

**Pibco Vs. Collector of Central Excise**

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

**Decided On :** Dec-11-1987

**Reported in :** (1988)(15)ECC168

**Appellant :** Pibco

**Respondent :** Collector of Central Excise

**Judgement :**

1. This matter has been referred for decision by the larger bench, since by its order dated 5-5-1987, the special bench consisting of S/Shri G. Sankaran, Vice-President (as he then was), Sh. V.T.Raghavachari, Member (J) was not inclined to agree with the view taken by the three members [S/Shri S. Venkatesan, Sr. Vice-President (as he then was), Smt. S. Duggal, Member (J), Sh. K.L. Rekhi, Member (T)], in the case of Punj Sons (P) Ltd. v. Collector of Central Excise, Patna (1983 E.L.T. 1866).

2. The following facts will set out the controversy to be decided by this Bench :-  
The appellants manufacture "slagwool & Resin Bonded Slagwool" in their factory at Durgapur. These products are insulation material and are used for conservation of Thermal Energy. The process of manufacture is that the slag, which is a refuse separated from the metal (steel) in the process of melting, is mixed with fluxing agents like lime-stone etc. The mixed metal is melted in a cupila with hard coke. After the slag is melted, the material comes out at the bottom of the cupila and below the belt, there is a centrifugal disc, which throws the metal into atmosphere. Due to velocity of wind and the centrifugal force, the said metal takes the shape of

wooly substance and is generally in loose parlance called "slagwool". These fibres cannot be spun into yarn like synthetic fibres of organic nature.

3. Prior to 1973, the appellants did not take any Central Excise Licence. They did not pay any duty either. During May, 1973, they were informed that Central Excise duty had been imposed on the products w.e.f. 30-4-1973. The appellants were directed to declare stocks and follow the Central Excise formalities. The appellants say that they complied with the instructions under the erroneous belief that they were legally to pay the duty. Later, the appellants took advice from the Technical Experts. They were informed that the products, being of inorganic nature, as a waste during steel making, process, would not fall within the family of the "man-made fibre" and were, therefore, outside the purview of TI-18. The appellants also took the advice of the Silk and Art Silk Association in Bombay. The appellants protested against the classification of the products under TI-18. They submitted a refund bill for Rs. 13,35,865.71 representing the excise duty on slagwool illegally and wrongly realised from them. The Asstt.

Collector, by his letter dated 24-7-1976 rejected the claim for refund.

An appeal was preferred and the matter was remanded by the Appellate Collector, Calcutta for de-novo adjudication. A fresh show cause notice was issued and ultimately by the order-in-original dated 30-11-1980, the Asstt. Collector rejected the claim for refund of duty. The appellants preferred an appeal and the Appellate Collector of Customs and Central Excise, Calcutta rejected the said appeal under the impugned order dated 19-7-1982.

4. The appellants preferred an appeal to the Tribunal in Appeal No.E/D/(SB)/(T) A. No. 3/82-D. On 5-5-1987, the Learned Members of the concerned Bench, after hearing the arguments of Sh. C.L. Beri for the appellants and Mrs. Dolly Saxena, SDR held as follows :- "There is, however, a good deal of force in Sh. Beri's submission that during the material time, slagwool did not fall under TI-18-CET as 'synthetic fibres' or 'man-made fibre', since it did not conform to the meaning of either expression." 5. However, the Tribunal noticed that there was an earlier order of the Tribunal in the case of Punj Sons (P) Ltd. cited (supra) wherein a contrary view had been recorded that though the slagwool is of mineral origin, since it is a

product of manipulation by man, it is a 'man-made fibre'. The papers were placed before the Hon'ble President for considering the constitution of a larger Bench to go into the question.

Thus the matter is before us.

