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**CUSTOMS AUTHORITY FOR ADVANCE RULINGS  
O/o THE CHIEF COMMISSIONER OF CUSTOMS  
NEW CUSTOM HOUSE, NEAR IGI AIRPORT, NEW DELHI-110037**

[Email: cus-advrulings.del@gov.in]

Present

Samar Nanda (Customs Authority for Advance Rulings, New Delhi)

**F. No. VIII/CAAR/Delhi/ Perfect Trading Co./ 61/2023**

**The day of 05<sup>th</sup> January, 2024**

**Ruling No. CAAR/Del/Perfect/ 01 /2024**

639  
05-01-2024

**In application No. 32/2023-Delhi dated 28.11.2023**

Name and address of the applicant: M/s Perfect Trading Co.,  
Shop No-3, WZ-32,  
Asalat Pur, Janakpuri, New Delhi-110058

Commissioner concerned: Commissioner of Customs,  
ICD, Patparganj, Gajipur, New Delhi

Present for the Applicant: Mr. Gagan Uppal, Authorized Representative

Present for the Department: None

**Ruling**

M/s. Perfect Trading Co., having IEC No. AESPK3717Q ('applicant', in short) has filed an application (CAAR-1) for advance ruling before the Customs Authority for Advance Rulings, New Delhi (CAAR, in short). The said application was received in the secretariat of the CAAR, New Delhi on 28.11.2023 along with their enclosures in terms of Section 28H (1) of the Customs Act, 1962 (hereinafter referred to as the 'Act'). The applicant intends to import "Roasted Areca Nuts/Betel Nuts" from Myanmar, Thailand, Indonesia, Vietnam, Sri Lanka, Cambodia, Laos & Singapore into India through two ports, i.e. (i) ICD, Patparganj, New Delhi and (ii) ICD, LCS Petrapole, Kolkata Port; Accordingly, two separate applications have been filed before CAAR.

2. The applicant is currently engaged in the local trading of paan shop related spices & betel nuts items. The applicant intends to import Roasted Areca Nut (Whole), Roasted Areca Nut (Split) and Roasted Areca Nut (Cut) and sought ruling of the Authority in the matter of classification of the goods which in the opinion



of the applicant, are classifiable under chapter Sub-heading 20081920. The submission of the applicant are as under:

2.1 The process of "roasting" is neither defined in the Customs Tariff nor in the HSN Explanatory/Sections/Chapter Note.

2.2 The process for roasting involved in the manufacture of the above said goods is as under: -

2.3 Roasted Areca Nut (Whole), Roasted Areca Nut (Split) and Roasted Areca Nut (Cut): Following processes are conducted on raw betel nut:-

- a) De-husking the raw betel/areca nut and drying the same before being fed into the roasting oven.
- b) Feeding the fresh areca nut into a seed roasting oven, heating up to 130-150 deg. C and roasting the fresh areca nuts in an oven of the seed roasting machine.
- c) Take the areca nuts out of the oven, cooling at room temperature and feeding back into the oven, heat and roast them again, and perform this cycle until the moisture content of areca nuts goes below 6 percent (%).
- d) The fresh areca nuts are repeatedly heated, roasted and cooled to ensure that the areca nuts are quickly cooled and shrunk after thermal expansion so that the roasted areca nuts have higher quality; the roasting time is around 2-3 days.
- e) Packaging in industrial packs of 50kgs to 80kg as per requirement.

In India, areca nut is chewed for a variety of reasons such as stress reliever, mouth freshener, concentration improver and for digestive purposes following food intake.

2.4 The above mentioned goods are specifically covered and are classifiable under CTH 20081920 of the Customs Tariff Act, 1975. As per the HSN Explanatory Notes to Heading 2008, given below, Dry Roasted Areca (or Betel) Nuts are specifically covered under Chapter Heading 2008.

