

F.NO.528/129/98-CUS (TU)

Government of India
Ministry of Finance
Department of Revenue
(Tariff Unit)

Sub: Classification of cellulose insole sheets under Central Excise Tariff. - Reg.

I am directed to refer to the subject mentioned above and to say that a reference has been received in Board's office stating that importers are claiming classification of cellulose insole sheets of size 150 cm x 100 cm under heading 48.23 (sub-heading 4823.30) of the Central Excise Tariff (CET) for levy of additional duty of customs.

2. Note 7(A) to Chapter 48 of the Customs Tariff states inter alia, that heading 48.11 will apply to paper, paper board, cellulose wadding and webs of cellulose fibres; (a) in strips or rolls of width exceeding 15 cm; or (b) in rectangular (including square) sheets with one side exceeding 36 cm. and the other side exceeding 15 cm in the unfolded state. Following this note, cellulose insole sheets of size 150 cm x 100 cm will fall under Customs Tariff heading 48.11. However, in the absence of a similar Note in the Central Excise Tariff, a doubt has been raised regarding classification of such goods in the said Tariff for purpose of levy of additional duty of customs. In particular, a doubt has arisen whether such goods will fall under heading 48.11 or heading 48.23 which specifically covers cellulose insole board or sheet.

3. The matter has been examined by the Board. It is noted that there is a difference between the Customs Tariff and the Central Excise Tariff with regard to the scope of various headings/sub-headings inasmuch as, unlike the Customs Tariff, the Central Excise Tariff is not fully aligned with the Harmonised System of Nomenclature. In the present case, Note 7A(b) to Chapter 48 of the Customs Tariff, which defines the scope of heading 48.11 for classifying paperboard, cellulose wadding etc. of rectangular sheets is absent in the Central Excise Tariff. Further, unlike the Customs Tariff, wherein an artificial distinction has been made as to what sizes will be covered by heading 48.11 and what by heading 48.23, there is no such limitation in the Central Excise Tariff. In so far as classification of cellulose insole sheets of different sizes is concerned, it is noted that in the Central Excise Tariff, there is a specific sub-heading (4823.30) which covers cellulose insole sheet or board without any limitation as to the size.

4. It has been decided that cellulose insole sheets of size 150cm x 100cm will fall under sub-heading 4823.30 of the CET for the purpose of levy of additional duty of customs. The Board is of the view that so long as the goods are being marketed as cellulose insole sheets and are so declared in the Bill of Entry, it may not be possible to classify them under heading 48.11 of the CET. As stated above, such goods will merit classification under heading 48.23 of the CET.

5. Pending provisional assessments may be finalised in the light of above clarification/instructions. Difficulties, if any, faced in the implementation of above instructions may be intimated to Board at an early date.

Please acknowledge receipt of this circular.

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