

**18. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES  
THIRUVANANTHAPURAM**

Present:- Sri. Paul Antony. IAS

Sub:- KVAT Act 2003- Clarification U/s. 94- rate of tax “Roja Pakku”- Clarified – orders issued -reg:

Read:- Application from Sri. K.V.Wilson, Roja Agencies, Kunnamkulam.

**ORDER No.C3.53291/06Dt.27.03.07**

Sri.K.V.Wilson, Roja Agencies, Kunnamkulam has preferred an application U/s. 94 of KVAT Act seeking clarification on the rate of tax applicable to Roja Pakku.

The authorized representative of the applicant was heard. According to the applicant, the product in question contains Arecanut in pieces, sweeteners like sugar, glycerine and sacchrine and preservatives like vegetable oil, menthol and Karpooram and so would fall under HSN 0802. The said HSN deals with “other nuts, fresh or dried, whether or not shelled or peeled”. He further argued that the entry 2107 of the Central Excise Tariff Act covers scented supari which has tobacco content whereas the applicant’s product is scented arecanut with no tobacco content. The contentions put forth were examined in detail.

According to the note 3(b) to the Chapter 8 of Customs Tarriff Act, the commodities under the heading would contain 0802 would be “Dried fruits or nuts partially dehydrated to improve or maintain their appearance by addition of vegetable oil or small quantities of glucose syrup, provided that they retain the character of dried fruit”. Thus for the commodities coming under the heading 0802 in addition to dehydrated dried fruits or nuts, there would be only one ingredient ie, either vegetable oil or glucose syrup and the item ‘menthol’ stated to be an ingredient of the commodity “Roja pakku” would not be an ingredient for the commodities coming under the heading 0802.

The entries under the heading 2107 of the CET Act are covered under the entry 2106.90.30 in Customs Tariff Act. According to Rules of Interpretation, the HSN as per Customs Tariff Act has to be adopted for interpreting entries in the schedules. As per the Customs Tariff Act, entry 2106.90.30 relates to Betel Nut Powder known as “Supari” which means any preparation containing betel nuts but not containing any one or more of the ingredients like lime, katha (catechu) and Tobacco whether or not containing any other ingredients such as cardamom, copra and menthol.

Admittedly in respect of commodity in question ie; “Roja Pakku”, in addition to Betel Nut, there is sugar, glycerin and sacchrine and preservatives like vegetable oil, menthol and Karpooram and thus satisfies all requirements for the HSN 2106.90.30 as detailed supra. So the commodity is rightly classifiable under the heading 2106.90.30. All commodities coming under the HSN 2106.90.30 would cover serial number 72(2) in SRO 82/06 and would be taxable @ 12.5%.

The point sought for is clarified accordingly.

Commissioner.