

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL,
MUMBAI**

REGIONAL BENCH - COURT NO. I

Excise Appeal No. 85625 of 2022

[Arising out of Order-in-Original No. PUN-EX-CGST-001-PKB-COM-11&12/21-22 dated 13.10.2021 passed by the Principal Commissioner of Central Goods & Services Tax and Central Excise, Pune-I.]

KSB Limited

(Formerly known as M/s KSB Pumps Limited)
Plot No. D-II Block
MIDC, Chinchwad
Pune – 400 019.

.... **Appellant**

Versus

Principal Commissioner of CGST & Central Excise

Pune-I CGST & Central Excise Commissionerate
GST Bhawan, 41/A Sassoon Road
Opp. Wadia College
Pune – 411 001.

.... **Respondent**

AND

Excise Appeal No. 85631 of 2022

[Arising out of Order-in-Original No. PUN-EX-CGST-001-PKB-COM-11&12/21-22 dated 13.10.2021 passed by the Commissioner of Central Goods & Services Tax and Central Excise, Pune-I.]

KSB Limited

(Formerly known as M/s KSB Pumps Limited)
147 Milestone, Mumbai Pune Road,
Pimpri
Pune – 400 018.

.... **Appellant**

Versus

Principal Commissioner of CGST & Central Excise

Pune-I CGST & Central Excise Commissionerate
GST Bhawan, 41/A Sassoon Road
Opp. Wadia College
Pune – 411 001.

.... **Respondent**

APPEARANCE:

Shri M.P. Joshi, Advocate for the for the Appellants

Shri A.K. Shrivastava, Authorized Representative for the Respondent

CORAM:

HON'BLE S.K. MOHANTY, MEMBER (JUDICIAL)

HON'BLE MR. M.M. PARTHIBAN, MEMBER (TECHNICAL)

FINAL ORDER NO. A/85865-85866/2026

Date of Hearing: 10.03.2026

Date of Decision: 08.07.2026

Per: M.M. PARTHIBAN

This appeal has been filed by M/s KSB Limited, Pune (herein after, referred to as "the appellants", for short) assailing the Order-in-Original No.

PUN-EX-CGST-001-PKB-COM-11&12/21-22 dated 13.10.2021 passed by the Commissioner of Central Goods & Services Tax and Central Excise, Pune-I.

2.1 The facts of the case, leading to this appeal, are summarized herein below:

2.2 The appellants herein is engaged *inter alia*, in the manufacture of various types of pumps viz., slurry pumps, chemical pumps, water pumps, boiler feed pumps and their parts, classifiable under Chapter headings 84 & 85 of the Central Excise Tariff Act, 1985. For the purpose of payment of central excise duty on the products manufactured and for compliance with Central Excise statute they are registered with jurisdictional central excise authorities vide Central Excise Registrations No. AAACK5918JXM005 for Chinchwad unit and No. AAACK5918JXM003 for Pimpri unit.

2.3 The Directorate General of Goods & Service Tax Intelligence (DGGI), Mumbai on the basis of information received by them suggesting evasion of central excise duty by the appellants, had visited the factory premises at Pune on 29.11.2016 for examination of records, documents pertaining to manufacture and clearance of 'boiler feed pumps'. DGGI found that the appellants were evading central excise duty in clearance of the 'boiler feed pump' by mis-classifying it under Central Excise Tariff Item (CETI) 8413 7010 and availing excise duty concession @6% applicable for water pump, centrifugal water pump (primarily designed to handle water) vide Serial No.235 of Notification No.12/2012-C.E. dated 17.03.2012, instead of correct classification under CETI 8413 7095 attracting excise duty @ 12.36%/12.50% adv.

2.4 Therefore, detailed investigation was conducted, and statements were also recorded from persons concerned with such modus operandi identified by the DGGI. On completion of such investigation, DGGI had issued Show Cause Notices (SCNs) dated 03.04.2018 and 27.04.2018 for demand of Central Excise duty evaded along with interest by invoking extended period of limitation under Section 11A(4) of the Central Excise Act, 1944 and for imposition of penalties on both the units of the appellants under Section 11AC *ibid* read with Rule 25 of the Central Excise Rules, 2002. The SCNs covering the duty demands for the period April, 2013 to June, 2017 were adjudicated by the learned Principal Commissioner vide the impugned order dated 13.10.2021 in confirmation of the central excise duty demands as proposed in the SCNs on both the Pimpri and Chinchwad units of the appellants along

with interest and imposing equal amount of penalty on the appellants. Feeling aggrieved with the said impugned order, the appellants have filed these appeals before the Tribunal.

3.1 Learned Counsel appearing for the appellants stated that the impugned goods viz., boiler feed pump, condensate extraction pump, both are designed to handle water and thus these have been rightly classified by them under CTI 8413 7010. He further stated that 'boiler feed pump' is a very high-power pump which is used to pump water in a boiler; since the pressure in boiler is very high, such high-powered pump is necessary for pumping water into the boiler; 'condensate extraction pump' is also used for pumping condensed water out of the boiler. Since both the pumps are primarily designed to handle water and not other materials such as chemicals, concrete, slurry etc., he claimed that these merit classification under 8413 7010 and are eligible for concessional rate of excise duty vide Sl. No.235 of Notification No.12/2012-C.E. dated 17.03.2012.

3.2 Learned Counsel further submitted that the appellants have since April, 2005 till July, 2016 do not have any single failure in informing the department about the classification of goods and exemption claimed by them. Therefore, the charges levelled against the appellants for suppression of facts with intent to evade payment of duty is not sustainable for demand of duty and levy of penalty on them under Section 11AC *ibid*.

3.3 In support of their stand, the learned Counsel had relied upon the Final Order passed by the Co-ordinate Bench of the Tribunal in the case of *WPIL Limited Vs. Commissioner of CGST & Central Excise, Kolkata North Commissionerate* – 2025 (5) TMI 1751 – (CESTAT KOLKATA)

4. Learned Authorized Representative (AR) appearing for the Revenue reiterated the impugned order passed by the learned Principal Commissioner. Thus, he submitted that in terms of GRI 3(c), the impugned goods are rightly classifiable under CETI 8413 7095. Therefore, he pleaded that the appeals filed by the appellants may not be entertained.

5. Heard both sides and perused the records of the case. We have also considered the additional written submissions given in the form of paper books by learned Counsel for the appellants as well as Authorised Representative for the Revenue, and the arguments advanced during the hearing of this case.

