



**सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण**  
**CUSTOMS AUTHORITY FOR ADVANCE RULINGS**  
**नवीन सीमाशुल्क भवन, बेलार्ड इस्टेट, मुंबई - ४०० ००१**  
**NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI - 400 001**  
**ई-मेल/E-MAIL: cus-advrulings.mum@gov.in**

The 31<sup>st</sup> of October, 2022  
Ruling No. CAAR/Mum/ARC/36/2022

In

Application No. CAAR/CUS/APPL/55/2022-O/o Commr-CAAR-MUMBAI

Name and address of the applicant : M/s. BAG Industries, 2/202 Park View 2, Versova Park View Chs Ltd, Opp. Gulmohar Garden, Yari Road, Andheri West, Mumbai, Maharashtra- 400061

Commissioner concerned : The Commissioner of Customs (Nhava Sheva -I), Jawaharlal Nehru Customs House, Nhava Sheva, Tal Uran, District Raigad, Maharashtra – 400707

Present for the application : Shri Anil Kumar Mishra (Advocate)

Present for the Department : None

**Ruling**

M/s BAG Industries (hereinafter referred to as 'the applicant', in short) filed an application for advance ruling before the Customs Authority for Advance Rulings, Mumbai (CAAR, in short). The said application dated 27.07.2022 was received in the secretariat of the CAAR, Mumbai on 02.08.2022 along with its enclosures in terms of Section 28H (1) of the Customs Act, 1962 (hereinafter referred to as the 'Act'). The applicant is seeking advance ruling on the classification of (1) Menthol Scented Sweet Supari and (2) Flavoured and coated Illaichi which they intend to import.

2. The applicant is engaged in the business of trading of Pan Shop related spices and beetle nuts and indicated that they propose to import (1) Menthol Scented Sweet Supari and (2) Flavoured and coated Illaichi (hereinafter referred to as the 'subject goods'). There is huge demand and business potential in import of beetle nut product - bulk cutting sweet supari for use of the manufacturers of branded sweet supari as well as menthol flavoured Illaychi as use in spice-based mouth freshener. They intend to import the said goods through the seaport at Nhava-Sheva, Mumbai. Accordingly, comments from the jurisdictional Principal



Commissioner / Commissioner of Customs were invited. However, no comments were received from the jurisdictional authority.

3. The applicant has submitted detailed information regarding the concerned subject goods and the procedure for manufacture of the same. The raw whole, split or ground betel nut (areca nut) provisionally preserved or not, as an agricultural product, is classifiable under CTH 0802. Arecoline is a mild parasymphathomimetic stimulant alkaloid found in the areca nut, the fruit of the areca palm. It can bring a sense of enhanced alertness and energy, euphoria and relaxation. Chewing the nut stimulates the flow of saliva to aid digestion. In India there is a huge market of betel nut-based product sweet supari which is a sweet and flavoured preparation of crushed / cut betel nut with menthol, cardamon, sweetener, edible colours and usually packed in air-tight pouches. The product is sold across the retail counters and is used as a mouth freshener. Supplementary Notes, note no. 2 of Chapter 21 of the Customs Tariff reads as under:

*"In this Chapter "Betel Nut" product known as "SUPARI" means any preparation containing Betel-Nuts, but not containing any one or more of the following ingredients, namely: Lime, Katha (catechu), and tobacco whether or not containing any other ingredients, such as Cardamom, Copra or menthol."*

The applicant submits that their case is that the products should ordinarily be covered under entry 21069030 which is "Betel Nut Product known as Supari".

3.1 Menthol/ Scented Sweet cutting supari (Nut based mouth freshener FSSAI category - 5.2.4.1)

The applicant submitted that they intend to import the product sweet supari in bulk. The imported product would be manufactured at shippers' overseas locations by following the processes such as:

- a) Drying of Betel Nut,
- b) Removing of large impurities by labour,
- c) Removing of small impurities by de-stoner, metal deflection (removal of metal item, if any),
- d) Garbling in automatic garblers,
- e) Polishing in polishing machine,
- f) Sterilization to remove bacterial count,
- g) cutting,
- h) blowing of weightless particles in blower,
- i) Gravity separation by automatic gravity separation machine,
- j) Roasting in fire gas rotary roaster,
- k) Adding scents and flavours e.g., Menthol, Spices, sweetening agents etc. in desired quantities along with liquid flavours (as and if desired) and edible oil are mixed in automatic mega size Blenders,
- l) Packaging in industrial packs of 50kg to 80kg as per requirement.
- m) This process does not contain any materials like Lime, Katha (catechu) and tobacco.

