

SUPREME COURT OF INDIA

Bombay Fibre Industries Ltd.

Vs.

Collector of Central Excise, Bombay

(A Ahmadi and S V Manohar JJ.)

05.01.1996

ORDER

1. This appeal is directed against the order of the Customs, Excise and Gold (Control) Appellate Tribunal dated 17-5-1995. The question for consideration was whether garneting, i.e., the process of recovering fibres from hard twisted thread, washing, sorting, cutting, carding, orientation of fibres and combing amounts to manufacture. The Tribunal has answered the question in the affirmative departing from its earlier view which it seems to have omitted to notice. It has also omitted to notice the Board's Circular No. 40/2/95-CS dated 13-1-1995 wherein it is stated:

"The Board is, therefore, of the view that the process of garneting and/or carding of duty-paid waste of filaments/waste of staple fibres falling under Chapters 54 and 55 of the Schedule to the Central Excise Tariff Act, 1985 do not amount to manufacture within the meaning of Section 2(f) of the Central Excises and Salt Act, 1944."

In view of the same it seems obvious that the order of the Tribunal requires reconsideration. We, therefore, set aside the impugned order of the Tribunal and remit the matter back to the Tribunal for disposal in accordance with law after hearing the counsel for the parties. There will be no order as to costs.