6. The issue for consideration before us is determination of the proper classification of impugned goods, for deciding on the appropriate levy of central excise duty under Section 3 of the Central Excise Act, 1944, as specified under the Schedule to the Central Excise Tariff Act, 1985; and, whether the demand of duty confirmed in the impugned order by invoking the extended period of limitation along with interest, levy of penalties imposed on the appellants, are sustainable or not?. The period of dispute involved in the present case from April, 2013 to June, 2017.

7. In order to address the above issue of classification of impugned goods, we would like to refer the relevant legal provisions contained in Section 3 of the Central Excise Act, 1944; relevant entries in the First Schedule to the Central Excise Tariff Act, 1985 and rules framed thereunder, for consideration of proper and appropriate classification of the subject goods under dispute.

"Section 3. Duties specified in the First Schedule and Second Schedule to the Central Excise Tariff Act, 1985 to be levied. -

(1) There shall be levied and collected in such manner as may be prescribed, -
(a) a duty of excise, to be called the Central Value Added Tax (CENVAT) on all excisable goods (excluding goods produced or manufactured in special economic zone) which are produced or manufactured in India as, and at the rates, set forth in Schedule I to the Central Excise Tariff Act, 1985;..."

"Section 1. Short title, extent and commencement. -

- (1) This Act may be called the Central Excise Tariff Act, 1985.
(2) It extends to the whole of India.
(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Section 2. Duties specified in the First Schedule and the Second Schedule to be levied. -

The rates at which duties of excise shall be levied under the Central Excise Act, 1944 (1 of 1944), are specified in the First Schedule and Second Schedule.

xxx xxx xxx xxx

THE FIRST SCHEDULE – EXCISE TARIFF
(Refer Section 2)

GENERAL RULES FOR THE INTERPRETATION OF THIS SCHEDULE
(GRI)

Classification of goods in this Schedule shall be governed by the following principles:

1. The titles of Sections, Chapters and sub-chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions:

2. (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished articles has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled.

(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.

3. When by application of rule 2(b) or for any other reason, goods are, *prima facie*, classifiable under two or more headings, classification shall be effected as follows:

(a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

(b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to (a), shall be classified as if they consisted of the material or component which gives them their essential character, in so far as this criterion is applicable.

(c) When goods cannot be classified by reference to (a) or (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.

4. Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are most akin.

...

6. For legal purposes, the classification of goods in the sub-headings of a heading shall be determined according to the terms of those sub-headings and any related sub-headings Notes and, *mutatis mutandis*, to the above rules, on the understanding that only sub-headings at the same level are comparable. For the purposes of this rule the relative Section and Chapter Notes also apply, unless the context otherwise requires."

General Explanatory Notes

1. Where in column (2) of this Schedule, the description of an article or group of articles under a heading is preceded by "-", the said article or group of articles shall be taken to be a sub-classification of the article or group of articles covered by the said heading. Where, however, the description of an article or group of articles is preceded by "--", the said article or group of articles shall be taken to be a sub-classification of the immediately preceding description of the article or group of articles which has "-". Where the description of an article or group of articles is preceded by "---" or "----", the said article or group of articles shall be taken to be a sub-classification of the immediately preceding description of the article or group of articles which has "-" or "--"...."

8.1 From plain reading of the above legal provisions, it transpires that in order to determine the appropriate central excise duty payable on any excisable goods, one has to make an assessment of such goods for its correct

classification under the First Schedule to Central Excise Tariff Act, 1985 in accordance with the provisions of the Central Excise Tariff Act by duly following the General Rules for Interpretation (GRI) and the General Explanatory notes (GEN) contained therein. The First Schedule to the Central Excise Tariff Act, 1985 specifies various categories of excisable goods in a systematic and well-considered manner, in accordance with an international scheme of classification of internationally traded goods i.e., 'Harmonized Commodity Description and Coding System' (HS) followed under the Customs Tariff Act of 1975, upon adoption of new 8 digit Central Excise Tariff w.e.f. 28.02.2005, through the Central Excise Tariff (Amendment) Act, 2005 (5 of 2005). Accordingly, excisable goods are to be classified taking into consideration the scope of headings / sub-headings, related Section Notes, Chapter Notes and the General Rules for the Interpretation (GRI) of the Schedule to the Central Excise Tariff Act, 1985. Rule 1 of the GRI provides that the classification of goods shall be determined according to the terms of the headings of the tariff and any relative Section notes or Chapter notes and thus, gives precedence to this while classifying a product. Rules 2 to 6 provide general guidelines for classification of goods under the appropriate sub-heading. In the event of the goods cannot be classified solely on the basis of GRI 1, and if the headings and legal notes are not otherwise required, the remaining Rules 2 to 6 may then be applied in sequential order. Further, while classifying goods, the foremost consideration is the 'statutory definition', if any, provided in the Central Excise Tariff Act. In the absence of any statutory definition, or any guideline provided by HS explanatory notes, the trade parlance theory is to be adopted to ascertain as to how the goods are known in the common trade parlance for the purpose of dealing between the parties.

8.2 Further, in context with the case in hand, we note that the following are some of the important rules to be followed in the scheme of determining correct classification of imported goods:

(i) classification of goods shall be determined according to the terms of the headings and any relative Section or Chapter Notes; (GRI 1)

(ii) goods, which are in the nature of unfinished or incomplete articles and those which are mixtures or combinations of different materials, its classification shall be determined as provided under 2(a) (b) (GRI 2)

(iii) if the goods are found to be classifiable under two or more headings, then the classification shall be effected as per the rules provided under 3(a), 3(b) and 3(c) [GRI 3]

(iv) Goods which cannot be classified in accordance with the aforesaid

rules, then the same shall be classified under the heading appropriate to the goods to which they are more akin. (GRI 4)

...