3.2 Also, in terms of the indicated additives like sweeteners, flavours and menthol, the product is classifiable under 2106.90.30 in terms of Supplementary Note 5(b) to Chapter 21



which reads as 5. Heading 2106 (except tariff items 2106 90 20 and 2106 90 30), inter alia, includes:

(b) preparations for use, either directly or after processing (such as cooking, dissolving or boiling in water, milk or other liquids), for human consumption;

Indian buyers of the applicant as industrial manufacturers of branded sweet supari may or may not further improve the products with other additives like scents and saffron before packing it in small packages for wholesale and retail, with their brand.

3.3 Flavoured and coated Illaichi: (Spice based mouth freshener - FSSAI Category 5.2.4.2):

The applicant submitted that the raw Cardamom as a mild spice has been used as a mouth freshener since ages. Preparation of Cardamom seeds coated with edible colours, silver, menthol and artificial sweetener and aromatic additives is also used as an edible preparation mouth freshener. The product intended to be imported by the applicant would be processed overseas with following processes on the green fresh Cardamom:

- a) Removing of large impurities and killing bacteria by labour and machine then separating the cardamom seeds, after this process adding of aromatic spices, silver leaf, and artificial sweeteners and then Packed in 50kg to 80kg as per requirement.
- b) The product would be imported in bulk packs and would be used by Indian mouth freshener industry as an input for further processing with added flavours or packing it as it is in branded packs for wholesale and retail purposes.

3.4 The applicant is of a belief that the product flavoured and coated Illaichi: (Spice based mouth freshener - FSSAI Category 5.2.4.2) is liable to be classified under CTH 2106.90.99 in terms of Supplementary Note 5(b) to Chapter 21 which reads as:

5. Heading 2106 (except tariff items 2106 90 20 and 2106 90 30), inter alia, includes:  
(b) preparations for use, either directly or after processing (such as cooking, dissolving or boiling in water, milk or other liquids), for human consumption;

3.5 As the articles to be imported would essentially be the same in characteristics of the finished goods sold in the market under GST regime and the applicants believe that a Customs Ruling is required in absence of an equivalent clarification in Customs as is in GST Circular No. 163/19/2021-GST dated 6th October, 2021 which holds that (relevant Text reproduced) -

*Applicability of GST on scented sweet supari & flavoured and coated Illaichi:*

7.1 Representations have been received seeking clarification regarding classification and applicable GST rates on flavoured and coated Illaichi, and scented sweet supari.

7.2 Scented sweet supari falls under tariff item 2106 90 30 as "Betel nut product" known as "Supari" and attracts GST rate of 18% vide entry at S. No. 23 of Schedule III of notification No. 1/2017- Central Tax (Rate) dated 28.6.2017.

7.3 Flavoured and coated Illaichi generally consists of Cardamom Seeds, Aromatic Spices, Silver Leaf, Saffron, Artificial Sweeteners. It is distinct from Illaichi or cardamom (which falls under heading 0908). It is clarified that flavoured and coated Illaichi is a value-added product and falls under sub-heading 2106. It accordingly attracts GST at the rate of 18% (S. No. 23 of schedule III of notification No. 1/2017- Central Tax (Rate) dated 28.06.2017).



3.6 The applicant submits and prays that in view of the above, the Hon'ble Authority may kindly issue the advance ruling on classification of (1) menthol/scented sweet cutting supari, flavoured under CTH 2106.90.30 and (2) coated illaichi under CTH 2106.90.99 at an early date.