CTH 2008: Fruits, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included -Nuts, ground nuts and other seeds, whether or not mixed together:

20081920--- Other roasted nut and seeds

2.5 The applicant placed reliance upon the case laws of L.M.L Ltd. Versus Commissioner of Customs reported in 2010 (258) E.L.T 321 (S.C), Holostick India Ltd. Versus Commissioner of Central Excise, Noida reported in 2015 (318) E.L.T 529 (S.C), Collector of Central Excise, Shillong Versus Wood Craft Products Ltd. reported in 1995 (77) E.L.T 23 (S.C) to submit that the HSN Explanatory note is the safe and dependable guide in the matters of classification of items.

2.6 As per the Explanatory Notes to Chapter 8, fruits and nuts of this Chapter remain classified here even if put up in airtight packing (e.g. dried prunes, dried nuts in cans). In most cases, however, products put up in these packing have been prepared or preserved otherwise than as provided for in the headings of this Chapter, and are therefore excluded from chapter 8 (and will fall under Chapter 20). The processes mentioned in Chapter 8 are different from the processes performed on impugned goods, they are excluded for the purpose of classification from Chapter 8 of the Customs Tariff Act, 1975 (hereinafter also referred as "Tariff").

2.7 The process of roasting changes the chemical and physical characteristics of the areca nut by reducing arecoline and tannin as well moisture.

2.8 In respect of alternate CTH 2106, the applicant draw attention to Chapter Note 2 and Explanatory Note (A) to Chapter 21, which is as under:





"Betel Nut product known as Supari" means any preparation containing betel nuts but not containing any one or more of following ingredients, namely lime, katha (Catechu) and tobacco whether or not containing any other ingredients such as cardamom, copra or menthol.

2.9 As per the Explanatory note, the heading covers preparations for use, either directly or after processing (such as cooking, dissolving or boiling in water, milk or other liquids), for human consumption.

2.10 The goods have undergone roasting, but they don't contain lime, Katha (catechu) and tobacco. Further, roasted betel nut can be consumed directly by merely cutting them into pieces. Therefore, the goods are equally classifiable under Chapter 21 of the Customs Tariff Act, 1975.

2.11 The applicant also referred to and discuss the case law of M/s Crane Betel nut Powder Works reported in 2007 (210) E.L.T 171 (S.C) stating that in this case, the Hon'ble Supreme Court purely went into the aspect whether crushing and adding other ingredients to betel-nut would amount to manufacture or not. Upon convincing that crushing and mixing other ingredients to the betel-nut into powder would not amount to manufacture, the Court ruled in favour of the party thus permitting them to classify the item under the CTH 0803. Based on the above, earlier ruling issued by the Customs Authority for Advance Rulings rejected the classification of betel-nut products under the HS Code 2106 90 30 and confirmed the same under Heading 0802, by holding that the process of such as boiling, slicing, removal of impurities, metal-deflection, garbling, polishing, roasting, cutting and adding flavours to the betel-nut do not alter the nature and characteristics of the product so as to it outside the purview of the Heading 0802. However, after the subsequent amendment to the Central Excise Tariff Act, 1985 vide the Finance (No.2) Act, 2009 (Act No.33 of 2009 dated 19<sup>th</sup> August 2009) with the insertion of Note to Chapter 21, the decision of the Hon'ble SC in the above-mentioned case law was rendered infructuous.

2.12 In support of the above, they cited on the ruling issued in case of M/s Excellent Betel Nut Products by the Authority of Advance Rulings, wherein the authority took proper judicial notice and distinguished the decision in the case of M/s Crane Betelnut Powder Works Vs Commissioner of Customs & C. EX, Thirupathi reported in 2007 (210) E.L.T 171 (S.C) and held the classification of processed betel nuts under 21069030.

2.13 Roasted Areca nut is used for eating (mukhwas) directly as well as with paan (betel leaf).

2.14 The roasting is done using firewood/palm karnel-based ovens and temperature of the flames is around 600 degrees Celsius. As a result, the betel nuts would be roasted well beyond 100 degree Celsius, usually in the range of 130-150 degree Celsius.

2.15 Roasted betel nut undergoes a change in its appearance as well as chemical characteristics on account of the roasting process. There is a substantial change in the chemical characteristics of the betel nut product on account of roasting process. The tannin and arecoline content of raw betel nut/areca nut get substantially changed by subjecting the same to roasting. Therefore, roasted betel nut is a distinctive product of betel nut making it suitable for immediate consumption.