(vi) For legal purposes, the classification of goods in the sub-headings shall be determined according to the terms of those sub-headings and any related sub-heading Notes (GRI 6)

8.3 In the impugned order, the learned Principal Commissioner has given the following findings in arriving at the conclusion of classification of the impugned goods under CETI 8413 7095. The relevant paragraphs of the said impugned order are extracted and given below:

"24.3..... *In the replies, the Noticees have stated that, the Tariff Item 84137095 is residuary entry and the primary entry would be under Tariff Item 84137010. This interpretation is incorrect, as tariff specifically mentions Boiler Feed Pump at Tariff Item 84137095 and by no stretch of imagination it can be treated as residuary entry. The Tariff Item 84137095 specifically mentions the Bøller Feed Pumps in the tariff and cannot be treated as residuary entry by any stretch of imagination. Therefore, I find that the BFP will be classifiable under Tariff Item 84137095 and not under Tariff Item 84137010, as claimed by the Noticees. For this contention and conclusion, I rely upon the Apex Court judgments, in the case of Speedway Rubber v CCE-2002 AIR SCW 2181 & CCE V Maharshi Ayurveda Corpn Ltd. 2006 (193) ELT 10 (SC), wherein, it was held that in case of conflict between the various headings, specific heading / description will be preferred over the general heading / description. It was also held in the judgement of Collector of CEX. V Metrowood Engineering Works - 1983 (43) E.L.T. 660 (Tri.) that in accordance with the Rule 3 (a) of the General Rules for Interpretation of this Schedule (GIR), the heading which provides the most specific description shall be preferred to the heading providing a more general description. Further, even if it is assumed that the BFP falls under the two or more headings i.e. under Tariff Item 84137095 and Tariff Item 84137010, however in terms of Rule 3 (c) General Rules for the Interpretation of this Schedule (GIR), the heading which occurs last in numerical order is to be preferred. This interpretation has also been tested in Apex Court judgement CCE v. Kitply Industries -2011 (272) ELT 3 (SC), wherein, it was held that if the products fall under 4406.90 or 4408.90, classification under 4408.90 would be appropriate.*

24.4 *In view of the above discussions and in the light of the case laws cited above, I find that the correct classification of the Boiler Feed Pump manufactured and cleared by the Noticees would be under Tariff Item 84137095 and not under Tariff Item 84137010, as claimed by the Noticee.*

24.5 *Similarly, I find that Condensate Extraction Pump (CEP) are required for pumping water from the condenser to the feed water tank. This pump handles water at much lower temperature and pressure than the BFP. It is the part of feed water system in power plant. Condensate extraction pumps takes water from condenser and supplies to feed water tank. The CEP manufactured by M/s KSB was meant for use as one of the part of the Boiler System. This pump was used for 'condensate extraction' application in the basic feed cycle.....Therefore, I hold that CFP*

would be appropriately classifiable under Tariff Item 84137095 of CETA and not Tariff Item 84137010.

24.6 In terms of description, sub-heading 84137095 is more specific to cover Boiler Feed Pumps for the products of the assessee and sub-rule (3) to rule 2 of General Rules for the Interpretation of the Schedule to the Central Excise Tariff Act, 1985 provides that when the goods cannot be classified by reference to specific description of the goods, they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration."

9.1 In the case before us, the contending classification of excisable goods discussed in the impugned order is either under CTI 8413 7010 or CTI 8413 7095 of the First Schedule to the Central Excise Tariff Act, 1985. Thus, it becomes clear that at the Chapter heading level, and even at the sub-heading level also, there is no difference of opinion among the department and the appellants. The dispute in classification therefore lies in the narrow compass of analysis of the appropriate tariff entries in the sub-heading under which the impugned goods are covered as per the Central Excise Tariff and then classifying the impugned product under the corresponding Tariff Item. Now, we may closely examine the scope of the contending classification for determining correct classification of the impugned goods. The relevant tariff entries of contending classification of impugned goods under Chapter heading 8413 and sub-heading 841370 and the relevant Chapter notes, Heading/Sub-heading notes, if any, in the First Schedule to the Central Excise Tariff Act, 1985 are extracted and given below:

"SECTION XVI

MACHINERY AND MECHANICAL APPLIANCES; ELECTRICAL EQUIPMENT; PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS; AND PARTS AND ACCESSORIES OF SUCH ARTICLES
CHAPTER 84

Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof

Notes :

1. This Chapter does not cover :

xxx

xxx

xxx

xxx

| Tariff Item | Description of goods |
|-------------|--|
| (1) | (2) |
| 8413 | Pumps for liquids, whether or not fitted with a measuring device; liquid elevators |
| | - Pumps fitted or designed to be fitted with a measuring device : |
| 8413 11 | -- Pumps for dispensing fuel or lubricants, of the type used in filling stations or in garages : |
| 8413 1110 | --- Hand pumps |
| | --- Other : |
| 8413 1191 | ---- Pumps for dispensing fuel |

| Tariff Item | Description of goods |
|------------------|---|
| (1) | (2) |
| 8413 1199 | ---- Other |
| | -- <i>Other :</i> |
| 8413 1910 | --- Hand Pumps |
| 8413 1990 | --- Other |
| 8413 20 | - Hand pumps, other than those of sub-heading 8413 11 or 8413 19 |
| 8413 30 | - <i>Fuel, lubricating or cooling medium pumps for internal combustion piston engines :</i> |
| 8413 3010 | --- Injection pumps for diesel engines . |
| 8413 3020 | --- Oil pump |
| 8413 3030 | --- Water pump |
| 8413 3090 | --- Other |
| 8413 4000 | - Concrete pumps |
| 8413 50 | - <i>Other reciprocating positive displacement pumps :</i> |
| 8413 5010 | --- Metering and dosing pumps --- <i>Primarily designed for handling water :</i> |
| 8413 5021 | ---- Deep tube well turbine pump |
| 8413 5029 | ---- Other |
| 8413 5090 | --- Other |
| 8413 60 | - <i>Other rotary positive displacement pumps :</i> |
| 8413 6010 | --- Gear type pumps |
| 8413 6020 | --- Screw type pumps |
| 8413 6090 | --- Other |
| 8413 70 | - <i>Other centrifugal pumps :</i> |
| 8413 7010 | --- Primarily designed to handle water --- <i>Other :</i> |
| 8413 7091 | ---- Single and multistage chemical process pumps |
| 8413 7092 | ---- Horizontal split casing pumps |
| 8413 7093 | ---- Horizontal self priming pumps |
| 8413 7094 | ---- Vertical turbine driven pumps |
| 8413 7095 | ---- Boiler feed pumps |
| 8413 7096 | ---- Slurry pumps |
| 8413 7097 | ---- Dredger pumps |
| 8413 7099 | ---- Other |
| | - <i>Other pumps-liquid elevators :</i> |
| 8413 81 | -- <i>Pumps</i> |
| 8413 8110 | --- Gas pumps |
| 8413 8120 | --- Hydraulic ram |
| 8413 8130 | --- Axial flow and mixed flow vertical pump designed primarily for handling water |
| 8413 8190 | --- Other |
| 8413 8200 | -- Liquid elevators |
| | - <i>Parts :</i> |
| 8413 91 | -- <i>Of pumps :</i> |
| 8413 9110 | --- Of reciprocating pumps |
| 8413 9120 | --- Of centrifugal pumps |
| 8413 9130 | --- Of deep well turbine pumps and of other rotary pumps |
| 8413 9140 | --- Of hand pump for handling water |
| 8413 9190 | --- Other |
| 8413 9200 | -- Of liquid elevators |