6. Sh. C.L. Beri, Learned counsel for the appellants raised the following points :- (i) Central Excise Tariff Entry No. 18 at the relevant time was for 'Rayon & Synthetic Fibres' including 'Man-made Fibre'. It is also not synthetic fibre. He relied on different dictionaries, reference books, present Central Excise Tariff Act, CCCN and BTN besides the ISI specification; (ii) It was urged that the term 'Man-Made Fibre' was a highly technical and scientific term as defined in BTN, CCCN, Central Excise Tariff Act, Customs Tariff Act, Moncrieffi's Books and other standard reference books. In particular, in trade parlance also, in term is associated with the textiles production. The Government of India in their Tariff Circular No. 90/65 and Notification 175/65 have supported this view; (iii) In 1965 and thereafter the term 'slagwool' was mis-understood with the term 'glasswool' which is a synthetic fibre and could be spun into yarn for weaving fabrics. The mis-interpretation has led to the grouping of 'slagwool' in the notifications issued for goods under T.I. 18; (iv) If 'Man-Made Fibre' is to be interpreted to mean all fibres made in a factory, then metallic yarn could not have been shown as a separate entry in the Tariff. During 1976, Tariff Entry 22F was introduced to cover all mineral fibres implying thereby that they could not have been covered by Tariff Entry No. 18 earlier; and (v) The Tariff grouping under TI-18A to E refer to products of the textile industry or products pertaining to the family of textiles only.

7. In the prior decision of M/s. Punj Sons (P) Ltd., the Tribunal has come to a contrary conclusion, solely on the basis of the plain terms without reference to technical books or dictionaries. Mrs. Dolly Saxena raised the following contentions :- (i) TI-18 at the relevant time was for Rayon & Synthetic Fibre and Yarn. But the explanation indicates that the term 'Rayon & Synthetic Fibre and Yarn' shall be deemed to include, among, 'Man-Made Fibres'. In other words, the scope of the entry was enlarged by a deeming provision; (ii) In Notification 48/73' dated 1-3-1973 and Notification 115/73 dated 30-4-1973, 'slagwool', 'rockwool' and

'glasswool' have been specifically mentioned as exempted goods either total or partial.

Notification 175/65 issued on 15-2-1965 referred to 'glasswool', 'rockwool' and 'slagwool' as falling under TI-18. According to her, TI-18 was a broad group until a separate entry was carved out under 22F for mineral fibres and yarn and manufactures therefrom; and The doctrine of contemporaneous expositio would apply to the present facts and the intention of the Government is made explicit from the subsequent notifications. Reliance was placed on the following rulings :- (iii) If such a interpretation is not given, then the notifications issued for the products under TI-18 and referring to 'slagwool' would be rendered redundant. The Tribunal has no powers to strike down the notifications.

We have considered the contentions raised by both the parties. The TI-18, at the relevant time (as on 31-5-1972) was as follows :- "Rayon and Synthetic fibres and yarn in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power." Explanation : "Rayon and Synthetic Fibres and Yarn" shall be deemed to include :- (ii) Spun (discontinuous) yarn containing not less than ninety percent by weight of man-made fibres calculated on the total fibre content; During April, 1976, the Tariff item 22F was carved out and explanation was added to TI-18 "This item did not include mineral fibres and yarn." The process of manufacture of slagwool has been set out in the earlier paragraphs. This would show that the product is a mineral fibre.

Samples of the slag which formed the raw material and also the finished product "slagwool" were produced before us. The fibres could be seen though they could not be used for spinning. Both the appellants and the Revenue do not dispute that the product is a fibre.