2.16 Roasting is not aimed at additional preservation or stabilization or to improve or maintain their appearance.

2.17 The applicant has further submitted that as per their best knowledge and belief the items are classified under Custom Tariff heading 20081920. The said entry in Customs tariff Act' 1975 reads as under:

Tariff Item	Description of Goods	Unit
2008	Fruits, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	
2008 19	- Other, including mixtures:	



2008 19 20	- Other roasted nuts and seeds	Kg's (Kilo grams)
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2.18 The applicant has relied upon the following judgments:-

- a. Ruling No. CAAR/Mum/ARC/39,40&41/2023 dated 07.12.2022 passed in the matter of M/s. Universal Impex, Mumbai Vs. The Commissioner of Customs II, Chennai, The Commissioner of Customs, Nhavasheva & the Commissioner of Customs (Krishnapatnam), Andhra Pradesh in Application No. CAAR/CUS/APPL/19, 21, 22/2023-O/o Commr.-CAAR-MUMBAI, where identical goods are held classifiable under 20081920.
- b. The Customs Department had challenged the Advance Ruling of the CAAR, Mumbai of M/s Shahnaz Commodities International (P) Ltd, Chennai, M/s Neena Enterprises, Telangana and M/s Universal Impex, Mumbai, by way of a Civil Miscellaneous Appeal (CMA) No's 600/2023, No. 1206/2023 and No. 1750/2023, dated 01.08.2023 respectively before the Hon'ble Madras High Court, wherein the Division Bench of Hon'ble Madras High Court after elaborately hearing all the parties dismissed the CMA's of the Customs Department, thereby upholding the aforesaid ruling of the CAAR, Mumbai.
- c. Ruling No. CAAR/Del/Shree Durga/26, 27 & 28/2023 dated 17.11.2023 of Hon'ble Authority passed in the matter of M/s. Shree Durga Traders, Kolkata Vs The Commissioner of Customs (Preventive) Kolkata, The Principal Commissioner of Customs, Chennai II (Import) & The Principal Commissioner of Customs Nagpur in Application No. 22, 23 & 24/2023-DELHI O/o Commr-CAAR-NEW DELHI, where identical goods are held classifiable under 20081920.
- d. Ruling No. CAAR/Mum/ARC/67/2023 dated 16.10.2023 of Hon'ble Authority passed in the matter of M/s. Shree Ganesh Traders, Chennai Vs. The Commissioner of Customs II (Import), Chennai, in Application No. CAAR/ CUS/APPL/95/2023-O/o Commr-CAAR-MUMBAI, where identical goods are held classifiable under 20081920.

3. A personal hearing in the matter was conducted on 27.12.2023. During the personal hearing, the authorized representative of the applicant reiterated the submissions already made in their application for advance ruling. He further stated that in their submissions, they have relied upon a few Advance Rulings, issued on classification of identical goods, in the recent past; these rulings have in-turn relied upon judgement of the Hon'ble Madras High Court. Replying to the questions posed by the Authority, he stated that goods shall be imported in bags of 60 to 80 kgs. He requested to keep the ruling confidential in the instant matter and mentioned that they are giving written request, in this regard.

4.1 Comments on the application for advance rulings, have been received from the concerned Commissionerate wherein the claim of the applicant has been opposed and submitted as under:

4.1.1 In the instant case, the applicant has mentioned IEC Number AESPK3717Q in their application Form CAAR-1. As verified from the DGFT website [www.dgft.gov.in](http://www.dgft.gov.in), status of the IEC AESPK3717Q is 'valid' and the IEC belongs to M/s Perfect Trading Co.

4.1.2 As per records available in this office, no such matter is pending before any officer in this office. Further, this office is not a party in any appeal on such matter pending before any Appellate Tribunal or court.





4.1.3 As per the applicant, they are planning to import and trade, Roasted Areca Nuts (Whole), Roasted Areca Nuts (Split) & Roasted Areca Nut (Cut) under ITC HS Code 2008.

