

	OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-I सीमाशुल्क आयुक्त कार्यालय, एनएस-1 CENTRALIZED ADJUDICATION CELL, JAWAHARLAL NEHRU CUSTOM HOUSE, केंद्रीकृत अधिनिर्णयन प्रकोष्ठ, जवाहरलाल नेहरू सीमाशुल्क भवन, NHAVA SHEVA, TALUKA-URAN, DIST- RAIGAD, MAHARASHTRA 400707 न्हावाशेवा, तालुका-उरण, जिला- रायगढ़, महाराष्ट्र -400 707
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Date of Order: 10.11.2025**आदेश की तिथि:** 10.11.2025**Date of Issue:** 11.11.2025**जारी किए जाने की तिथि:** 11.11.2025**DIN:** 20251178NW0000333A59**F.No. S/26-Misc-568/2023-24/ Gr. 1&1A/JNCH****SCN No. 2712/2023-24/Commr. / Gr I&IA/NSI/CAC/JNCH dtd 04.03.2024****Passed by: Shri Yashodhan Wanage****पारितकर्ता:** श्री. यशोधन वनगे**Principal Commissioner of Customs (NS-I), JNCH, Nhava Sheva****प्रधान आयुक्त, सीमाशुल्क (एनएस-1), जेएनसीएच, न्हावाशेवा****Order No.: 263 /2025-26 /Pr. Commr/NS-I /CAC /JNCH****आदेश सं. :** 263/2025-26/प्र. आयुक्त/एनएस-1/ सीएसी/जेएनसीएच**Name of Party/Noticee: M/s Herbo Nutra Extract Pvt. Ltd. (IEC- AAFCH9959R) and Shri Bhashkar Dwivedi****पक्षकार (पार्टी)/ नोटिसी का नाम:** मेसर्स हर्बो न्यूट्रा एक्सट्रैक्ट प्राइवेट लिमिटेड और श्री भाष्कर द्विवेदी**ORDER-IN-ORIGINAL****मूल आदेश**

1. The copy of this order in original is granted free of charge for the use of the person to whom it is issued.

1. इस आदेश की मूल प्रति की प्रतिलिपि जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निः शुल्क दी जाती है।

2. Any Person aggrieved by this order can file an Appeal against this order to CESTAT, West Regional Bench, 34, P D Mello Road, Masjid (East), Mumbai - 400009 addressed to the Assistant Registrar of the said Tribunal under Section 129 A of the Customs Act, 1962.

2. इस आदेश से व्यथित कोई भी व्यक्ति सीमा शुल्क अधिनियम १९६२ की धारा १२९ (ए) के तहत इस आदेश के विरुद्ध सीईएसटीएटी, पश्चिमी प्रादेशिक न्यायपीठ (वेस्ट रीजनल बेंच, ३४, पी. डी. मेलो रोड, मस्जिद (पूर्व), मुंबई- ४००००९ को अपील कर सकता है, जो उक्त अधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।

3. Main points in relation to filing an appeal: -

3. अपील दाखिल करने संबंधी मुख्य मुद्दे:-

Form - Form No. CA-3 in quadruplicate and four copies of the order appealed against (at least one of which should be certified copy).

फार्म - फार्म न. सीए - ३, चार प्रतियों में तथा उस आदेश की चार प्रतियाँ, जिसके खिलाफ अपील की गयी है (इन चार प्रतियों में से कम से कम एक प्रति प्रमाणित होनी चाहिए)

Time Limit - Within 3 months from the date of communication of this order.

समय सीमा - इस आदेश की सूचना की तारीख से ३ महीने के भीतर

Fee - (a)Rs. One Thousand - Where amount of duty & interest demanded & penalty imposed is Rs. 5 Lakh or less.

फीस- (क) एक हजार रुपये - जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम ५ लाख रुपये या उससे कम है।

(b)Rs. Five Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 5 Lakh but not exceeding Rs. 50 lakhs.