11. The main question to be decided is whether this 'slagwool' would come within the purview of the words "Man-Made Fibres". The Tariff Entry 18 at the relevant time referred to Rayon and Synthetic Fibres and Yarn. It is nobody's case that the product is a Rayon Fibre. It is a "Synthetic Fibre" since it consists of slag and fluxing agents and is artificially produced. The explanation to TI-18 has widened the scope of the entry. By virtue of a deeming provision, "Man-Made Fibres" have

been included within the ambit of the entry. Sh. C.L. Beri, emphasised that the mineral fibre could, by no stretch of imagination, qualify to be a "member" of the textile family and hence the duty liability under TI-18 would not arise. The department, on the other hand, venture to establish that the entry is not restricted to products of the textile industry but cover also other items. There is considerable force in the contention of the department for, we find that in the explanation, reference has been made to "Man-Made Metallic Yarn". If the intention was to restrict the scope of the entry to textile products alone, the reference to metallic yarn cannot be reconciled. We also notice that in 1976 a specific entry Under Section\* 22F was carved out under the Heading "Mineral Fibres and Yarn" and manufactures therefrom. There is a reference to "glass fibre and yarn" as 'asbestos fibre and yarn', other mineral fibre and yarn such as 'slagwool' and 'rockwool' and other mineral. The explanation IV to Tariff Item 18 in 1976 was that this item did not include mineral fibres and yarn. A careful study of both the entries in juxta position indicates that mineral fibres and yarn fell within the scope of TI-18 prior to the new entry TI-22F in 1976.

12. Sh. C.L. Beri mainly urged that the term 'Man-Made Fibre' would refer only to Rayon and Synthetic Fibres. In other words, he contended that the 'slagwool' would not be a 'Man-Made Fibre'. The term 'Man-Made Fibre' has not been defined in the item. So, we have to understand the term as it is commonly known in the trade. Under the explanation to TI-18 there is a deeming inclusion inter alia of 'Man-Made Fibre'. It is well settled that a deeming provision might be made to include what is obvious or what is uncertain or to impose for the purpose of statute an ordinary construction of a word or phrase that would not otherwise prevail. But in each case it, would be a question as to with what object the legislature has made such a deeming provision (Consolidated Copy Ltd. v. Coffee Board, Bangalore) 1980 (46) S.T.C. 164 (S.C.)). It is in this background that one has to interpret the tariff item.

13. The appellants emphasised that the tariff item was in respect of Rayon and Synthetic Fibre and Yarn and the words 'Man-Made Fibres' is ordinarily associated only with textile industry. It was contended that the 'slagwool' could never be 'Man-Made Fibre'. Reliance was placed on the definition of "Fibre-Man-Made" in Annual

Book of ASTM Standards.

"Man-Made Fibre" is defined as a class name for various genera of fibres which is as follows :- " 'Fibre Man-Made' :- A class name for various genera of fibres (including filaments) produced from fibre forming substances which may be (1) polymer synthesized by man from simple chemical compounds, (2) modified or transformed natural polymers and (J) glasses." But this definition will not decide the issue because the standards has been preferred in respect of fibres and zippers in Textile Industry.

14. Chapter 51 of BTN refers to 'Man-Made Fibre' (continuous). The term 'Man-Made Fibre' means fibres or filaments of organic polymers produced by manufacturing process, polymerisation or condensation of organic matters. The second is chemical transformation of organic polymers such as cellulose acetate and algenates. But the chapter heading refers to 'Man-Made Fibre' (continuous). Having regard to the chapter notes, the definition in the BTN cannot be taken to provide the basis for the purpose of classification of the product in question.

15. Chapter 68.07 of CCCN, refers to 'slagwool', 'rockwool' and similar 'mineral wools'. It must be noted that in the harmonised code 'slagwool', 'rockwool' and similar 'mineral wools' have been classified under Heading 68.03 "Articles of stone, plaster, cement, asbestos of other similar materials". In our view the classification in the present dispute cannot be determined on the basis of the subsequent classifications of 'slagwool'. TI 22F has been carved-out in 1976 dealing with Mineral Fibres and Yarn and manufactures therefrom. Hence, we have to come to the conclusion about the classification having regard to the general trade practice.