4.1.4 The question in the application is "Whether the Goods being "Roasted Areca Nuts (Whole), Roasted Areca Nuts (Split) & Roasted Areca Nut (Cut)" imported by the applicant from Countries Myanmar, Thailand, Indonesia, Vietnam, Cambodia, Sri Lanka, Laos & Singapore is classifiable under Chapter Sub-Heading 20081920 of the first schedule to the Customs Tariff Act, 1975?"

a. The applicant's claim that roasting is not defined in the Customs Tariff Act 1975 does not appear to be correct. Though roasting as a process is not defined, it appears to fall under 'moderate heat treatment' mentioned in Chapter Note 3 of Chapter 8, which is reproduced below-

"3. Dried fruits and dried nuts of this Chapter may be partially rehydrated, or treated for the following purpose:

- (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."

b. Further, the applicant's claim that after repeated roasting of the areca nuts at the temperature up to 130-150 degrees Celsius in a roasting oven due to which the water content is reduced to 6% appears to be a complete misrepresentation of facts. The applicant has claimed that after roasting water content comes down to 6 percent. Therefore, there does not seem to be a much difference between the roasted nuts and raw areca nuts in terms of temperature. The applicant did not provide any test report before Advance Ruling authority. Hence, it appears that the applicant did not provide the complete process before the CAAR and have misrepresented the facts. The applicant states that processes mentioned in chapter 8 are different from the processes performed on impugned goods. Since the claimed process by the applicant is devoid of any test report and roasting is well inclusive in heat treatment mentioned in Chapter Note No. 3 of Chapter 8 of the Customs Tariff, the applicant's contention does not hold any water. After roasting, the end product remains dried areca nut, which is well defined in chapter 8 upto 6-digit level.

c. Further, under Chapter 8 of Customs Tariff, areca nuts, whole, split, ground and one residuary sub heading are accommodated under 08028010, 20, 30 and 90 respectively.

d. In the process flow to make roasted areca nut, one set of process is found to be intended for cleaning, the second set for heating and roasting. These processes appear to be covered by the Chapter Note 3 to Chapter 8 (supra). In the instant case, areca nuts after being roasted are cooled and this fact per se would not exclude the end-products from the scope of "dried nuts". Further, it is equally obvious that roasting or mere addition of certain additives for the limited purpose of enhancing preservation or appearance or ease of consumption per se does not result in obtaining a preparation of areca nut. Therefore, the process to which raw areca nuts have been subjected as per process flow submitted by the applicant is squarely in the nature of processes referred to in the Chapter Note 3 to Chapter 8 and HSN Notes. Hence at the end of the said processes, the areca nuts retain the character of areca nut and do not qualify to be considered as "preparations" of areca nut, which is sine qua non for the goods to be classifiable under Chapter 20.

e. To be classified under Chapter 20 there should be some preparation as the Chapter heading reads as "Preparations of vegetables, fruit, nuts or other parts of plants", mere roasting of areca nut does not render the product to be distinctive as claimed by the applicant or does not alter the character of the original good. Hence, it remains the areca nut and rightly classifiable under Chapter 08. According to Cambridge dictionary, "Preparation is a mixture of substances, often for use as a medicine". According to Collins Dictionary, "A preparation is a mixture that has been prepared for use as food, medicine, or a cosmetic." However, in the process flow it is evident that there is neither any mixture of products nor any change in the original good. Hence, the impugned goods are rightly classified under Chapter 08.





f. The applicant has claimed that dry Roasted Areca Nuts are specifically covered under Chapter Heading 2008. This is another misrepresentation of facts since the Chapter 20 cannot and does not cover any nuts or fruits prepared or preserved by the processes specified under Chapter 8 as per the Chapter Note 1 of the Chapter 20 and the Chapter Note 3 of Chapter 8 includes roasting under 'moderate heat treatment', hence the impugned goods cannot be classified under Chapter 20.

