



Central Board of Indirect Taxes & Customs

Department of Revenue, Ministry of Finance, Government of India

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Circular No. 543/39/2000-CX

F.No. 387/308/2000-JC

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs

Dated : 1-9-2000

Subject : Excisability of Press mud arising during the manufacture of sugar - adjudication of cases regarding.

A number of assesseees are engaged in the manufacture of V.P. Sugar and during the manufacture of sugar the press mud comes out as waste. The department has been contending that the party is required to pay an amount equal to 8% of the value of the press mud as per the provisions of Rule 57CC of Central Excise Rule 1944. On the other hand the tribunal in their various judgements has held that the assesseees in question are the manufacturee of V.P. Sugar and press mud is only a residual waste and not a by product and that press mud is not a marketable commodity, the party is not required to pay an amount equal to 8% of the value of press mud under Rule 57CC of the said rules.

Considering the grounds adduced by the various jurisdictional Commissioners of Central Excise for agitating the matter before the Apex Court and the Tribunal's orders holding to the contrary, it appeared that the issue is debatable. According the department preferred a couple of Civil Appeals on the said matter and those have also been admitted by the Apex Court.

However, to avoid multiplicity of litigation it would be advisable to wait for the final verdict of the Apex Court rather than to pass orders and generate more and more litigations. You are, therefore, advised to inform all the officers under your charge to issue protective demands but keep the matters in Call Book pending final decision of the Supreme Court about the excisability of the press mud.

Receipt of the circular may kindly be acknowledged.

K.K.Jha
Director (Review)[Exchange Rate Notifications](#)[Notifications of Customs](#)[Notifications of Central Excise](#)[Sitemap](#)[Website Policies](#)[Feedback](#)[Help](#)

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