent products commercially so recognised. It was held that it was an indisputable canon of construction that where an expression B is defined in the statute, unless there is anything repugnant in the subject or context, the expression had to be construed as having the same meaning assigned to it in the dictionary clause of the statute. It was held that 'Dal' was nothing else but a whole grain split into two folds in its processed form acquired by manufacturing process and that was therefore an agricultural C produce. After so holding this Court held as follows :

> "14. This very conclusion can be reached by a slightly different route. As is well-known, the legislative enactments in the State of U.P. are enacted primarily in Hindi language and its official and authentic translation in English is simultaneously published. Bearing this in D mind, we turn to the notification dated April 11, 1978 specifying legumes therein enumerated as specified agricultural produce for various Market Areas. The heading under which various legumes are enumerated is 'Dwi Daliya Utpadan'. This tongue twister was explained to us to mean that legume itself is Dwi Daliya Utpadan i.e., the whole E grain is made of two folds. Ek daliya grain is without a fold. Dwi Daliya is a grain composed of two folds and certainly not many folds. Concise Oxford Dictionary specifies the meaning of legume to be "fruit, edible part, pod, of leguminous plant; vegetable used for food," and 'leguminous' to mean "like of the botanical family of pulse". And in common parlance 'pulse' connotes legume and denotes dal of F legume. Reverting however, to the heading under which legumes are enumerated in 1978 notification, it must be confessed that it clearly connotes the meaning to be given to the whole grain and denotes dal i.e., split folds as specified agricultural produce. The Hindi protagonists used the expression 'Dwi Daliya Utpadan' meaning thereby double folded grain called Gram, Peas, Arhar, Moong etc., on a strict G construction, the two dals i.e., two parts forming the whole grain both are comprehended in the expression 'Dwi Daliya Utpadan'. Therefore, it is crystal clear that while enumerating legumes in the Schedule and reproduced in the 1978 notification to make them specified agricultural produce, the framers intended to include both the grain as a whole H and its split parts the dal. And when the agricultural produce

enumerated in the Schedule such as Gram including its processed part is reproduced in the notification as Dwi Daliya Utpadan, the dal of each of the legumes therein mentioned became specified agricultural produce." A

It is thus to be seen that the Court derived support for its conclusion by looking at the Hindi version of the said Act on the ground that it was well known that in the State of U.P. enanctments were in Hindi language. B

Reliance was also placed upon the case of *Rathi Khandsari Udyog and Ors.* v. *State of Uttar Pradesh & Ors.*, reported in [1985] 2 SCC 485. This was also a case under the said Act. The question before the Court was whether 'Khandsari sugar' manufactured by an open pan process was an agricultural produce within the meaning of the said Act. In this case also based upon a Sugarcane (Control) Order, 1966 and U.P. Khandsari Sugar Manufacturer's Licensing Order, 1967, both of which define 'khandsari sugar' it had been contended that 'khandsari sugar' was a distinct and a separate commodity from 'khandsari' as defined in Section 2(a) of the said Act and therefore no market fee could be levied on 'khandsari sugar'. This contention was negatived and it was held that 'khandsari' was a genus and 'khandsari sugar' was a species and in the market both were merely known as 'khandsari'. It was held that the word 'khandsari' was wide enough to cover 'khandsari' produced by any process regardless of its quality or variety. It may be mentioned that a challenge to Section 2 (a) on the ground that it was discriminatory and violative of Article 14 was also repelled. C D E

Reliance was also placed upon the case of *Krishi Utpadan Mandi Samiti & Anr.* v. *M/s. Shankar Industries & Ors.*, reported in [1993] Supp. 3 S.C.C. 361(II). This again was a case under the said Act. The question was whether 'gur-lauta', 'raskat', 'rab- galawat' and 'rab-salawat' were 'agricultural produce' under the said Act. In this case it was noted that sugarcane was an agricultural produce out of which juice was extracted. The juice was then thickened by dehydration and when it reached a particular pigment it took the form of 'rab' which is a semi-solid form of the sugarcane juice. After boiling this 'rab' was put in a crystalliser where it was allowed to get cooled and crystals were formed which were then rotated in the crystalliser. The crystallised rab was then put into centrifugal machines in which through the process of infusion of sulphur, the sugarcane juice was cleaned and whitened. The 'rab' which was not put into the centrifugal machine but which was dehydrated and allowed to be hardened by the open pan process became 'gur', which F G H

A was sold for home consumption. The 'rab' which was not allowed to be hardened was also sold in semi-solid form but certain persons who wanted to make further profits put this 'rab' into centrifugal machines and by the process of infusion of sulphur they obtained 'khandsari' in the dry powder/ crystallised form and the waste of 'rab' which was obtained in the liquid form known as 'molasses'. 'Molasses' was further utilised by many people by B boiling in the open pans and the same was again re-processed by cleaning and dehydrating and later by sulphitation was taken in powder form. This then was also sold in the market as inferior quality called 'rab-galawat'. It was held that there was a further inferior quality of rab called 'rab-salawat'. The contention was that 'gur-lauta', 'raskat', 'rab-galawat' and 'rab-salawat' were C all different commodities which were not the same as 'gur' or 'rab' and that therefore no market fee could be levied on those commodities. This Court held that a wide interpretation had to be given to Section 2(a) of the said Act as the meaning was exhaustive and not restricted to the items included in the Schedule. It was held that items which came into being in a processed form would be included. It was held that these items were 'agricultural produce' D and market fee could be levied on these items.

