

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS. 5348-5349 of 2005

M/S. V.V.F. LTD.

Appellant(s)

VERSUS

COMMISSIONER OF CENTRAL EXCISE SURAT-II

Respondent(s)

WITH

C.A. No. 2015/2010

WITH

C.A. No. 6176/2012

O R D E R

We have heard learned counsel for the parties.

The only dispute in this case is whether the soap manufactured by the appellant called 'Tetmosol soap' falls within CET Heading 3401.11 as claimed by the assessee or CET Heading 3401.19 as claimed by the Revenue.

According to the assessee, the soap is used for medicinal purposes, primarily for the treatment of a skin disease called scabies. It is not a soap that is used ordinarily for toilet purposes but like any other soap it can, of course, be used for toilet purposes.

According to the Revenue, the wrapper in which the toilet soap is packed mentions that it can be used as a toilet soap. It is on this basis the Revenue claims that Tetmosol soap manufactured by the appellant falls within CET Heading 3401.19.

The Customs, Excise and Service Tax Appellate Tribunal (for short 'the Tribunal') considered the matter in the impugned order and came to the conclusion that there is no dispute that the soap is a medicated soap and it contains monosulfiran B.P. 5% w/w. It is primarily used for treatment and prevention of scabies which is a contagious skin affliction that is characterized by itching and sores. There is nothing to prevent anybody from using medicated soap for toilet purposes but it is not what the soap is intended for. Clearly, the product in dispute is classifiable under CET Heading 3401.11 which is the more appropriate CET Heading rather than the residuary CET Heading 3401.19.

We are of the opinion that the Tribunal was in error in taking the view that the soap would fall in the residuary entry of CET Heading 3401.19.

Under the circumstances, we set aside the order passed by the Tribunal.

The appeals are allowed with no order as to costs.

.....J.
[Madan B. Lokur]

.....J.
[N.V. Ramana]

NEW DELHI
FEBRUARY 25, 2016

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Civil Appeal No(s). 5348-5349/2005

M/S. V.V.F. LTD.

Appellant(s)

VERSUS

COMMISSIONER OF SCENTRAL EXCISE SURAT-II
(With office report)

Respondent(s)

WITH

C.A. No. 2015/2010

WITH

C.A. No. 6176/2012
(With Office Report)

Date : 25/02/2016 These appeals were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE MADAN B. LOKUR
HON'BLE MR. JUSTICE N.V. RAMANA

For Appellant(s) Mr. M. P. Devanath, Adv.
Mr. L. Charanya, Adv.
Mr. Hemant Bajaj, Adv.
Mr. Anandh K., Adv.
Mr. Aditya Bhattacharya, Adv.
Mr. Abhishek Anand, Adv.

For Respondent(s) Mrs. Anil Katiyar, Adv.

Mr. Arijit Prasad, Adv.
Mr. Ritesh Kumar, Adv.
Mr. Mr. B. Krishna Prasad, Adv.

UPON hearing the counsel the Court made the following

O R D E R

The appeals are allowed in terms of the signed order.

(Meenakshi Kohli)
Court Master

(Jaswinder Kaur)
Court Master

[Signed order is placed on the file]