9.2 On careful examination of the above description of goods in the entire chapter sub-heading 841370 and the two contending tariff entries under sub-headings of 8413 70 i.e., 8413 7010 and 8413 7095, it clearly transpires that only at the eight-digit level, there is difference of opinion in classification of impugned goods among the appellants and the department. Therefore, the dispute in classification could be resolved by proper examination of the scope of all goods covered under sub-heading 841370 and disputed two individual tariff items, in any one of which the impugned goods are required to be correctly classified. Now, we may also look at the HSN Explanatory notes of the World Customs Organization (WCO) which provides the basis for standardized classification under HS Nomenclature at six-digit level, based on which the Central Excise tariff has been harmonized at the eight digit level along with the Customs tariff, for proper understanding of the scope of coverage of goods under the various sub-headings, as below:

84.13 - Pumps for liquids, whether or not fitted with a measuring device; liquid elevators (+).

- Pumps fitted or designed to be fitted with a measuring device :

8413.11 -- Pumps for dispensing fuel or lubricants, of the type used in filling-stations or in garages

8413.19 -- Other

8413.20 - Hand pumps, other than those of subheading 8413.11 or 8413.19

8413.30 - Fuel, lubricating or cooling medium pumps for internal combustion piston engines

8413.40 - Concrete pumps

8413.50 - Other reciprocating positive displacement pumps

8413.60 - Other rotary positive displacement pumps

8413.70 - Other centrifugal pumps

- Other pumps; liquid elevators :

8413.81 -- Pumps

8413.82 -- Liquid elevators

- Parts :

8413.91 -- Of pumps

8413.92 -- Of liquid elevators

This heading covers most machines and appliances for raising or otherwise continuously displacing volumes of liquids (including molten metal and wet concrete), whether they are operated by hand or by any kind of power unit, integral or otherwise.

The heading also includes delivery pumps equipped with measuring or price-calculating mechanisms such as are used for supplying petrol or oil in garages, and also pumps specially designed for use with other machines, vehicles, etc. (including petrol, oil or water pumps for internal combustion engines, and pumps for man-made textile fibre spinning machines).

The machines of this heading can be subdivided, according to their system of operation, into the following five categories.

(A) RECIPROCATING POSITIVE DISPLACEMENT PUMPS

These use the linear suction or forcing action of a piston or plunger driven within a cylinder, the inlet and outlet being regulated by valves. "Single-acting" pumps utilise the thrust or suction of one end of the piston only; "double-acting" types pump at both ends of the piston thus using both the forward and reverse strokes. In simple "lift" pumps the liquid is merely raised by suction and discharged against atmospheric pressure. In "force" pumps, the compression stroke is used, in addition to the suction stroke, to force the liquid to heights or against pressure. Multi-cylinder pumps are used for increased output. The cylinders may be either in line or in a star shape.

This category includes :

- (1) **Diaphragm pumps.** These incorporate a vibrating membrane of metal, leather, etc. (actuated either directly or through a fluid transmission) by which the liquid is raised.
- (2) **"Oil-cushion" pumps** (for drainage, irrigation, pumping viscous liquids, acids, etc.). In these, a fluid immiscible with the pumped liquid acts as the membrane.
- (3) **Electro-magnetic pumps.** In these, the forward and reverse strokes of the piston are produced by electro-magnetic action (oscillation of a wing placed in a magnetic field).
- (4) **Machines using the suction or forcing action of two pistons**, such as those pumps designed to deliver wet concrete (concrete pumps). However, special purpose vehicles permanently equipped with the concrete pumps of this heading are **excluded** (heading 87.05).

(B) ROTARY POSITIVE DISPLACEMENT PUMPS

In these also, the intake and discharge of the liquid is effected by suction and compression, in this case produced by cams (lobes) or similar devices, rotated continuously on an axis. These devices make contact, at one or more points with the wall of the body of the pump, and form in this way the chambers in which the liquid is displaced.

They may be classified according to the nature of the rotating mechanism, viz. :

- (1) **Gear pumps.** The liquid is displaced by the teeth of specially shaped gears.
- (2) **Vane pumps.** The rotor is in the form of a cylinder revolving eccentrically and having projecting vanes free to move radially. The rotation permits the sliding vanes to maintain contact with the internal walls of the casing thereby displacing the liquid. This category also includes pumps which, in place of vanes, have rollers or a wheel with small flexible vanes or have a radial sliding vane attached to the body of the pump and rubbing on a smooth rotor turning with an eccentric movement.
- (3) **Rotary piston lobe type pumps** with two interacting displacing elements rotating in a casing.
- (4) **Helicoidal pumps** (screw pumps). In these the liquid is displaced longitudinally in the body of the pump under the pressure of several helicoidal threads meshed together and turning (pumps with two or more screws, pumps with helicoidal spindles, endless screw pumps).
- (5) **Peristaltic pumps.** These have a flexible tube containing the liquid running along the length of the body of the housing and a rotor with rollers at each end. The rollers exert pressure on the flexible tube and the liquid is displaced by the rotational movement.

(C) CENTRIFUGAL PUMPS

In these pumps, liquid taken in axially is set in rotation by the revolving blades of a rotor (impeller), the resulting centrifugal action forcing the liquid outwards to the periphery of an annular casing containing an outlet placed tangentially. The casing is sometimes fitted with divergent vanes (diffuser vanes) to transform the kinetic energy of the fluid into high pressure.

For very high pressures, multi-stage centrifugal pumps are used in which the liquid is directed in stages through a number of impellers on a common shaft.

Centrifugal pumps may be driven by an electric or internal combustion motor or by a turbine. Because of their high working speed they are suitable for direct coupling, whereas piston or rotary pumps require to be driven through reduction gears.

This group also covers submersible pumps, central heating circulating pumps, channel impeller pumps, side channel pumps and radial flow impeller pumps.