4. Personal hearing in the matter was held on 22.09.2022 wherein Shri. Anil Kumar Mishra, advocate represented the applicant. However, no one was present for the department/jurisdictional commissionerates. Shri. Mishra re-iterated the submission made at the time of filing of CAAR-I and invited attention to the GST council's decision as well as CBIC circular based on GST council's decision issued in October, 2021. He requested to grant 15 days' time to file additional reply in support of applicant's claim to classification.

4.1 Accordingly, the applicant has filed additional submission on 03.10.2022 bringing forth the following points.

(i) Value addition: The applicants submit that for both the products e.g., (a) Menthol/Scented Sweet cutting supari and (b) Flavoured and coated Illaichi the manufacturing process involves intricate and skilled manufacturing process on raw produce the value of the processed materials is enhanced at each and every stage. For example, the refining stage improves the quality of major inputs. The sweetening and blending stage require use of costly raw materials like fragrances and flavours which enhances the manufacturing cost.

(ii) The preparation: The process before the blending mainly adds to quality and shelf life. While blending, the fragrance imparts a distinct function and nature to the finished articles which have than the major function as suppression of bad mouth odour. In this process while the lipids of fragrances retain flavour, the sweetening agents remain inert till mixed with saliva. The water in saliva after mixing with the sweetening agents releases the retained flavours in mouth which suppresses bad mouth odours.

(iii) Changed nature: The preparation by use of above ingredients results in a manufacturing product which is distinct and distinguished from any of the ingredient used in the preparation. The resultant products are for end use only as mouth freshener and same cannot be ordinarily used for any other purposes.

(iv) Products distinct from articles of chapter-8/ chapter-9: Since the manufacturing process above intends to manufacture a new and distinct product with a distinct use, the skilled and measured blending of flavours and sweeteners exceeds the mere process of preservation. The manufacturing processes results in an edible preparation having a distinct as a new edible product where supari/ Illaychi is merely one of the ingredients of whole preparation. In this regard the supplementary note to Chapter 21 is pertinent to the issue under consideration which reads as:

*2. In this Chapter "betel nut product known as Supari" means any preparation containing betel nuts, but not containing any one or more of the following ingredients, namely: lime, katha (catechu) and tobacco whether or not containing any other ingredients, such as cardamom, copra or menthol.*

(v) GST / Customs classification adopted and clarified by central government: Kind reference in this regard is invited to Agenda of 45th Meeting of GST Council and the





recommendation of the fitment committee available at <https://gstcouncil.gov.in/sites/default/files/Agenda/Detailed Agenda Note - 45thGSTCM Vol2.pdf> which confirms classification of the Sweet Supari under 2106.90.30 and IGST rate as 18%. Subsequently CBIC issued Circular No. 163/19/2021-GST dated 06 October 2021 clarifies the position of the Union Government to be in conformity of the GST Council.

(vi) Relevance to Customs Tariff: Kind reference is invited to the explanations (iii) and (iv) appended to IGST Rate Notification 01/2017- IGST (rate) Dated 8/6/2017 which read as below:

*(iii) "Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).*

*(iv) The rules for the interpretation of the First Schedule to the Customs Tariff, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.*

(vii) Identical provisions have been incorporated in CGST Rate notification NO. 01/2017- CGST (Rate) Dated 28/6/2017.

(viii) It appears that in view of the acceptance of the fitment committee in GST Council, clarificatory acceptance of Central Government through its board circular and the homogenous adaptation of Customs Tariff Act for classification and interpretation makes it amply clear that the classification of any product under Customs and GST has to remain same for all purposes in both laws. This would also be required with a view that while filing a bill of entry, a product cannot be classified in two different headings for the purpose of charging basic customs duty and IGST.

