F.No.528/70/99-Cus (TU)

Circular No. 68/99-Cus
dated 5/10/1999

Government of India
Ministry of Finance
Department of Revenue,(Tariff Unit), New Delhi

Subject : Classification of a product with trade name "Orimulsion" - m/r.

I am directed to refer to the subject mentioned above and to say that following receipt of a communication from the Embassay of Venezuela, the Classification of "Orimulsion" has been examined in Board"s Office.

2. It is seen that the product "Orrimulsion" consists of approximately 70% natural bitumen, 30% water and 0.2% surfactant / dispersing agent. It is a trade name given to pulverised natural bitumen dispersed in water containing a small amount of dispersing agent. The natural bitumen is dehydrated, pulverised and is dispersed in water, since dehydrated and pulverised bitumen is physically unstable. Water is also used to facilitate the transport and handling of the natural bitumen. The surfactant or the dispersing agent is added to prevent particles of pulverised natural bitumen coming in contact with one another thus avoiding aggregation.

3. The Harmonised System Committee of the World Customs Organisation (WCO) have had an occasion to examine the issue to examine the issue of classification and had decided in its 14th Session that the product "Orimulsion" would merit classification under heading 27.14 (sub heading 2714.90). The HS Committee had also decided to amend the explanatory notes to heading 27.14 and heading 27.15, to reflect the above classification opinion. The explanatory notes to heading 27.14 were subsequently amended to read, *interalia,* "mere addition of water to natural bitumen does not change the classification of the product for the purposes of heading 27.14. Further, the heading also includes dehydrated and pulverised natural bitumen dispersed in water and containing a small amount of an emulsifier (surfactant), added solely to facilitate safety, handling or transport.

The heading 27.14 does not cover (a) (b) _____(e) Bitumen mixture based on natural bitumen with added substance, other than water and emulsifiers (surfactant) necessary solely to facilitate, handling or transport (heading 27.15)." Also heading 27.15 was amended to exclude, interalia, "(d) dehydrated and pulverised natural bitumen dispersed in water containing a small amount of an emulsifier (surfactant)." 4. Board has accepted the aforesaid decision of the HS Committee. Accordingly, it is clarified that the product "Orimulsion" would merit classification under sub-heading 2714.90.

Difficulties, if any, in implementation of the above clarification may kindly be brought to the notice of the Board at an early date.

Sd/-
(K.M.Ravichandran)
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