(ख) पाँच हजार रुपये -जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति कीरकम ५ लाख रुपये से अधिक परंतु ५० लाख रुपये से कम है।

(c)Rs. Ten Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs.50 Lakh.

(ग) दस हजार रुपये -जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति कीरकम ५० लाख रुपये से अधिक है।

Mode of Payment - A crossed Bank draft, in favour of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank.

भुगतान की रीति -क्रॉस बैंक ड्राफ्टजो राष्ट्रीयकृत बैंक द्वारा सहायक रजिस्ट्रार, सीईएसटीएटी, मुंबई के पक्ष में जारी किया गया हो तथा मुंबई में देय हो।

General - For the provision of law & from as referred to above & other related matters, Customs Act, 1962, Customs (Appeal) Rules, 1982, Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982 may be referred.

सामान्य - विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधित मामलों के लिए, सीमा शुल्क अधिनियम, १९६२, सीमाशुल्कअपील (नियम, १९८२, सीमा शुल्क, उत्पाद शुल्क एवं सेवाकरअपील अधिकरण (प्रक्रिया) नियम, १९८२ का संदर्भ लिया जाए।

4. Any person desirous of appealing against this order shall, pending the appeal, deposit 7.5% of duty demanded or penalty levied therein and produce proof of such payment along with the appeal, failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 129 of the Customs Act 1962.

इस आदेश के विरुद्ध अपील करने के इच्छुक किसी भी व्यक्ति को, अपील लंबित रहने तक, माँगे गए शुल्क या लगाए गए जुर्माने का 7.5% जमा करना होगा तथा अपील के साथ ऐसे भुगतान का प्रमाण प्रस्तुत करना होगा, अन्यथा अपील सीमा शुल्क अधिनियम 1962 की धारा 129 के प्रावधानों का अनुपालन न करने के कारण अस्वीकृत की जा सकेगी।

1. **BRIEF FACTS OF THE CASE**

1.1 A specific intelligence was developed by the officers of Directorate of Revenue Intelligence (hereinafter referred to as DRI) Delhi Zonal Unit that an importer, namely, M/s Herbo Nutra Extract Pvt. Ltd. (IEC – AAFCH9959R) was engaged in the import of goods declared as extracts, classifying the same under Customs Tariff Item/Entry 1302 1919 / 1302 1990 with a levy of BCD@15% (taking benefit of Sl. No. 54 of Notification No. 50/2017-Cus dated 30.06.2017); whereas such goods, as per their composition, usage and method of extraction, merit classification under CTH 2106 9099, which attracts levy of Basic Customs Duty at rate of 150% or BCD@50% (taking benefit of Sl. No. 103 of Notification No.50/2017-Cus dated 30.06.2017).

1.2 The importer had been importing the said goods on the IEC AAFCH9959R through Air Cargo Complex, Mumbai and Nhava Sheva, Mumbai and under self-assessment scheme of Section 17 of the Customs Act, 1962. It was further gathered that the imported goods are being sold/traded in the Indian market by the importer as dietary supplements with varied health benefits. On open source enquiries, it further appeared that the importer is trading the imported goods in the same form or simply encapsulating the imported goods.

1.3 The importer listed the said goods on his website as nutraceutical promoting general health and well-being. Nutraceuticals are dietary supplement, as would be clear from the following excerpts from a paper titled “*Nutraceuticals: Pharmacologically Active Potent Dietary Supplements*”, that was published in 2022 in the National Library of Medicine (National Institute for Health, USA).

“Nutraceuticals provide benefits in the prevention and treatment of various diseases. With increasing incidences of lifestyle-related health problems, they have emerged as an essential component of the diet for the common consumer. Nutraceuticals are now serving as a primary dietary supplement for health-conscious masses in India.”

Similarly, as per the **ScienceDirect website**, Nutraceuticals can be defined as diet supplements that deliver a concentrated form of a presumed bioactive agent from a food, presented in a nonfood matrix and used in dosages with the purpose of enhancing human health care. Excerpts are reproduced below for ease of reference.