g. Rule 1 of the General Rules for the Interpretation (GRI, in short) stipulates that Classification of goods in this schedule shall be governed by the following principles: The titles of Sections, Chapters and Sub- Chapters are provided for ease of reference only: for legal purpose, 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. Further, as per Rule 3(a) of General Rules for the Interpretation of the Harmonized System since the product is more specifically classified under CTI 080280, and classification under Chapter 2008 is unwarranted.

h. It is pertinent to mention that the Chapters are organized as per evolution which is evident by the fact that the edible nuts and fruits are classified under Chapter 8, preparations of vegetables, fruits, nuts or other parts of plants under Chapter 20. Hence, since the roasted areca nut which did not undergo any preparation is rightly classifiable under Chapter 08.

i. In this regard, it is submitted that as per Chapter Note 3 of Chapter 8 as long as the goods retain the character of dried nut, they remained classified under CTH 080280. Since the Areca nut which has undergone the processes wherein it does not lose its original character i.e. in raw form, the item areca nut shall be covered under CTH 080280.

4.1.5 In view of above, in the instant case, it appears that the instant application does not fall under the purview of the sub-section (2) of section 28H of the Customs Act, 1962. Therefore, the instant application does not appear to be maintainable.

5. The applicant was provided the comments received from the jurisdictional Commissioneate.

6. I have taken into consideration of all the materials placed on record in respect of the subject goods including the submissions made by the applicant during the course of personal hearing. I have gone through the response from the Customs Port Commissionerates of Kolkata and Patparganj, New Delhi. However, as the matter and questions before the Authority being the same, I therefore proceed to decide the present application regarding classification of roasted Areca nut on the basis of the information on record as well as the existing legal framework having bearing on the classification of the roasted areca nut under the first schedule of the Customs Tariff Act, 1975.

7.1 I note that the processes mentioned in Chapter 8 include chilling, steaming, boiling, drying and provisionally preserving. It does not specifically include the process of roasting. Here, it is important to understand the difference between the processes of moderate heat treatment & dehydrating/drying referred in chapter 8 and processes of dry roasting, oil-roasting and fat-roasting referred in chapter 20. The terms dry-roasting, oil roasting and fat-roasting however are not defined in the Customs Tariff Act, 1975. Therefore, these terms have to be understood in a commonly accepted sense. The Hon'ble Apex Court in the case of Alladi Venkateswarlu v. Government of Andhra Pradesh 1978 AIR 945 held that "*the commonly accepted sense of a term should prevail in construing the description of an article of food*". *In common trade parlance, "drying" is a method of food preservation by the removal of water content. On the other hand, "roasting" means the excess or very high heat treatment that produces fundamental chemical and physical changes in the structure and composition of the goods, bringing about a charred physical appearance. Therefore, drying is a moisture removal process involving methods such as dehydration, evaporation, etc., whereas roasting is a severe heat treatment process*".

7.2 I also note that Chapter 20 of the Tariff covers the Preparations of vegetables, fruit, nuts or other parts of plants. As per Chapter Note 1 (a) to Chapter 20, the Chapter does not cover vegetables, fruits or nuts prepared or preserved by the processes specified in Chapters 7, 8 or 11. Therefore, vegetable, fruit or nut products or preparations made other than by the processes specified in Chapters 7, 8 or 11 are classifiable in Chapter 20. The processes specified in Chapters 7, 8 or 11 mainly include freezing, steaming, boiling, drying, provisionally preserving and milling. Therefore, any vegetable, fruit, nut or edible parts of a plant which is prepared or preserved by any other process than these are liable to be classified under Chapter 20. Heading





2008 covers fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included. Roasting is a process used for bringing in to existence roasted nuts and I find that the processes mentioned in chapter 8 do not cover roasting process.

7.3 I also note submissions of the applicant that the Note 3 to Chapter 8 specifies certain treatments that could be carried out on the dried nuts for additional preservation or stabilization or to improve or maintain their appearance. The applicant in their application has declared that the objectives of the roasting are not as specified in the said note. Further, as per the above note, the processes that could be carried out are moderate heat treatment, sulphuring, and the addition of sorbic acid or potassium sorbate by the addition of vegetable oil or small quantities of glucose syrup. Roasting is different from all the processes mentioned above. Roasting, as submitted by the applicant, is carried out using roasting ovens due to which betel nuts are roasted in the range of 150 degrees Celsius then cooled in room temperature and the cycle is repeated until the moisture content is less than 6 %. This clearly indicates that the roasting is much more than mild heat treatment. Even in the generally understood meaning of the terms, it is understood that roasting involves severe heat treatment and is different from moderate heat treatment as well as dehydration. Therefore, the impugned goods do not satisfy Note 3 to Chapter 8.