5. I have gone through the above submissions and all the documents placed before me. Since, no comments have come from the jurisdictional authority, I proceed to deliberate upon the issue on the basis of documents and submissions placed on record. I agree with the contention of applicant in respect of para 4.1(vi) supra. Therefore, present application of the applicant needs to be seen in the context of a legal framework governed by Customs Tariff Act, 1975, specifically section 3(7), Chapter notes of Chapters 8, 9 and 21, section notes, supplementary notes of chapter 8 of the Customs Tariff, CBIC Circular No. 163/19/2021-GST dated 6th October, 2021 issued based on the recommendations of the GST Council in its 45th meeting held on 17th September, 2021 clarifying classification aspects related to both the products covered in the instant application and explanations (iii) and (iv) of the IGST rate notification vide entry at S. No. 23 of Schedule III of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017, amended from time to time. As seen from the application the applicant proposes to import (i) Menthol Scented Sweet Supari and (ii) Flavoured and coated Ilaichi (Cardamom). According to them they propose to import of beetle nut product in form of bulk cutting sweet supari for use by the manufacturers of branded sweet supari as well as menthol flavoured illaichi for use in spice-based mouth freshener. From the contents of the application, it is seen that both these products will be subjected to few processes before the importation. Before proceeding further, it is essential to consider the contending classifications for both these products.



5.1 In so far as scented sweetened supari is concerned the contending classifications can be from chapter 8 and chapter 21 of the Customs Tariff Act, 1975. The relevant notes to chapter 8 lay down the following: -

3. Dried fruits or dried nuts of this Chapter may be partially rehydrated or treated for the following purposes:

(a) For additional preservation or stabilization (for example, by moderate heat treatment, sulphuring the addition of sorbic acid or potassium sorbate:

(b) To improve or maintain their appearance (for example by the addition of vegetable oil or small quantities of glucose syrup provided that they retain the character of dried fruit or dried nuts.'

In the chapter 8, areca nuts, whole, split, ground, and two residuary sub-headings are accommodated under CTHs 08028010, 20,30,90, and 08029000, respectively. In short, nuts including betel nut, are either partially rehydrated or treated for additional preservation or stabilization or for improving or maintaining appearance of the original product. In view of processes to which the applicant's imported supari will be subjected prior to importation it is clear that these processes are not meant for partial rehydration or treating for additional preservation or stabilization or for improving or maintaining appearance of the original product. Hence the classification of the scented sweetened supari under this chapter is legally unsustainable.

5.2 Alternate classification for scented sweetened supari can be found in chapter 21. Chapter 21 includes within its ambit, miscellaneous edible preparations and tariff item 2106 covers Food preparations not elsewhere specified or included. It is mandated that:

1.- This Chapter does not cover:

(a) Mixed vegetables of heading 07.12;

(b) Roasted coffee substitutes containing coffee in any proportion (heading 09.01);

(c) Flavoured tea (heading 09.02);

(d) Spices or other products of headings 09.04 to 09.10;

Further, the supplementary note 2 to the said chapter lay down that, 'In this Chapter "betel nut product known as Supari" means any preparation containing betel nuts, but not containing any one or more of the following ingredients, namely: lime, katha (catechu) and tobacco whether or not containing any other ingredients, such as cardamom, copra or menthol'.

21.06- Food preparations not elsewhere specified or included.

2106.10 - Protein concentrates and textured protein substances

2106.90 -Other

In this classification the word 'preparation' is a guiding factor. The applicant has submitted the detailed process carried out on the raw products i.e., betel nut in para 3.1 and cardamom (illaichi) in para 3.3 supra. These processes as described and carried out on the subject products are essential for the preparation of the subject goods as mouth freshener and goods after being subjected to such processes cannot be ordinarily used for any other purpose. There is nothing on record to dispute claim of the applicant. The betel nut products commonly known as supari is covered under sub-heading 21069030 of this chapter. Applicant has relied upon CBIC circular no. 163/19/2021-GST dated 6th October, 2021 for their claim to the classification of scented sweetened supari. However, before turning to further analysis of this



classification issue let me examine the legal framework for deciding classification of flavoured and coated illaichi (cardamom).