We are not convinced with the contention that the classification herein should be determined on the basis of the interpretation in BTN, CCCN or the Central Excise Tariff Act, 1985. The Explanation Notes to CCCN do not carry much weight in interpreting the Central Excise Tariff which is not formed on the basis of the CCCN as the Customs Tariff is (1983 E.L.T. 2450 - Sayee Inds.). Falling back on the BTN to determine the time scope of the Notification was held to be not really necessary [1980 E.L.T. 291 (Bom.) Haldyn Glass Works Pvt. Ltd.].

16. Reference was made to a number of dictionaries and how the term "Synthetic Fibres" have been defined. Reference has been made to the book "Textile Terms and Definitions" by Textile Instt., Manchester.

"Synthetic Fibres" have been defined as follows :- "Fibres of filaments produced from polymers built up by man from chemical elements or compounds in contrast to those made by man from naturally occurring fibre - forming polymers".

The Book "Condensed Chemical Dictionary", 10 Edition defines 'Synthetic Fibres' as follows :- " "Semisynthetic fibres: Include Rayon and inorganic substances extruded in fibrous form such as glass, boron, boron carbide, boron nitrite, carbon, graphite, aluminium silicate, fused silica and some metals (steel). Synthetic Fibres: are made from high polymers (Polyamides, polyesters, acylics and polylifins) by extruding from spinner etc., (hylon, "Orion" etc.). Some are being used in specially papers though the primary use is in textile fabrics." In the "Glossary of Chemical Terms" 'Synthetic Fibres' are defined as follows :- "Synthetic Fibres : are essentially plastics passed through fine nozzles in liquid form into a hardening bath; these can be cut to any length or manufactured in continuous lengths called filament, polyamides (nylon), polyesters are among the more familiar types. A filament is an extremely long or continuous fibre." In the Mc Graw Hill Encycoppaedia of 'Science & Technology' defines the 'Synthetic Fibres' as follows :- "One of a number of textile fibres are filaments manufactured from chemical substances of natural, inorganic or synthetic origin ; the last are also known as 'Synthetic Fibres'. Although the nomenclature has varied in the past, the correct technical usage makes a distinction based on the origin of the raw material. Accordingly, rayon is a human made fibre but not a synthetic fibre that also falls into the broader classification of human made fibres. In addition to names based on their chemical composition, human-made fibres are customarily known by the manufacturer's name or trade mark, or by terms referring to characteristics properties for example, thermoplastic fibres, or manufacturing process, for example, wet spun fibres and viscose rayon.

In the Mc Graw Hill Dictionary of "Scientific and Technical Terms" Mineral Wool has been defined as follows :- "Mineral Wool - a natural fibre of mineral origin

resembling wool or glass fibre and formed by blowing air or steam through molten rock or slag; examples are asbestos and synthetics in the form of whiskers made from inorganic compounds; used for insulation and fire-proofing, and as a filter medium." The New Encyclopaedia Britannica (Vol. 7, 15th Edition, we find the following definitions :- "Man Made Fibres : consists of two broad groups, based upon the origin of the fibre-forming substance. The first group, of which rayon and acetate are examples, are produced by modifying natural fibre-forming materials such as cellulose. The second group, frequently called synthetics and including such fibres as nylon and polyester, are produced from synthetic chemicals. Like other textile fibres, man-made types are long and narrow and they are composed of long thread like molecules which are made up of hundreds of thousands of atoms strung together in a chain".

17. Emphasis was laid on the above definition to make out that 'Slagwool' would not conform to the meaning of 'Synthetic Fibres'. But a close perusal of these definitions indicate that the term 'Synthetic Fibres' are mostly associated with the textile industry. But the problem in this case is the classification of 'Slagwool' under the heading 'Man Made Fibres' by virtue of the "inclusive definition" in the TI-18. So much emphasis cannot be made on these dictionary meanings which are relevant only to 'Synthetic Fibres'. Further the above meanings are merely illustrative and not exhaustive. At any rate the above meanings cannot be decisive.

18. A reference was made by the appellants to the ISI specifications for unbonded rock and slagwool for thermal insulation (IS:336/77-85).