7.4 While examining the scope of CTH 2008, I find that as per HSN Explanatory Notes, heading 2008 covers fruit, nuts and other edible parts of plants, whether whole, in pieces or crushed, including mixtures thereof, prepared or preserved otherwise than by any of the processes specified in other Chapters or in the preceding headings of this Chapter. Specifying what is included in this heading, the explanatory note states that almonds, ground nuts, areca (or betel) nuts and other nuts, dry-roasted, oil-roasted or fat-roasted, whether or not containing or coated with vegetable oil, salt, flavours, spices or other additives. Dry-roasting, oil-roasting & fat-roasting, as a process, are very much a part of chapter heading 2008 by virtue of HSN Explanatory Notes. It is also pertinent to observe that none of these processes are mentioned in the Chapter Note 3 to Chapter 8 of the Customs Tariff Act, 1975 as well as HSN Explanatory Notes to Chapter heading 0802.

7.5 Moreover, it is an established fact that in case of any doubt the HSN is a safe guide for ascertaining the true meaning of any expression used in the Tariff Act. The case of Commissioner of Customs & Central Excise vs Phil Corporation Ltd in Appeal (civil) 2215 of 2002 dated 07/02/2008, is directly relevant and applicable in the instant case of the applicant. In the judgement of the said case Honourable Supreme Court has held "*a number of cases, this Court has clearly enunciated that HSN is a safe guide for the purpose of deciding issues of classification. In the present case, the HSN Explanatory Notes to Chapter 20 categorically state that the products in question are so included in Chapter 20. The HSN Explanatory Notes to Chapter 20 also categorically state that its products are excluded from Chapter 8 as they fall in Chapter 20. In this view of the matter, the classification of the products in question has to be made under Chapter 20.*" While delivering Phil Corporation Judgment honourable Supreme Court has clearly spelt out importance of HSN Explanatory notes in deciding the matters of classification placing reliance on the judgment of Supreme Court in the case of Collector of Central Excise, Shillong v. Wood Craft Products Ltd. (1995) 3 SCC 454. Honourable Supreme Court in paragraph 12 of the said judgment observed as under:

*"Accordingly, for resolving any dispute relating to tariff classification, a safe guide is the internationally accepted nomenclature emerging from the HSN. This being the expressly acknowledged basis of the structure of the Central Excise Tariff in the Act and the tariff classification made therein, in case of any doubt the HSN is a safe guide for ascertaining the true meaning of any expression used in the Act."*

From the Apex Court's foregoing judgments, it is observed that the roasted nuts find specific mention in the then Chapter 20 of the then Central Excise Tariff Act and the Chapter 20 of the Schedule I of the Customs Tariff Act 1975 as well as corresponding HSN Explanatory Note. It is important to pay attention to the fact that, in the above referred HSN explanatory note, a process of roasting is not specifically mentioned as a process of preservation or stabilization or a process to improve or maintain the appearance. Specific attention is invited to the paras 10 & 11 of the SC judgment (M/s Phil Corporation) in which paras 6 & 7 of the Supreme Court judgment in case of M/s Amrit Agro are relied upon. Para 6 *inter alia* reads as follows: "*roasted peanuts are covered by Chapter 20. Even according to the Explanatory notes of HSN under Heading 20.08 ground- nuts, almonds, peanuts etc. which are dry- roasted, fat-roasted whether or not containing vegetable oil are the items which all would stand covered by the said Heading 20.08.*" Honourable Apex Court's conclusions corroborate the finding that the process of roasting is not covered by





Note 3 to Chapter 8 and hence these products, roasted betel nuts are not classifiable under chapter 8 of the Tariff.

