

Circular No. 982 / 06 / 2014 – CX

F. No. 167/42/2009-CX.1

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

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Dated: 15.05.2014

To

All the Chief Commissioners of Central Excise,
All the Chief Commissioners of Customs,
All the Directors General.

Sirs,

Subject - Classification of rice par-boiling machinery – reg.

I am directed to draw your attention to Circular No. 924/14/2010-CX dated 19.05.2010 on the subject of classification of rice par-boiling machinery under the Central Excise tariff. References have been received from trade and field to re-examine the circular consequent to the judgement of the Hon'ble Tribunal in case of M/s Jyoti Sales Corporation [2011(272) E.L.T. 689 (Tri – Del) & 2011 - TIOL – 1498 – CESTAT-DEL]. The circular has since been re-examined.

2. The classification of rice par-boiling machinery would be guided by Note 2 to Chapter 84 read with Note 3 to Section XVI. The par-boiling machine and dryer are self-contained machines which are designed to be installed independently and which perform their respective functions independently. Therefore, though they may be installed in a rice mill to work in conjunction with the milling machinery, the par-boiling machine and dryer do not appear to satisfy the requirements of Section Note 3 to be called composite machines/multi-function machines meriting classification under CETH 8437. Further, par-boiling machinery does not constitute grain dampening machine as the end result of par-boiling of rice is reduction in the moisture of paddy. In view of the above, rice par-boiling machine and dryer would merit classification under CETH 8419 as per Note 2 to Chapter 84.

3. Circular No. 924/14/2010-CX dated 19.5.2010 is rescinded and it is directed that classification of rice par-boiling machine and dryer may be made under CETH 8419. Necessary action to protect the revenue interest in respect of past clearances may also be taken.

Yours faithfully,

(Pankaj Jain)
Under Secretary (CX-1)