Mr. Pradeep Misra then relied upon the case of *State of Tamil Nadu etc.* v. *Mahi Traders & Ors. etc.*, reported in [1989] 1 S.C.C. 724. He clarified that this was a case under the Central Sales Tax Act and that he was not E saying that this would therefore be an authority for considering the definition of the term "agricultural produce" under the said Act. He submitted that in this case certain opinions of the Ministry of Commerce and Industry as well as glossary of terms published by the Council of Scientific and Industrial Research had been reproduced. He stated that he was merely bringing those portions of the judgment to the attention of the Court. In this behalf he F showed to the Court the paragraphs 6, 9, 10, 11 and 13, which read as follows:

> "6. Turning to coloured leather, we may, at the outset, refer to a very important circumstance referred to by the respondents. When the CST Act came into force on April 1, 1957, a question was raised regarding the meaning of the expression 'hides and skins in dressed G state' used in Section 14. The matter was referred to the leather development wing of the Ministry of Commerce and Industry which gave the following opinion :
>
> Hides and skins are obtained from either slaughtered or dead animals. The raw hides and skins thus obtained are known to be in H the Green State. These are easily putrescible; if proper precautions are

not taken they would easily rot and decay. Since tanneries are not always located very near the source of raw hides and skins, the question of preserving them for a temporary period till they reach a tanning centre assumes importance. Raw hides and skins are 'cured' by either wet salting, dry salting or drying. In the 'cured state' the raw materials can be preserved for a temporary period. In the third stage of temporary preservation, the hides and skins are 'pickled'. During the next stage they are tanned in which state they can be preserved almost indefinitely. These tanned hides and skins are processed further to yield Dressed Hides and Skins which are ready for use. 'Dressed' or finished material could also be preserved almost indefinitely.

From the above, it will be seen that the expressing 'Hides and skins in the raw or dressed state' refers at one end to the raw material obtained from the slaughtered or dead animals and at the other to the tanned and finished material; the expression, therefore, seems to include the other intermediate stages indicated in the previous paragraphs. Dressing, according to the authoritative interpretations, would mean the conversion of tanned hides and skins by further suitable processing into leathers of different types which are ready for use (vide SBT/ 18(495)/14) of November 11, 1957).

9. Can it then be said that the view expressed above is clearly wrong? We think not; on the contrary, it is seen to be quite correct. The statutory expression refers to "hides and skins in a dressed state". The guidelines issued for identification of 'finished' leather for exports by the Indian Standards Institution (ISI) refer to as many as 19 operations or processes undergone during manufacture of 'finished leather' but 'dressing' is not one of them. A glossary of terms relating to hides, skins and leather published by the ISI in 1960 contains the following definitions:

> CRUSTS: (Crust Leather) - Tanned hides and skins without any finish.
>
> CURRYING: A series of dressing and finishing processes applied to leather after tanning in the course of which appropriate amounts of oils and greases are incorporated in the leather to give it increased tensile strength, flexibility and water resisting properties.
>
> DRESSED HIDES: Tanned hides, curried or otherwise finished,

A for various purposes, such as belting, harness and saddlery, travel goods and for upholstery.

DRESSING LEATHER: Vegetable tanned hides which may be dressed to suit the purpose for which they are to be used, such as for harness, saddlery and other mechanical purposes.

B

LEATHER: The skin or hide of animals prepared by tanning, which still retains its original fibrous structure more or less intact, but from which hair or wool may or may not have been removed and which has been treated so as to be imputrescible even after treatment with water.

C

10. The earlier glossary of such terms published by the British Standard Institution defines 'dressing' as a "general term for the series of processes employed to convert certain rough tanned hides and skins and/or crust leather into leather ready for use". Also, "Leather" is defined as "a general term for hide or skin which still D retains its original fibrous structure more or less intact, and which has been treated so as to be imputrescible even after treatment with water". The hair or wool may or may not have been removed. Certain skins, similarly treated or dressed, and without the hair removed, are termed 'fur'. The *Dictionary of Leather Terminology* published by the Tanners' Council of America, describes leather as "the hide and skin E of any animal or any portion of such skin, when tanned, tawed or otherwise dressed for use".

11. The above definitions show that hides and skins acquire the name of 'leather', even if the hair or wool has not been removed F therefrom, as soon as they receive some treatment which prevents them from putrefaction after treatment with water. Dressing is a stage much later than tanning. Indeed, from the definitions quoted above, it will be seen that it is practically the same as giving finishing touches to the leather and making it suitable for the manufacture of particular types of goods.