(D) OTHER PUMPS

The following pumps fall in this group :

- (1) **Electro-magnetic pumps.** These pumps have no moving parts, the liquid being put into circulation by the phenomenon of electrical conduction. These pumps should not be confused with certain reciprocating positive displacement pumps in which the in-and-out movement of a piston is obtained by electro-magnetic effect, nor with those which function by magnetic induction.
- (2) **Ejectors.** In this type of pump, the kinetic energy of a jet of air, steam, water, etc., under pressure ejected from a tube, induces a suction and entrainment effect on the liquid handled. These pumps comprise a complex system of divergent and convergent pipes in a closed chamber from which the system of pipes emerges.

Injectors of the Giffard type for supplying water to boilers, and injection pumps for internal combustion piston engines, working on the same principle, are also classified here.

- (3) **Emulsion pumps (gas lift pumps).** In these, the liquid is mixed with compressed gas in the outlet pipe, the decrease in density of the emulsified liquid thus providing the lift. When compressed air is used, the pump is referred to as an air lift pump.
- (4) Pumps in which the steam or gas pressure acts directly on the surface of the liquid. Examples are :
 - (a) **Gas combustion pumps** employing the explosive force of a suitable fuel or gas to lift liquids.
 - (b) **Steam pulsators (pulsometers),** in which the delivery of the liquid pumped is achieved by displacement due to the steam entering the chamber of the pulsator; the suction is created by the subsequent pressure drop due to the condensation of the steam in the chamber.
 - (c) **Compressed air chamber elevators (Montejus)** using compressed air.
 - (d) **Hydraulic rams,** in which the increase in the energy of a moving liquid column resulting from the periodic and sudden arrest of the flow of the liquid in the supply line is used to pump a portion of the driving liquid in the discharge pipe of the apparatus.

(E) LIQUID ELEVATORS

These include :

- (1) **Elevating wheels,** with buckets, scoops, etc.
- (2) **Chain or cable elevators** with buckets, scoops, rubber cups, etc.
- (3) **Band elevators.** These consist of endless bands of textile or metal (corrugated, multi-cellular or spiral), in which the water is held by capillarity and ejected centrifugally.
- (4) **Archimedean screw-type elevators.**

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the goods of this heading are also classified here, e.g., pump housings or bodies; rods specially designed to connect and drive the piston in pumps placed at some distance from the prime mover (e.g., pumping rods, "sucker rods"); pistons, plungers, vanes; cams (lobes); helicoidal screws, impeller wheels, diffuser vanes; buckets and bucket-fitted chains; bands for band-type liquid elevators; pressure chambers.

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* * *

9.3 It could be seen that by applying the GRI 1, the position is made clear that Chapter heading 8413 covers within its ambit and scope, all types of pumps for liquids and liquid elevators. Further, the HSN explanatory notes also explain that liquid pumps are mainly of four broad categories of goods,

in terms of the mechanism how they work i.e., reciprocating or rotary or centrifugal type or other types. Further, on the basis of the manner of functioning for pumping the liquid, whether linear suction force or forcing action by use of piston or plunger driven within a cylinder; or suction and compression force produced by cams/lobes or similar devices rotated continuously in an axis; or rotational force by use of revolving blades etc. these have been categorized as reciprocating, rotary or centrifugal type. These are described as below:

(i) first category is about all types of 'reciprocating' positive displacement pumps, which are included in any of the sub-headings 841311, 841319, 841320, 841330, 841340 depending upon the fitment with measuring device, hand operated, for use in IC piston engines etc., and other type of reciprocating positive displacement pumps under sub-heading 841350;

(ii) second category covers 'rotary' positive displacement pumps, which are included in any of the sub-headings 841311, 841319, 841320, 841330, 841340 depending upon the fitment with measuring device, hand operated, for use in IC piston engines etc., and other type of rotary positive displacement pumps under sub-heading 841360;

(iii) third category covers all types of 'centrifugal' pumps which are included in any of the sub-headings 841311, 841319, 841320, 841330, 841340 depending upon the fitment with measuring device, hand operated, for use in IC piston engines etc., and other type of centrifugal pumps under sub-heading 841370; and

(iv) fourth category is other pumps, which are not covered by the list of goods at (i) to (iii) above. Under this scope, Liquid elevators, are also included in sub-heading 841382/tariff entry 8413 8200; and parts of above goods are covered under various tariff entries of sub-headings 841391 and 841392, respectively.

The individual types of pumps and its variations have also been explained in HSN to state that (i) reciprocating positive displacement pumps cover diaphragm pumps, oil cushion pumps, electro-magnetic pumps, concrete pumps; (ii) rotary positive displacement pumps cover gear pumps, vane pumps, rotary piston lobe type pumps, helicoidal pumps, peristaltic pumps; (iii) Centrifugal pumps include high pressure multi-stage pumps, turbine driven pumps, submersible pumps, central heating circulating pumps, channel impeller pumps, side channel pumps, radial flow impeller pumps etc.; (iv) other type of pumps include electro-magnetic pumps, ejector pumps, emulsion pumps, gas combustion pumps, steam pulsators, compressed air chamber elevators, hydraulic rams; and (v) liquid elevators of elevating wheels type; chain or cable elevators type; band elevators type and Archimedean screw type.

9.4 In the Central Excise Tariff, the classification of goods was initially

followed Six-digit classification code prior to 28.02.2005, which was broadly based upon HSN (Harmonized System of Nomenclature) classification. However, there were a number of differences with HSN classification and as such the tariff was not totally aligned with HSN. Therefore, Central Excise Tariff was amended through the Central Excise Tariff (Amendment) Act, 2004, for fully aligning the Central Excise Tariff with the Customs Tariff, which was already adopted the Eight-digit HSN based Commodities Classification Code for the purpose of levy of Customs duty with effect from 01.02.2003. Further, this also facilitated having common classification code for Customs, Central Excise, DGFT and DGCIS to facilitate documentation and standardization of trade related transactions; collection, compilation, analysis and sharing of trade statistics in a uniform basis; reducing transaction cost of the trade, by eliminating disputes arising due to multiplicity of classification codes; facilitating computerization of tax administration and electronic data processing. Thus, looking from the overall perspective of the classification of goods in an uniform manner, the HSN explanatory notes definitely guide for appropriate classification of goods.