5.3 In so far as flavoured and coated illaichi (cardamom) is concerned the contending classifications can come from the chapters 9 and 21 of the Customs Tariff Act, 1975. Chapter 9 covers coffee, tea, mate and spices and Heading 0908 covers Nutmeg, Mace and Cardamoms. The relevant extract from the Tariff headings in chapter 9 is reproduced below:

- Cardamoms:

0908 31 -- Neither crushed nor ground:

0908 31 10 --- Large (amonum)

0908 31 20 --- Small (ellettaria), alleppey green

0908 31 30 --- Small, coorge green

0908 31 40 --- Small, bleached, half bleached or bleachable

0908 31 50 --- Small, mixed

0908 31 90 --- Other

The Notes to the chapter provide as follows:

1. Mixtures of the products of headings 0904 to 0910 are to be classified as follows:

(a) mixtures of two or more of the products of the same heading are to be classified in that heading;

(b) mixtures of two or more of the products of different headings are to be classified in heading 0910.

The addition of other substances to the products of headings 0904 to 0910 [or to the mixtures referred to in paragraph (a) or (b) above] shall not affect their classification provided the resulting mixtures retain the essential character of the goods of those heading. Otherwise, such mixtures are not classified in this Chapter; those constituting mixed condiments or mixed seasonings are classified in heading 2103.

Mixed condiments and mixed seasonings containing spices different from the spices and mixed spices of headings 09.04 to 09.10 in that they also contain one or more flavouring or seasoning substances of Chapters *other* than Chapter 9, in such proportions that the mixture has no longer the essential characteristics of the spice within the meaning of Chapter 9 (See the General Explanatory Note to that Chapter).

Further, the relevant Supplementary Notes provide as:

(2) "Spice" means a group of vegetable products (including seeds, etc.), rich in essential oils and aromatic principles, and which, because of their characteristic taste, are mainly used as condiments. These products may be whole or in crushed or powdered form.

(3) The addition of other substances to spices shall not affect their inclusion in spices provided the resulting mixtures retain the essential character of spices and spices also include products commonly known as "masalas".

Since the product under consideration is flavoured and coated illaichi (cardamom) which applicant has claimed to be edible product in terms of supplementary note 5(b) of the chapter 21 of the Customs Tariff Act, 1975 examination of relevant CTHs under chapter 21 is essential.



5.4 The chapter 21 includes within its ambit, miscellaneous edible preparations and tariff item 2106 covers food preparations not elsewhere specified or included. The chapter notes mandate that:

1.- This Chapter does not cover:

- (a) Mixed vegetables of heading 07.12;
- (b) Roasted coffee substitutes containing coffee in any proportion (heading 09.01);
- (c) Flavoured tea (heading 09.02);
- (d) Spices or other products of headings 09.04 to 09.10;

The Supplementary Note 5(b) to Chapter 21 reads as “5. Heading 2106 (except tariff items 2106 90 20 and 2106 90 30), inter alia, includes: (b) preparations for use, either directly or after processing (such as cooking, dissolving or boiling in water, milk or other liquids), for human consumption”.

Further, relevant tariff item provides as:

- 2106- Food preparations not elsewhere specified or included.
- 2106 10 00 - Protein concentrates and textured protein substances
- 2106 90 - Other:
- 2106 90 20 --- Pan masala
- 2106 90 30 --- Betel nut product known as “Supari”  
--- Other :
- 2106 90 91 ---- Diabetic foods
- 2106 90 99 ---- Other

6. Now let me turn to the other legal grounds put forth by the applicant. Applicant has referred to the CBIC Circular No. 163/19/2021-GST dated 6th October, 2021 issued based on the recommendations of the GST Council in its 45th meeting held on 17th September, 2021 for clarifying classification aspects of the scented sweet supari and flavoured coated illaichi. I find that both the products would be subjected to the processes before their importation and hence it is pertinent to consider the contents of the CBIC circular noted earlier in view of the provisions of the section 3(7) of the Customs Tariff Act, 1975. The relevant para of the said circular is reproduced below:

*7. Applicability of GST on scented sweet supari & flavoured and coated illaichi:*

*7.1 Representations have been received seeking clarification regarding classification and applicable GST rates on flavoured and coated illaichi, and scented sweet supari.*

*7.2 Scented sweet supari falls under tariff item 2106 90 30 as “Betel nut product” known as “Supari” and attracts GST rate of 18% vide entry at S. No. 23 of Schedule III of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017.*