Reference was also made to the glossary of textile terms relating to 'Man Made Fibre' and fabric industry (IS:1324/66). It was urged that the term 'Man Made Fibre' was associated with textile terms. It must be mentioned that IS: 1324/66 was with reference to the definition of terms relating to "Textile Dictionary". Hence it cannot be urged that the IS does not refer to non-textile items. The specification for unbonded rock and slagwool cannot be the basis to reject the classification as 'Man Made Fibre' under TI-18 because IS merely provide for the quality of the goods intended to be produced.

19. We must also refer to the letter dated 10-10-1974 of Dr. Atma Ram, addressed to Punj Sons (P) Ltd. With reference to certain queries, it was said that 'Slagwool' was not termed as 'Man Made Fibre'. To a question whether the 'slagwool' is of organic or inorganic nature, the answer was 'slagwool' is made from slag form, slag works and chemically it is of inorganic nature. In our view, much emphasis cannot be laid on this opinion alone. The Silk and Art Silk Mills Research Association has addressed a letter to M/s. Punj Sons (P) Ltd. It is seen therefrom that the parties submitted two samples of slagwool for clarification whether the material is 'Man Made Fibre' falling under any of the characteristics given in the letter. The opinion what that the samples were not 'Man Made Continuous filament yarn'. This opinion also does not furnish useful data to come to a definite conclusion. We also notice that the opinion was based more on terms and definitions pertaining to the textile industry.

20. The Learned counsel for the appellants drew our attention to the book "Materials Hand Book" by George S. Brady. It was argued that the slagwool has been mentioned under the Heading 'Mineral Wool'. The argument was advanced that slagwool could not, therefore, be a Man Made Fibre'. But this argument assumes that slagwool would be outside the purview of man made fibre. It is, no doubt, true that the slag wool is made from slag. But on that account, it cannot be said that it was outside the scope of "Man-Made Fibre".

21. Much emphasis was made relying on the Text Book "Man-Made Fibre" by Moncriess. The learned counsel contended that this Text Book which is an authority on commercial "Man-Made Fibre" contained a list of the numerous fibres man-made and that slag wool was not one of the items.

At first flush, there appeared to be some force in this contention. But on a careful scrutiny, we notice that the terms were only in respect of textile products. We are not convinced with the argument that the product in question would not be man made fibres for the purpose of Central Excise classification because text books relating to textile industry do not refer to slagwool as man made fibre. In Mc Graw Hill Dictionary of Scientific and Technical Terms - the term 'Man-Made Fibre' is defined as follows :- "The textile fibre or filament manufactured from chemical

substance of natural inorganic or synthetic origin." This definition lends support to the contention that the term 'Man-Made Fibre' cannot be restricted to textile only.

22. The learned counsel drew our attention to the extraction of asbestos fibres and the several processes in the manufacture. It was emphasised that 'slagwool' was a natural fibre as compared to 'Man-Made Fibre'. Even this contention cannot be approved 'because' the process of extraction of asbestos fibre indicates that the fibrous structure of asbestos are already in existence in the asbestos ore. Geologists believe that the asbestos ore was formed at a time intense pre-historic, volcanic activity. The finished product, namely, asbestos fibre is the separation of the fibre by subjecting the rock to several processes. In the case of slagwool, the position is totally different.

The slag is mixed with fluxing agents and by a centrifugal motion, the slagwool emerges. The woolly substance, namely, slagwool is the resultant product of a manufacturing activity rather than the outcome of an extraction by natural process. Hence a comparison of the asbestos extraction to the manufacture of slag wool will not be appropriate.

