

Commissioner of Central Excise Vs. Anand Threads

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Dec-27-2002

Reported in : (2003)(157)ELT103TriDel

Judge : S Kang, a T V.K.

Appellant : Commissioner of Central Excise

Respondent : Anand Threads

Judgement :

2. Appellants filed this appeal against the order-in-appeal whereby the Commissioner (Appeals) held as under : "The appellants have also point that the adjudicating authority brushed aside their submission that during the relevant year, process of reeling/rewinding was not amounting to manufacture as no chapter note to this regard was in force. It is seen that only during the year 1995-96, a chapter note was added whereby the process of reeling/rewinding was considered as amounting to manufacture and there was no such note in chapter 5 during 1994-95.

In view of the above it is clear that the appellants did not manufacture sewing thread as defined in note 3 of Section XI of Central Excise Tariff Act. The Order-in-Original is accordingly set aside." 3. The contention of the Revenue is that the respondents had manufactured and removed sewing thread classifiable under Heading 55.08 of Central Excise Tariff and had not paid any duty.

4. The contention of the respondents is that they purchased the thread and were only undertaking the process of reeling/rewinding of the thread and this process does not amount to manufacture.

5. In this case, the Commissioner (Appeals) gave a specific finding that the process of reeling and rewinding does not amount to manufacture. The Revenue in the present appeal had not produced any evidence that the respondents were undertaking any other process except as noted by the Commissioner (Appeals). There is no chapter note to Chapter 55 to say that the process of reeling or rewinding amounts to manufacture. Therefore, we find no infirmity in the impugned order. The appeal, filed by the revenue, is rejected.

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