9.5 From the above analysis of the scope of coverage of goods under various sub-headings and tariff entries under Chapter heading 8413, by applying the GRI 1, we arrive at the following conclusion about the scope of coverage of goods within scope and ambit of various sub-headings, for ascertaining proper classification:

(A) All pumps covered under various category itemized under (i) to (iv) of paragraph 9.3 above, fitted or designed to be fitted with a measuring device are classifiable under chapter sub-heading 841310, which include hand pumps for dispensing fuel or lubricants in filling stations or garage covered under CETI 8413 1110; non-hand operated pumps for dispensing fuel in filling stations or garage covered under CETI 8413 1191 and such pumps for dispensing lubricants covered under CETI 8413 1199; hand pumps for dispensing fuel or lubricants used in places, other than filling stations or garage are covered under CETI 8413 1910; non-hand operated pumps for dispensing fuel or lubricants in places, other than filling stations or garage are covered under CETI 8413 1990.

(B) All other hand pumps, other than those type covered under CETI 8413 1110, 8413 1910 are covered under CETI 8413 2000.

(C) All pumps covered under various category itemized under (i) to (iv) of paragraph 9.3 above, which are used as fuel, lubricating or cooling medium pumps for internal combustion (IC) engines are covered under sub-heading 8413 30; and injection pumps for diesel engines are specifically covered under CETI 8413 3010. Similarly, coverage of oil pumps for IC piston

engines are under CETI 8413 3020; water pumps for IC piston engines under CETI 8413 3030; other similar pumps for IC piston engines under CETI 8413 3090.

(D) Reciprocating positive displacement pumps using the suction or forcing actions of two pistons, designed to deliver wet concrete, known as 'concrete pumps' are classifiable under CETI 8413 4000.

(E) 'Other' Reciprocating positive displacement pumps, i.e., other than those covered under (A) to (D) above, are classifiable under sub-heading 841350. Further, such Reciprocating positive displacement pumps which are used for metering and dosing purpose are classifiable under CETI 8413 5010; Reciprocating positive displacement pumps which are designed to handle water are classifiable under specific tariff entries of "---" dash level 8413 5020, under CETI 8413 5021 if these are of deep tube well turbine pumps, and under CETI 8413 5029 if these are of other than deep tube well turbine type pumps. Further, other Reciprocating positive displacement type pumps which are not covered under above CETI 8413 5010, 8413 5021 and 8413 5029 are covered under residuary entry of 'other' under CETI 8413 5090.

(F) 'Other' Rotary positive displacement pumps, i.e., other than those covered under (A) to (D) above, are classifiable under sub-heading 841360. Further, such Rotary positive displacement pumps in which liquid is displaced by the teeth of specially shaped gears are classifiable under CETI 8413 6010; furthermore, Rotary positive displacement pumps in which liquid is displaced longitudinally in the body of the pump under the pressure of several helicoidal threads meshed together and turning, or such pumps with two or more screws, helicoidal spindles, endless screws are classifiable under CETI 8413 6020. Other Rotary positive displacement pumps, other than those covered under CETI 8413 6010 and 8413 6020 are covered under CETI 8431 6090.

(G) 'Other' Centrifugal pumps, i.e., other than those covered under (A) to (D) above, are classifiable under sub-heading 841370. Further, such Centrifugal pumps which are primarily designed to handle water are classifiable under specific tariff entry CETI 8413 7010. Further, such Centrifugal pumps which are not primarily designed to handle water, and are for handling liquid other than water are covered under specific tariff entries of "---" dash level 8413 7090, under CETI 8413 7091 if these are of single or multistage chemical process pumps; under CETI 8413 7092 if these are of horizontal split casing pumps; under CETI 8413 7093 if these are of horizontal self-priming pumps; under CETI 8413 7094 if these are of vertical turbine driven pumps; under CETI 8413 7095 if these are of boiler feed pumps; under CETI 8413 7096 if these are of slurry pumps; under CETI 8413 7097 if these are of dredger pumps. All other Centrifugal pumps which are not primarily designed to handle water, and are for handling

liquid other than water are covered under the residual entry of CETI 8413 7099.

(H) 'other pumps' and 'liquid elevators' other than those covered under (A) to (G) above, are classifiable under sub-heading/ '-' single dash entry 8413 80. Further, such pumps which employ the explosive force of a suitable fuel or gas to lift liquids, known as 'gas pumps' or 'gas combustion pumps' are covered under specific tariff entry CETI 8413 8110; such pumps in which the increase in the energy of a moving liquid column resulting from the periodic and sudden arrest of the flow of the liquid in the supply line is used to pump a portion of the driving liquid in the discharge pipe of the apparatus is covered under specific entry of CETI 8413 8120; such pumps in which axial flow and mixed flow in vertical direction and these are designed primarily for handling water are covered under CETI 8413 8130 and other type of pumps not covered under CETI 8413 8110, 8413 8120 and 8413 8130 are classifiable under CETI 8413 8190. Further, liquid elevators are specifically covered under CETI 8413 8200.

(I) Parts of pumps and liquid elevators are classifiable under sub-heading/ '-' single dash entry 8413 90. Parts of pumps are covered under specific sub-heading 8413 91, and parts for specific types of pumps such as for reciprocating pumps, centrifugal pumps, deep well turbine pumps and other rotary pumps, hand pumps for handling water are classifiable under specific tariff entries of 8413 9110, 8413 9120, 8413 9130, 8413 9140, respectively. Furthermore, parts of other pumps and parts of liquid elevators are classifiable under tariff entries of CETI 8413 9190 and 8413 9200, respectively.

From the aforesaid detailed analysis of the scope of coverage of goods under each of the tariff items of Chapter heading 8413, and more particularly the goods covered under sub-heading 841370, as given under item (G) above, it clearly transpires that 'other centrifugal pumps' primarily designed to handle water would remain classified under CETI 8413 7010. Further, 'boiler feed pumps' though indicate that these pumps are used for feeding liquid in boiler, would cover only those centrifugal pumps which are used for feeding any liquid other than water, since the sub-heading/ '-' single dash entry 8413 70 have been split into two distinct group of goods, one for handling water under CETI 8413 7010 and the second one for handling 'other liquid, other than water' under CETI 8413 7091 to 8413 7099. Similarly, 'condensate extraction pumps' which is used for pumping water from the condenser to the feed water tank of the boiler system, being the pumps for primarily handling water is also classifiable under CETI 8413 7010. Thus, it can be concluded that all type of 'other centrifugal pumps' which are primarily designed to handle water can be classifiable under CETI 8413 7010, and not

under CETI 8413 7095 for the reason that it is covered by specific description of 'boiler feed pumps' as such goods are meant for handling any liquid other than water.