 **ScienceDirect** Journals & Books

  <https://www.sciencedirect.com/topics/medicine-and-dentistry/nutraceutical>

Nutraceutical

Nutraceuticals can be defined as diet supplements that deliver a concentrated form of a presumed bioactive agent from a food, presented in a nonfood matrix and used in dosages with the purpose of enhancing human health care [1].

From: *Pharmacognosy*, 2017

1.4 The relevant entries for CTH 2106 of the Customs Tariff Act is reproduced as under:

2106	FOOD PREPARATIONS NOT ELSEWHERE SPECIFIED OR INCLUDED	
2106 10 00	- Protein concentrates and textured protein substances	kg.
2106 90	- <i>Other:</i>	
	--- <i>Soft drink concentrates :</i>	
2106 90 11	---- Sharbat	kg.
2106 90 19	---- Other	kg.
2106 90 20	--- Pan masala	kg.
2106 90 30	--- Betel nut product known as "Supari"	kg.
2106 90 40	--- Sugar-syrups containing added flavouring or colouring matter, not elsewhere specified or included; lactose syrup; glucose syrup and malto dextrine syrup	kg.
2106 90 50	--- Compound preparations for making non-alcoholic beverages	kg.
2106 90 60	--- Food flavouring material	kg.
2106 90 70	--- Churna for pan	kg.
2106 90 80	--- Custard powder	kg.
	--- <i>Other :</i>	
2106 90 91	---- Diabetic foods	kg.
2106 90 92	---- Sterilized or pasteurized millstone	kg.
2106 90 99	---- Other	kg.

1.5 Relevant extracts of the Explanatory Notes to HSN for CTH 2106 is reproduced as below:

"The heading includes, inter alia:

...(14) Products consisting of a mixture of plants or parts of plants (including seeds or fruits) of different species or consisting of plants or parts of plants (including seeds or

fruits) of a single or of different species mixed with other substances such as one or more plant extracts, which are not consumed as such, but which are of a kind used for making herbal infusions or herbal “teas”, (e.g., those having laxative, purgative, diuretic or carminative properties), including products which are claimed to offer relief from ailments or contribute to general health and well-being.

....(16) Preparations, often referred to as food supplements or dietary supplements, consisting of, or based on, one or more vitamins, minerals, amino acids, concentrates, extracts, isolates or the like of substances found within foods, or synthetic versions of such substances, put up as a supplement to the normal diet. It includes such products whether or not also containing sweeteners, colours, flavours, odoriferous substances, carriers, fillers, stabilisers or other technical aids. Such products are often put up in packaging with indications that they maintain general health or well-being, improve athletic performance, prevent possible nutritional deficiencies or correct sub-optimal levels of nutrients.”

1.6 As per note (16) of heading 2106, food supplements or dietary supplements consisting of or based on extracts put up as a supplement to the normal diet and often put up in packaging with indications that they maintain general health or well-being, improve athletic performance, prevent possible nutritional deficiencies or correct sub-optimal levels of nutrients fall under the heading 2106. Further, from the note (14) of heading 2106, it may be observed that products which consist of plants or its parts such as seeds and mixed with other substances such as other plant extracts, which are not consumed as such, but which are claimed to offer relief from ailments or contribute to general health and well-being falls under the heading CTH 2106.

1.7 In a nutshell, the following goods will mandatorily be classified under the heading CTH 2106:-

- i. Plant extracts which are not consumed as such, but are claimed to offer relief from ailments or contribute to general health and well-being;
- ii. Food supplements or dietary supplements consisting of or based on extracts, which are put up as a supplement and often sold as product for maintaining general health or well-being.

1.8 It is observed that all those imported products are food supplements / dietary supplements that are marketed to support different aspect of human health/ well-being. Hence, it is apparent that the products are rightly classifiable under heading 2106.