*7.3 Flavoured and coated illaichi generally consists of cardamom seeds, aromatic spices, silver leaf, saffron, artificial sweeteners. It is distinct from illaichi or cardamom (which falls under heading 0908). It is clarified that flavoured and coated illaichi is a value added product and falls under sub-heading 2106. It accordingly attract GST at the rate of 18% (S. No. 23 of schedule III of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).*





6.1 I find that in this context it is essential to understand the explanations (iii) and (iv) appended to IGST Rate Notification 01/2017- IGST (rate) Dated 8/6/2021, the relevant text is reproduced hereunder:

*(iii) "Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).*

*(iv) The rules for the interpretation of the First Schedule to the Customs Tariff, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.*

Further, I find that identical provisions have already been incorporated in CGST rate notification no. 01/2017- CGST (Rate) Dated 28/6/2017.

6.2 Applicability of the CBIC circular read with the explanations to the IGST rate notification to the present case can be properly understood by referring to the section 3(7) of the Customs Tariff Act, 1975. Section 3(7) of the Customs Tariff Act, 1975 is reproduced below:

*Section 3. Levy of additional duty equal to excise duty, sales tax, local taxes and other charges.*

*[(7) Any article which is imported into India shall, in addition, be liable to integrated tax at such rate, not exceeding forty percent as is leviable under section 5 of the Integrated Goods and Services Tax Act, 2017 on a like article on its supply in India, on the value of the imported article as determined under sub-section (8) [or sub-section (8A), as the case may be].*

This provision has been substituted (w.e.f. 1-7-2017 vide Notification No. 25/ 2017- Cus., dated 28-6-2017) by s.4 of the Taxation Laws (Amendment) Act, 2017 (18 of 2017).

6.3 Contents of the CBIC Circular No. 163/19/2021-GST dated 6th October, 2021 are applicable to the present case by virtue of legal framework discussed supra. Classification and applicable rate of duty under GST are clarified in the paras reproduced from the CBIC circular no. 163/19/2021-GST dated 6th October, 2021 from F. No. 190354/206/2021-TRU.

By virtue of application of section 3(7) of the Customs Tariff Act, 1975 *"any article which is imported into India shall, in addition, be liable to integrated tax at such rate, not exceeding forty percent as is leviable under section 5 of the Integrated Goods and Services Tax Act, 2017 on a like article on its supply in India, on the value of the imported article as determined under sub-section (8) [or sub-section (8A), as the case may be].*

Based on the contents of the CBIC circular No. 163/19/2021-GST dated 6th October, 2021, it is clear that the provision of section 3(7) of the Customs Tariff Act, 1975 applies to scented supari classifiable under CTH 2106 90 30 and flavoured and coated illaichi classifiable under CTH 2106.90.99. In the instant case menthol scented sweet supari does not contain lime, katha (catechu) and tobacco. It will specifically contain menthol. Due to carrying out of such processes this product is not classifiable under chapter 8 of the Customs Tariff Act, 1975. On the background of contending classifications, relevant chapter notes & supplementary notes, CBIC Circular referred above, explanations in the IGST Rate Notification amended from time to time, and the section 3(7) of Customs Tariff Act, 1975 instant product – betel nut product



known as supari – menthol scented and sweet - is more appropriately classifiable as a betel nut preparation under chapter 21 i.e., CTH 2106 9030 than in any of the headings under chapter 8. CBIC circular legally supports this view.

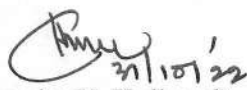
There cannot be a situation where same product is subjected to levy of basic customs duty under one CTH and levy of IGST under another CTH of the Customs Tariff Act, 1975. Hence, in view of supplementary note 2 of chapter 21 of schedule 1 of the Customs Tariff Act, 1975 read with para 7 of the CBIC circular no. 163/19/2021-GST dated 6th October, 2021 from F. No. 190354/206/2021-TRU and the provisions of section 3(7) of the Customs Tariff Act, 1975 the scented sweetened supari merits classification under CTH 2106 90 30.