10.1 The impugned goods are described by the learned Principal Commissioner as part of the boiler system and thus he concluded that the 'boiler feed pump' and 'condensate extraction pump' are categorized differently from the pumps that are primarily designed to handle water. Further, he has also concluded that the impugned goods are Power driven pumps designed for handling water, for justifying his conclusion in classifying under CETI 8413 7095 and for denying the exemption under Sl. No. 235 of Notification No.12/2012-C.E. dated 17.03.2012. He has also concluded that the said duty concession/ exemption would be available only to 'pumps primarily designed to handle water' falling under CETI 8413 7010 and not to 'Boiler feed pumps' and 'condensate extraction pumps' falling under CETI 8413 7095.

10.2 In order to examine the aforesaid conclusion drawn by the learned Principal Commissioner in the impugned order, we would like to examine the relevant exemption entry of the said notification dated 17.03.2012. The extract of the said entry is given below:

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

New Delhi, the 17th March, 2012

Notification No. 12 /2012-Central Excise

G.S.R. (E).-In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) and in supersession of (i) notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 3/2005-Central Excise, dated the 24th February,2005 , published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R 95(E), dated the 24th February,2005,(ii) notification No. 3/2006-Central Excise, dated the 1st March,2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R 93 (E), dated the 1st March,2006,(iii) notification No. 4/2006-Central Excise, dated the 1st March,2006 , published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R 94 (E) dated the 1st March,2006,(iv) notification No. 5/2006-Central Excise, dated the 1st March,2006 , published in the Gazette of India, Extraordinary Part II, Section 3, Sub-section (i), *vide* number G.S.R 95 (E) dated the 1st March,2006,(v) notification No. 6/2006-Central Excise, dated the 1st March, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R 96 (E) dated the 1st March,2006, and (vi) notification No. 10/2006-Central Excise, dated the 1st March,2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R 100 (E) dated the 1st March,2006, except as respects things done or omitted to be done before such supersession, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the excisable goods of the description specified in column (3) of the Table below read with relevant List appended hereto and falling within the Chapter, heading or sub-heading or tariff item of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) (hereinafter referred to as the Excise Tariff Act), as are given in the corresponding entry in column (2) of the said Table, from so much of the duty of excise specified thereon under the First Schedule to the Excise Tariff Act, as is in excess of the amount calculated at the rate specified in the corresponding entry in column (4) of the said Table and subject to the relevant conditions annexed to this notification, if any, specified in the corresponding entry in column (5) of the Table aforesaid:

Provided that nothing contained in this notification shall apply to the- goods specified against serial number 296 and 297 of the said Table after the 31st day of March, 2013.

Explanation 1.- For the purposes of this notification, the rates specified in column (4) of the said Table are *ad valorem* rates, unless otherwise specified.

Explanation 2.- For the purposes of this notification, “brand name” means a brand name, whether registered or not, that is to say, a name or a mark, such as a symbol, monogram, label,

signature or invented words or any writing which is used in relation to a product, for the purpose of indicating, or so as to indicate, a connection in the course of trade between the product and a person using such name or mark with or without any indication of the identity of that person.

Table

| Sl. No. | Chapter or heading or sub-heading or tariff item of the First Schedule | Description of excisable goods | Rate | Condition No. |
|---------|--|--------------------------------|------|---------------|
| (1) | (2) | (3) | (4) | (5) |
| 1 | 040291 10 04029920 | Condensed milk | Nil | - |

| XXX | XXX | XXX | XXX |
|-----|--------------------|--|-------|
| 234 | 8401 | Nuclear fuel | Nil - |
| 235 | 8413 | Power driven pumps primarily designed for handling water, namely, centrifugal pumps (horizontal and vertical), deep tube-well turbine pumps, submersible pumps, axial flow and mixed flow vertical pumps | 6% - |
| 236 | 8413 or 8414 90 | Hand pumps and parts thereof | Nil - |

10.3 On careful reading of the opening paragraph of the aforesaid notification it transpires that it provides for exemption from payment of central excise duty over and above the prescribed rate at column (4) of the table annexed therein. The exemption applies to goods of the ‘description’ specified in column (3) read with any condition attached to it, and such goods should be falling under ‘chapter or heading or sub-heading or tariff item’ of the central excise tariff as specified therein. For the present case, the relevant entry is given in Serial No.235 and ‘power driven pumps primarily designed for handling water’ is mentioned therein. Further, such pumps have also been specified by their type viz., centrifugal pumps (horizontal and vertical type), deep tube-well turbine pumps, submersible pumps, axial flow and mixed flow vertical pumps. The disputed goods herein are ‘boiler feed pumps’ and ‘condensate extraction pumps’ that are primarily designed to handle water, used in boiler feed

system, and these are covered under the scope of 'other centrifugal pumps' primarily designed to handle water would remain classified under CETI 8413 7010. Since the disputed goods in the present case are covered both by specific description as 'centrifugal pumps', and by chapter heading '8413', as these are classifiable under CETI 8413 7010, the exemption entry squarely covers the said disputed goods. Therefore, we do not find any justifiable grounds for denying the benefit of the exemption entry at Sl. No. 235 of Notification No.12/2012-C.E. dated 17.03.2012, as amended. Since various types of pumps that primarily handle water are mentioned in the said exemption entry, including centrifugal pumps of both vertical and horizontal type, the conclusion arrived at by the learned Principal Commissioner that the exemption under Sl. No. 235 of Notification No.12/2012-C.E. dated 17.03.2012 would be available only to pumps primarily designed to handle water falling under CETI 8413 7010 and not to such pumps classifiable under CETI 8413 7095, is contrary to the factual position and is not legally sustainable, as the chapter heading 8413 alone has been mentioned in the column (2) of the said entry. Therefore, the case laws relied upon by the learned Principal Commissioner is also not relevant for interpretation of the above exemption entry of the notification dated 17.03.2022.

