**Collector of Central Excise Vs. Prachi Graphics**

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**SooperKanoon Citation** : sooperkanoon.com/13991

**Court** : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

**Decided On :** Jul-30-1998

**Reported in** : (1999)(105)ELT200TriDel

**Appellant** : Collector of Central Excise

**Respondent** : Prachi Graphics

**Judgement** :

1. The activity undertaken by the Respondents herein is dilution of P.V.A. solution obtained by them on payment of duty. They had filed classification lists dated 1-4-1990 indicating the process of dilution of P.V.A. as not a process of manufacture resulting in excisable commodity. As the Assistant Collector held that the dilution of duty paid P.V.A. solution was the result of manufacture and that the diluted product falls classification under C.E.T. sub-heading 3905.20 by application of Note 6 of Chapter 39 which states that conversion of one primary form into other form shall amount to manufacture. Collector (Appeals) while disposing of two orders of the Assistant Collector on the classification and demand of duty, upheld the contention of the assessees that the form before dilution was also solution, and the form even after dilution remains solution and hence it was not a case of conversion of one primary form into other so as to attract duty notwithstanding anything contained in Note 6 to the Chapter Heading 39.

Hence this appeal.

2. We find that in the appeals before us, although the Revenue has set out Note 6 to Chapter 39, there is no dispute about the Collector (Appeals) findings that the product before or after dilution is the same P.V.A. solution. In this view of this matter we see no error in the impugned order and there is no conversion from one primary form into another primary form, and hence we uphold the impugned order and reject the appeals.