G

13. The same conclusion is further borne out by the literature referred to before us by Sri Ramachandran. Volume 7 of the *Encyclopaedia Britannica*, under the word "dress", explains that the verb has various applications which can be deduced from its original meaning and that "it is thus used not only of the putting on of the H clothing but of the *preparing and finishing of leather*." Volume 17,

under the head "leather" details the various processes applied in the treatment of hides and skins at all stages, pre-tanning, tanning and post-tanning. Dyeing or colouring is a process which follows tanning but precedes "finishing: (i.e., dressing) in order to make it suitable for the purpose which it is required in commercial usage. Part V of the "*Wealth of India*", a publication of the Council of Scientific and Industrial Research (1966), dealing with leather under "Industrial Products" explains that "hides and skins are liable to putrefaction and loss unless suitably treated and converted into leather". Structurally, hides and skins have a thick middle layer called corium, which is converted to leather by tanning. The operations involved in leather manufacture however fall into three groups. Pre-tanning operations includes soaking, liming, de-liming, bating and pickling, and post-tanning operations are splitting and shaving, neutralising, bleaching, dyeing, fat-liquoring and stuffing, setting out, samming, drying, staking and finishing. These operations bring about Chemical changes in the leather substance and influence the physical characteristics of the leather, and different varieties of commercial leather are obtained by suitably adjusting the manufacturing operations. These processes need not be gone into in detail but the passages relied upon clearly show that hides and skins are termed 'leather' even as soon as the process of tanning is over and the danger of their putrefaction is put an end to. The entry in the CST Act, however, includes within its scope hides and skins until they are 'dressed'. This, as we have seen, represents the stage when they undergo the process of finishing and assume a form in which they can be readily utilised for manufacture of various commercial articles. In this view, it is hardly material that coloured leather may be a form of leather or may even be said to represent a different commercial commodity. The statutory entry is comprehensive enough to include the products emerging from hides and skins until the process of dressing or finishing is done."

Mr. Pradeep Misra submitted that tanned leather would be covered by the definition of the term "Agricultural produce" as defined in Section 2(a) of the Act. He submitted that it was merely a processed form of "hide and skin". He submitted that cases relied upon by the Appellants were of no help as all of them were under taxing statutes and were merely interpreting terms in the context of the definitions given in those statutes.

We have considered the arguments of both the parties. In our view it

A is clear that the interpretation has to be on the basis of the expression 'Agricultural produce' as set out in Section 2(a) of the said Act. In so determining decisions based on different statutes such as Sales Tax Laws can be of no assistance. All the cases relied upon by Mr. Sudhir Chandra are cases under the taxing statutes where the interpretation has been given on the basis of the terms as defined in those statutes.
B

A perusal of Section 2(a) of the said Act makes it clear that an agricultural product would be a product which is specified in the Schedule or one which is admixture of two or more items and would also include any such item in a processed form. In our view it makes no difference, for the purposes of the
C said Act, that the concerned item is a different commodity from the one which is included in the Schedule. It is possible that by virtue of an admixture of two or more items or by virtue of processing a different commodity or item may come into existence. Even though a different commodity may come into existence, it would still be an 'Agricultural produce'. This is best illustrated by Sugarcane which is in Schedule A, Item VIII at Serial No. 14. From
D Sugarcane, "rab" and "gur" are manufactured. They are already different commodities or items. Yet they are all included. The specific inclusion of items like "gur, rab, shakkar, khandsari and jaggery" is to make it clear that merely because it becomes a different item or commodity it is not excluded.

We see no reason to go into the difference between 'manufacturing'
E and 'processing'. In the strict sense of the terms there may be a difference. However, we are not required to go into these differences as, in our view, it is very clear, from what has been set out by the Appellants themselves in their affidavit that for hide and skin to be converted into leather or tanned leather all that is required is a process. It is a process of cleaning, curing and adding
F preservatives. That it is a process has been held by this Court in the case of *State of Tamil Nadu* v. *Mahi Traders and Others, etc.,* (Supra). We are also of the view that the finished product i.e., 'tanned leather' even though it may have changed in physical appearance or chemical combination and even though it may commercially be a different item still remains a 'hide' or a 'skin'.

G For this reason we are of the opinion that there is no illegality or infirmity in the judgment of the High Court.

Even otherwise our above view is supported by the Hindi version of the definition. As has been set out in the case of *Krishi Utpadan Mandi Samiti,* (Supra), it is well known in U.P. all legislations are in Hindi. Of course
H an English version simultaneously published. Undoubtedly if there is conflict

between the two then the English version would prevail. However, if there is no conflict then one can always have assistance of the Hindi version in order to find out whether the word used in English includes a particular item or not. In the Hindi version the word used is 'Chamra'. There can be no dispute that the term 'Chamra' would include 'leather' in all its forms. A

In this view of the matter the Appeal stands dismissed. There will, however, be no order as to costs. B

B.S. Appeal dismissed.