23. Having dealt with the points raised by the appellants, we are of opinion that in order to resolve the controversy, one has to approach the problem having regard to the Tariff Entry. In our view the term 'Man-Made Fibre' occurring in the TI is of the widest import. There is nothing in the entry to restrict it, to textile items only. The Encyclopaedia of Britannica, 7th Edition refers to miscellaneous inorganic synthetic fibres. These are also 'Man-Made Fibres'. The slagwool even, according to the appellants, is an inorganic fibre. But certain miscellaneous inorganic synthetic fibres are grouped as 'Man-Made Fibres'. At page 270, we find the following :- "Fibres play an increasingly important role in engineering, where they are used as constituents of composite materials. Embedded in a matrix which may be plastic, metal or ceramic, fibres contribute their unique properties to the composite to function in a manner similar to the steel rods embedded in reinforced concrete.

Composite -materials containing fibres are used in applications in which high strength and low weight are needed, as in aeronautics and astronautics. Fibres

retaining high strength at elevated temperatures are valuable in high temperature applications. Since World War II, many types of fibres have been used in composite materials, and the demand for new materials to meet the demands of modern engineering applications has stimulated development of new types.

Composites are heterogeneous structures consisting of a continuous matrix in which the fibrous material is dispersed and embedded.

Efficient performance of the composite requires a strong bond between the fibre and the matrix. Techniques used in producing composites from fibres and matrices depends upon the nature of the materials and the purposes for which the composite is required." Among the fibres, we find reference to carbon and graphite fibres.

Composite materials containing carbon fibres are used in making the compressor turbine blades in jet engines and the construction of aircraft and spacecraft. They are used in deep-sea submersibles in heavy duty bearings and in pressure vessels. In spacecraft re-entry shields carbon fibre composites are able to retain their structural form at the high temperatures developed.

Boron and boron derivative fibres : The development of boron fibres has provided the engineering industry with high modulus continuous filaments used in high performance composites. Boron filaments may be made by depositing the element boron on a fine core filament of a conducting material such as tungsten or carbon.

24. These aspects show that the term 'Man-Made Fibre' cannot be restricted merely to the textile requirements. As against 'Man-Made Fibres' Encyclopaedia of Britannica refers to fibres, Natural (Page 271) they have been divided into three sections as under :- Under the last heading, we find reference to asbestos. Hence it is manifest that slagwool which is produced in a factory cannot be considered as a 'Natural Fibre', It could only be 'Man-Made Fibre. A reasonable interpretation would be to hold that the term 'Man-Made Fibre' would include 'Textile Fibre' and also other miscellaneous inorganic synthetic fibres. We cannot restrict the scope of the term to textiles only. We also notice that there are certain mineral based materials used in the textile industry. They are :- (a) Glass; (b) Metallic yarns. It is

significant to note that these items though mineral based are grouped as 'Man-Made Fibre'. (Watson's Textile Design and Colour, 7th Edition) Hence the contention that the term 'Man-Made Fibre' is applied in trade solely to textile terms is not tenable.

25. The SDR drew our attention to certain notifications issued under Tariff Item 18. Notification 48/73 dated 1-3-1973 exempted Rayon and Synthetic Fibres and Yarn falling under TI-18 so much of the duty of excise leviable thereon as was in excess of the duty specified in the corresponding entry in Column 3 of the Notification. Item 2 thereis is as follows :- "Any other mineral fibre or yarn whether continuous or otherwise, such as slagwool and rockwool and the like." 26. Our attention was also drawn to Notification 115/73 dated 11-12-1973. The Central Government exempted inter alia items falling under TI-18 in respect of Central Excise duty in excess of the duty specified in the Notification. Item 2 is as follows :- "Any other mineral fibres or yarn whether continuous or otherwise such as slagwool and rockwool and the like".

27. The SDR urged that these would indicate that slagwool would fall within the TI-18. She based her arguments on the principle of contemporaneous ex-positio. Sh. C.L. Beri resisted this plea on the basis that as early as 15-2-1965, the Government issued a Notification 175/65 exempting glass fibres and glass yarns falling under TI-18 from the whole of the duty leviable and in the notification, they have by some misunderstanding or mis-interpretation added the words, "whether known as glass wool, slagwool, rock wool or by any other name".