6.4 Chapter 21 includes within its ambit, miscellaneous edible preparations and tariff item and Heading 2106 covers food preparations not elsewhere specified or included. In respect of the product namely flavoured and coated illaichi it is clarified that same is a value-added product. This product can be consumed directly or after subjected to processes referred in the chapter note 5(b) of the Chapter 21. Supplementary Note 5(b) to Chapter 21 reads as “5. Heading 2106 (except tariff items 2106 90 20 and 2106 90 30), inter alia, includes: (b) preparations for use, either directly or after processing (such as cooking, dissolving or boiling in water, milk or other liquids), for human consumption”. As described in para 3.3 supra illaichi is subjected to elaborate process to make it fit for consumption as mouth freshener. Due to processes of coating with edible colours, silver, menthol and adding of artificial sweeteners and aromatic additives to which illaichi is subjected to in the instant case the emerging product is definitely a value-added product of illaichi and also distinctly different from illaichi or cardamom classifiable under chapter 9 of the Customs Tariff Act, 1975. In view of the above supplementary note to chapter 21 read with para 7 of CBIC circular no. 163/19/2021-GST dated 6th October, 2021, same merits to be classified under Tariff Heading 2106 9099.

7. In view of the above discussions, I rule as under:

- (a). The product namely Menthol Scented Sweet Supari merits classification under CTH 2106 90 30, and
- (b). Flavoured and coated Illaichi merits classification under CTH 2106 90 99, of the First Schedule to the Customs Tariff Act, 1975.




  
(Narendra V. Kulkarni)  
Customs Authority for Advance Rulings,  
Mumbai

This copy is certified to be a true copy of the ruling and is sent to: -

1. M/s BAG Industries, 2/202 Park View 2, Versova Park View Chs Ltd, Opp. Gulmohar Garden, Yari Road, Andheri West, Mumbai, Maharashtra- 400061  
Email: [info.bagindustries@gmail.com](mailto:info.bagindustries@gmail.com) , [anilmishra@lawtmadvisors.com](mailto:anilmishra@lawtmadvisors.com)
2. The Commissioner of Customs (Nhava Sheva -I), Jawaharlal Nehru Customs House, Nhava Sheva, Tal Uran, District Raigad, Maharashtra – 400707  
Email: [ns1-jinch@gov.in](mailto:ns1-jinch@gov.in)
3. The Customs Authority for Advance Rulings, 5<sup>th</sup> Floor, NDMC Building, Yashwant Place, Satya Marg, Chanakyapuri, New Delhi-110021.  
Email: [cus-advrulings.del@gov.in](mailto:cus-advrulings.del@gov.in)
4. The Principal Chief Commissioner of Customs, Mumbai Customs Zone-I, Ballard Estate, Mumbai -400001.  
Email: [ccu-cusmum1@nic.in](mailto:ccu-cusmum1@nic.in)
5. The Chief Commissioner(AR), Customs Excise & Service Tax Appellate Tribunal(CESTAT), West Block-2, Wing-2, R.K. Puram, New Delhi - 110066.  
Email: [cdrcestat123@gmail.com](mailto:cdrcestat123@gmail.com), [ccar.cestat-delhi@gov.in](mailto:ccar.cestat-delhi@gov.in)
6. The Commissioner (Legal), CBIC Offices, Legal/CX.8A, Cell, 5<sup>th</sup> floor, Hudco Vishala Building, C-Wing, Bhikaji Cama Place, R. K. Puram, New Delhi – 110066.  
Email: [anishgupta.irs@gov.in](mailto:anishgupta.irs@gov.in), [commr.legal-cbec@nic.in](mailto:commr.legal-cbec@nic.in)
7. The Member (Customs), Central Board of Indirect Taxes, North Block, New Delhi-110001  
Email: [mem.cus-cbec@nic.in](mailto:mem.cus-cbec@nic.in)
8. The Webmaster, Central Boards of Indirect Taxes & Customs.  
Email: [webmaster.cbec@icegate.gov.in](mailto:webmaster.cbec@icegate.gov.in)
9. Guard file.



  
 (P. Vinitha Sekhar)  
 Secretary/Additional Commissioner,  
 Customs Authority for Advance Rulings,  
 Mumbai