8.1 Further, in the CAAR, Mumbai Ruling No. CAAR/Mumbai/ARC/39,40,41/2023 in the case of M/s. Universal Impex, the Authority has stated his findings and has ruled accordingly- "in view of the specific CTH 2008 19 20: Other roasted nuts & seeds in chapter 20 of the first schedule to the Customs Tariff, HSN Explanatory note to CTH 2008, various Supreme Court rulings upholding guiding value of the HSN Explanatory notes for deciding classification under Customs Tariff Act, 1975 and previously mentioned two Supreme Court judgments classifying roasted nuts which include almonds, betel nut and other nuts under chapter 20 by taking recourse to HSN explanatory note to Tariff Heading 2008", I rule that roasted betel nuts are correctly classifiable under the tariff item 2008 19 20 of chapter 20 of the first schedule of the Customs Tariff Act, 1975."

8.2 Also, the Honourable High Court of Madras in its recent judgement on 01.08.2023, has upheld the classification of Roasted Betel Nuts under CTH 2008 19 20. The Honourable High Court went on to analyse the various aspects in determining classification and summed up that:

- (a) Roasting is a process treated to be distinct from the process of boiling and drying, in fixing the classification in respect of betel/areca nut under CTH.
- (b) Roasted betel/areca nut having been specifically classified under CTH 2008 19 20, the attempt to classify under CTH 08 02 80 would fall foul of the settled rule of construction that specific entry would prevail over general entry.
- (c) HSN Explanatory Notes are normally a safe guide in determining classification under CTH. Roasted areca / betel nut having been mentioned in CTH 2008 19 20 under HSN.
- (d) When there is a specific entry covering a product/commodity, the test of common parlance is irrelevant in determining classification.
- (e) There is considerable force in the submission that the classification as far as possible must be in conformity and in consonance with the HSN Explanatory Notes.

9. I find that the issue dealt with i.e. Classification of "Roasted betel nuts" in the judgement of the Honourable High Court of Madras is similar in nature to that of the impugned issue in this application and therefore is squarely applicable to this case. Further, reliance is also placed on ruling of Advance Ruling Authority Mumbai in Ruling No. CAAR/CUS/ APPL/95/2023 dated 16.10.2023 in the case of M/s. Shree Ganesh Traders, Chennai, on the classification of "Roasted Areca Nut" that has been classified under CTH 20081920.

10. On the basis of aforesaid orders of Hon'ble Courts and also earlier CAAR Rulings in the matter, I am of the view that the Roasted areca/betel nuts fall under Custom Tariff Heading 2008, specifically under Sub-heading 20081920 covering "Other roasted nuts & seeds" of the First Schedule of the Customs Tariff Act, 1975.

11. I have also considered the request of the applicant for maintaining confidentiality by not disclosing the ruling. In this regard, I am of the view that already a number of rulings have been issued, on the subject and the same are available in public domain. I feel that making the instant ruling confidential, would not serve any purpose. Thus, the request of the applicant for maintaining confidentiality, do not merit favourable consideration.

12. I rule accordingly.

(SAMAR NANDA)

Customs Authority for Advance Rulings  
New Delhi

F. No. VIII/CAAR/Delhi/Perfect Trading Co./61/2023

Dated:--05.01.2024



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

1. M/s Perfect Trading Co., Shop No-3, WZ-32, Asalat Pur, Janakpuri, New Delhi-110058.
2. The Commissioner of Customs, ICD, Patparganj, Gajipur, New Delhi.
3. The Customs Authority for Advance Rulings, Mumbai, New Custom House, Ballard Estate, Mumbai-400001.
4. The Chief Commissioner (AR), Customs Excise & Service Tax Appellate Tribunal (CESTAT), West Block-2, Wing-2, R.K. Puram, New Delhi-110066.
5. The Chief Commissioner of Customs, Delhi Customs Zone, New Custom House, IGI Airport Complex, New Delhi-110037.
6. Guard file
7. Webmaster.

SM  
05.01.2024

(Anamika Singh)  
Secretary,

Customs Authority for Advance Rulings, New Delhi

