**BY E-MAIL / COURIER**

**File No.77/2024-Opinion**

22.04.2024

M/s. Scope Ingredients Pvt. Ltd.,

S-10, 2nd Floor, Raja Annamalai Building,

New No.72, Marshalls Road, Egmore,

Chennai – 600 008.

Attn.: Mr. Ramamurthy Srinath, Director-Finance <ramamurthy.sri@scope-india.com>

**Mobile: 97908 45511**

Sir,

**Sub.: Clarification regarding Classification of Extracts.**

1. In connection with the above, find attached the following.

(a) Opinion.

(b) Our Bill towards professional charges.

2. Should you need any further clarification in this regard, please feel free to contact me. Kindly arrange for payment of the bill.

Regards,

Murugappan

Attached: as above.

sm/ss

**OPINION**

**1. QUERIST:**

M/s. Scope Ingredients Pvt. Ltd.,

S-10, 2nd Floor, Raja Annamalai Building,

New No.72, Marshalls Road, Egmore,

Chennai – 600 008.

**2. FACTS:**

2.1 Querist regularly imports various extracts of plant / fruits which are of vegetable origin. These extracts include Garcinia Cambogia Extract, Green Tea Extract, Papaya Extract and Trans-Resveratrol Extract. These were being classified by the querist under chapter heading 1302.

2.2 It appears that recently based on an alert issued by DRI, the customs authorities are modifying the classification claimed and are re-classifying these under heading 2106.

2.3 Datasheets, composition sheets etc. have been made available by the querist for the specific products mentioned above.

**3. QUERY:**

In the above context, the querist would like to know the appropriate classification for these goods.

**4. OPINION:**

# 4.1 Heading 1302 covers the following goods:

**13.02 - Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products.**

Heading **21.06** covers **‘Food preparations not elsewhere specified or included.’**

4.2 As per HSN explanatory notes, the scope of heading 13.02 is restricted to extracts derived from vegetable materials by solvents. If they are mixed with other substances or highly purified, then, they go out of chapter heading 13.02. Following explanatory notes to the HS Nomenclature will be relevant in this regard.

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*(A)* ***Vegetable saps and extracts.***

*The heading covers vegetable saps (vegetable products usually obtained by natural exudation or incision) and extracts (vegetable products extracted from the original vegetable material by solvents), provided that they are not specified or included in more specific headings of the Nomenclature (see list of exclusions at the end of Part (A) of this Explanatory Note).*

*These saps and extracts differ from the essential oils, resinoids and extracted oleoresins of heading 33.01, in that, apart from volatile odoriferous constituents, they contain a far higher proportion of other plant substances (e.g., chlorophyll, tannins, bitter principles, carbohydrates and other extractive matter).*

*The vegetable saps and extracts of this heading are generally raw materials for various manufactured products.* ***They are excluded from the heading when, because of the addition of other substances, they have the character of food preparations, medicaments, etc. They are also excluded from the heading when they are highly refined or purified, e.g., by means of chromatographic purification, ultrafiltration, or additional extraction cycles (e.g. liquid-liquid extraction) following initial extraction.***

*The heading also* ***excludes*** *vegetable extracts which have been mixed or compounded (without the addition of other substances) for therapeutic or prophylactic purposes. Such mixtures, and similar medicinal compound extracts made by treating a mixture of plants, are classified in* ***heading 30.03*** *or* ***30.04****.**That latter heading also covers simple vegetable extracts (whether or not standardised or dissolved in any solvent) when put up in measured doses for therapeutic or prophylactic purposes or in forms or packings for retail sale for such purposes.”*

4.3 The following Explanatory Notes to HS heading 21.06 also will be relevant.

*(A) Preparations for use, either directly or after processing (such as cooking, dissolving or boiling in water, milk, etc.), for human consumption.*

*(B) Preparations consisting wholly or partly of foodstuffs, used in the making of beverages or food preparations for human consumption. The heading includes preparations consisting of mixtures of chemicals (organic acids, calcium salts, etc.) with foodstuffs (flour, sugar, milk powder, etc.), for incorporation in food preparations either as ingredients or to improve some of their characteristics (appearance, keeping qualities, etc.) (see the General Explanatory Note to Chapter 38).*

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4.4 From the information provided by the querist for the products under reference, it appears that these are mixed with other substances and are also highly purified by way of concentration, vacuum drying or spray drying etc. For Garcinia Cambogia extract it is seen that it has 70% strength with 10 to 15% fiber with addition of Maltodextrin to the extent of 5 to 10%. Similarly, Green Tea extract also is a fine powder with addition of Maltodextrin to the extent of 5 to 10%. Papaya extract also contains the fruit extract to the extent of 80 to 85% and Maltodextrin to the extent of 5 to 10%. This again is yellow ground fine powder. The addition of Maltodextrin, which is a polysaccharide manufactured thro’ hydrolysis of corn starch also is significant and has implications for determining the classification.

4.5 The process of manufacture provided for these extracts will show that these are concentrated, spray dried, pulverized, blended and then after sieving and testing, packaged. In the case of Trans-Resveratrol, it is seen that after membrane filtration, primary crystallization takes place and subsequent to chromatography, the product is concentrated, re-crystalized and then dried. From the manufacturer’s website, it is seen that they offer these extracts after refining and purifying them to high standards to meet the specified needs of the buyers.

4.6 Considering all the above, it appears that the products imported have gone beyond the stage of processing or the first level of extraction as contemplated in chapter 13.

4.7 Therefore, prima facie, it appears that their classification under heading 21.06 as other food preparations for use as ingredients in the manufacture of food supplements or medicaments will be appropriate.

4.8 Also, the fact that whether the goods have been purified and dried beyond the stage of first/initial extraction or added with other substances to rule out the coverage under chapter 13 can be established by specific laboratory tests by the customs authorities.

**S. MURUGAPPAN**

sm/ss

**Disclaimer:-** The above opinion is provided based on the information and documents made available to us by the querist and further based on the laws and rules prevalent as on date and the understanding of such provisions by the author and is meant for the private use of the person to whom it is provided without assuming any liability for any consequential action taken based on the views expressed here.