11.1 In this regard we find that the Co-ordinate Bench of the Tribunal in the case of Forge & Blower Industries Limited Vs. Commissioner of Central Excise, Ahmedabad - 2012 (284) E.L.T. 609 (Tri. - Ahmd.) have held that the benefit of exemption is available if the pump is designed to handle the water and is power driven. The relevant paragraphs of the said order are extracted below:

"8. *The factual matrix which is undisputed is that the appellant herein are manufacturer of Centrifugal Pumps falling under Chapter Heading No. 84.13 during the material period. It is also undisputed that the appellant is also clearing these Centrifugal Pumps to M/s. Kirloskar Cummins Ltd., who attach the motor to it and cleared the same as Pump Set. It is also undisputed that the Centrifugal Pumps manufactured by the appellant are primarily designed for handling water and no other liquids.*

9. *On this background, it has to be seen whether the appellant is eligible for the benefit of Sr. No. 17 of Notification No. 10/2006-C.E., dated 1-3-2006. In order to appreciate the correct position, we reproduce the heading which grants exemption...*

xxx

xxx

xxx

xxx

15. *Applying the ratio of above judgment of Larger Bench, it can be seen that the product manufactured by the appellant is undoubtedly classifiable under Chapter 84.13 which was covered by Notification No. 10/2006-C.E., dated 1-3-2006, and eligible for benefit of reduced rate of duty. The Larger Bench decision's ratio in a similar situation will squarely apply in this case also.*

16. *In view of the foregoing, it has to be held that the impugned order is incorrect and not in consonance with the law laid down by the Larger Bench and is liable to be set aside and is set aside.*

17. *[Order per : B.S.V. Murthy, Member (T)]. - I agree with the Id. brother, as far as the conclusion reached by him about the eligibility for exemption, but for a different reason.*

18. *The exemption has been denied to the appellant on the ground that the notification provides the exemption only when the pumps are power driven i.e. the pumps should have the motors attached to them. This requirement does not flow from the exemption notification at all. 'Power driven pump' does not necessarily mean that the source of power for the pump should be attached to the pump. What is required is that it should be a pump driven by power, which can be an IC engine or an electric motor or some other source of power. A pump which is designed to handle the water and is power driven viz. it could be a mono block pump where the pump and electric motor are integral parts of the pump set or a pump set where the provisions are made for fitting an electric motor can be considered as power driven pumps even when the source of power is not fitted. Quite often, the customer purchases only pumps from the manufacturer independently. In such cases, a pump purchased by him does not become a non-driven power pump just because the customer bought it without a motor."*

11.2 We also find that in the case of *WPIL Limited* (supra) involving identical facts of the present case, the Co-ordinate Bench of the Tribunal in Final Order No. 76144/2025 dated 25.04.2025 have held that the centrifugal pumps are classifiable under Tariff Item 8413 7010 and are eligible for the benefit of Notification No. 12/2012- C.E. dated 17.03.2012 (Sl. No. 235). The relevant paragraphs of the said order are extracted below:

"7. We observe that the issue involved in the case is whether the goods in question, namely, "Centrifugal Power Driven Pumps Vertical Type / Horizontal Type for handling water", manufactured by the appellant are eligible for the benefit provided under Notification No. 10/2006-C.E. dated 01.03.2006 (Sl. No. 17) and Notification No. 12/2012-C.E. dated 17.03.2012 (Sl. No. 235), as amended, or not.

7.1. The contention of the Revenue is that the said goods are classifiable under Tariff Item No. 84137094 for which the above Notifications are not applicable; the Revenue argues that 'pumps primarily designed to handle water' inter alia falling under Tariff Item No. 84137010 shall only be covered by the Notifications in question. The relevant Tariff Headings and Tariff Entries under the Central Excise Tariff Act, 1985 are reproduced below: -

7.2. We observe that the appellant has claimed exemption under Sl. No. 235 of Notification No. 12/2012-C.E. dated 17.03.2012. The relevant entry of the said Notification reads as under:

8. From the above, it is seen that "centrifugal pumps (horizontal and vertical)" are eligible for concessional rate of duty in terms Sl. No. 235 of the aforesaid Notification No. 12/2012-C.E. In the present case, the goods manufactured by the appellant fall under the Central Excise Tariff Heading No. 8413. Thus, we find that Sl. No. 235 of Notification No. 12/2012-C.E. reproduced supra, covers the goods manufactured by the appellant.

9. We also take note of the submission made by the appellant that the goods designed by them are 'primarily designed for handling water' and even if their classification is determined to be under Tariff Item 84137010, the goods are still eligible for the benefit of concessional rate of duty under the said Notification as both the headings fall under the Central Excise Tariff Sub-heading 8413. Therefore, it has been stated that since the Centrifugal pumps (horizontal and vertical) manufactured by the appellant are primarily designed for handling water, the same are covered by Notification No. 12/2012-C.E.

9.1. It is observed that prior to the introduction of the 8-Digit Code in the Tariff, the appellant had been classifying the impugned goods under the Tariff Item No. 8413.11. Thereafter, the appellant has classified the said goods under Tariff Item No. 84137094 since Centrifugal Pumps of "Vertical Type" were been specifically mentioned therein. In any case, it is not disputed that the Centrifugal Pumps manufactured by the appellant are used primarily for handling water and hence, classification could also be made under the Tariff Entry 84137010. But in either case, whether the classification is under 84137010 or 84137094, the benefit provided under the said Notification shall be available to the goods manufactured by the appellant as both these entries are falling under the Tariff Heading 8413.

10. In view of the above, we find that the goods manufactured by the appellant, namely, "Centrifugal Power Driven Pumps (Horizontal and Vertical) used primarily for handling water" are eligible for the benefit of concessional rate of duty as prescribed under Notification No. 10/2006-C.E. dated 01.03.2006 (Sl. No. 17) and Notification No. 12/2012- C.E. dated 17.03.2012 (Sl. No. 235), as amended, as has been availed by the appellant. Consequently, we hold that the demand of central excise duty confirmed in the impugned order is not sustainable."

12. In view of the foregoing discussions and analysis of the legal provisions of the First Schedule to the Central Excise Tariff Act, 1985 and on the basis of the aforesaid orders passed by the Co-ordinate Benches of the Tribunal, we are of the considered opinion, that the impugned goods are appropriately classifiable under CETI 8413 7010 and not under CETI 8413 7095. Therefore, the impugned order dated 13.10.2021 passed by the learned Principal Commissioner in classifying the goods under CETI 8413 7095 and denying the exemption under Notification No. 12/2012- C.E. dated 17.03.2012 (Sl. No. 235) for demand of duty cannot stand the scrutiny of law. Since the demand of central excise duty itself has been held as unsustainable on the merits of the case, the question of demand of interest and imposition of penalties on

the appellants does not arise.

13. In the result, the impugned order dated 13.10.2021 is set aside and the appeals filed by the appellants are allowed in their favour.

(Order pronounced in the open court on 08.07.2026)

(S.K. Mohanty)
Member (Judicial)

(M.M. Parthiban)
Member (Technical)

SM