According to him, this mistake had persisted in the subsequent notifications as well. He laid stress on this point and he referred to the Trade Circular 90/65 wherein it is stated that the circular was in respect of glass fibres and glass yarn which were classifiable as 'synthetic fibres' and 'yarn' under TI-18 of the Schedule. He also urged that the notification is a subordinate legislation and the tariff entry cannot be interpreted on the basis of a notification.

28. We are aware that the question whether the exemption notification could be looked into as an aid for interpreting the tariff entry has been the subject matter of several judicial decisions. In J.K. Steel v.U.O.I. [1978 E.L.T. (3 355)] Justice Sikri

J. delivering the majority judgment did not decide the point. In his dissenting judgment Hegde J., after observing that he was not unaware of the danger to accept exemption notification as an aid to the interpretation of any entry, held that in the case before him, the relevant notification could be looked into as they disclosed the overall scheme. We may also refer to the judgment of the Bombay High Court in Nirlon synthetic case and of the Andhra Pradesh High Court in the case of Andhra Dairy Corporation (76 TLR 167). The Supreme Court in the case of Desh Bandhu Gupta v. Delhi Stock Exchange (AIR 1979 S.C. 1049) held that for construing the statute, the courts will give weight to the interpretation put upon it by those whose duty it is to construe, execute and apply it. Of course, it will have no controlling effect and, if occasion arises, it will have to be discarded for cogent and persuasive reasons. So, we are considering the arguments advanced by the SDR in the back-drop of these judicial pronouncements.

29. If we consider the notifications for the limited purposes of providing a guideline on the meaning of the words used in the tariff, the use of the words "slagwool" in the notifications cited (supra) and classifying them as TI-18 indicate that the liability of duty would arise only under that tariff item. The several notifications show that in the Trade and common parlance, at any rate from 1965, "slagwool" was treated as one of the items falling under TI-18. In a way these notifications could be construed as commercial understanding of the product as "Man-Made Fibre" because based on these notifications manufacturers have availed the concession under the notifications.

30. It is also significant to note that when item 22F was introduced in the Finance Bill in 1976, we find the following in the notes on clauses. "Clause 35 read with the Fourth Schedule, seeks - (b) To exclude mineral fibres and yarn from the category of synthetic fibres and yarn falling under Item 18; 31. In the Memorandum explaining the provisions in Finance Bill f 1976, we find the following in respect of item 22F :- (1) The insertion of this item is consequential to the amendment of Tariff Description of Items 18 & 22.

(2) The existing exemption to (i) Rock Wool; (ii) Yarn Spun wholly out of glass fibre; and (iii) Glass Fabrics will continue.

32. A perusal of the above materials support the view that the category of synthetic fibres under Item 18 included mineral fibres till a separate item was carved out and mineral fibres were excluded. Thus, we ave to take a broad view of the matter having regard to the above aspects in resolving the controversy.

33. In the prior judgment in M/s. Punj Sons (P) Ltd., the Tribunal has adverted to the inclusive definition in the tariff entry. There is nothing in the entry to restrict its application to those fibres of chemical origin or to those used in the textile industry for spinning yarn. We agree with the findings in the earlier judgments which runs as follows :- "Construed in plain terms, it means fibres which do not occur naturally but which are made by man i.e. other than natural fibres.

Examples of natural fibres are coir, jute, wool etc., which are either grown as a commercial crop or occur on the skin of the animals. Slagwool cannot be called a natural fibre in that sense." 34. We hold that the view expressed in the decision in Appeal No. 26/76 [Punj Sons (P) Ltd. v. Collector of Central Excise, Patna] and in (Order No. 523/83-B-I - 1983 E.L.T. 1866) on the basis that the "slagwool" is a "Man-Made Fibre" is correct and we accordingly answer the issue posed before the Larger Bench.

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