1.9 Further, the classification as declared by importer i.e. heading 1302 also needs to be analysed. For ease of reference, the relevant entries for CTH 1302 are reproduced below:

1302	VEGETABLE SAPS AND EXTRACTS; PECTIC SUBSTANCES, PECTINATES AND PECTATES; AGAR-AGAR AND OTHER MUCILAGES AND THICKENERS, WHETHER OR NOT MODIFIED, DERIVED FROM VEGETABLE PRODUCTS	
	- <i>Vegetable saps and extracts :</i>	
1302 11 00	-- Opium	kg.
1302 12 00	- Of liquorice	kg.
1302 13 00	- Of hops	kg.
1302 14 00	- Of ephedra	kg.
1302 19	- <i>Other :</i>	
	--- <i>Extracts :</i>	
1302 19 11	---- Of belladonna	kg.
1302 19 12	---- Of cascara sagrada	kg.
1302 19 13	---- Of nuxvomica	kg.
1302 19 14	---- Of ginseng (including powder)	kg.
1302 19 15	---- Of agarose	kg.
1302 19 16	---- Of neem	kg.
1302 19 17	---- Of gymnema	kg.
1302 19 18	---- Of garcinia and gamboge	kg.
1302 19 19	---- Other	kg.
1302 19 20	--- Cashew shell liquid (CNSL), crude	kg.
1302 19 30	--- Purified and distilled CNSL (Cardanol)	kg.
1302 19 90	--- Other	kg.
1302 20 00	- Pectic substances, pectinates and pectates	kg.
	- <i>Mucilages and thickeners, whether or not modified, derived from vegetable products :</i>	
1302 31 00	-- Agar-agar	kg.
1302 32	-- <i>Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds:</i>	

1.10 Relevant extracts of Explanatory Notes to HSN for CTH 1302 are reproduced as below:

“(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

....Saps are usually thickened or solidified. Extracts may be in liquid, paste or solid form. “Tinctures” are extracts still dissolved in the alcohol by means of which they are extracted; the so-called “fluid extracts” are solutions of extracts in, for example, alcohol, glycerol or mineral oil. Tinctures and fluid extracts are generally standardised (for instance, pyrethrum extract may be standardised by adding mineral oil to produce commercial grades with a standard pyrethrins content of, e.g., 2 %, 20 % or 25 %). Solid extracts are obtained by evaporating the solvent. Inert substances are sometimes added to certain extracts so that they can be more easily reduced to

powder (e.g., belladonna extract, to which powdered gum Arabic is added), or to obtain a standard strength (for instance, certain quantities of starch are added to opium in order to obtain a product containing a known portion of morphine). The addition of such substances does not affect the classification of these solid extracts.

However, extracts may not be subjected to additional extraction cycles or to purification processes, such as chromatographic purification, that increase or decrease certain compounds or compound classes to a degree that cannot be achieved solely by means of initial solvent extraction.

Extracts may be simple or compound. Simple extracts are obtained by the treatment of only one variety of plant. Compound extracts are obtained either by mixing simple extracts or by treating mixtures of different varieties of plants. Compound extracts (whether in the form of alcoholic tinctures or in any other forms) therefore contain the constituents of several kinds of plant; they include compound jalap extract, compound extract of aloes, compound extract of cinchona, etc. 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.”

1.11 The Explanatory notes of 2017 to HSN for the CTH 1302 clearly states that the heading covers the vegetable saps usually obtained by natural exudation or incision and extracts extracted from the original botanical / herbal (vegetable, fruit etc.) material by solvents. The products of this heading are obtained from initial solvent extraction, which implies that the products obtained from the processes that go beyond the scope of simple solvent extraction does not merit eligibility under heading 1302.

1.12 The Explanatory Notes to HSN for the CTH 1302 states that extracts may not be subjected to additional extraction cycles or to purification processes, such as chromatographic purification, that increase or decrease certain compounds or compound classes to a degree that cannot be achieved solely by means of initial solvent extraction. The Explanatory Notestates that following extracts are to be excluded from the purview of CTH 1302:

- A. *Excluded when subjected to additional extraction cycles or to purification processes, such as chromatographic purification,*
- B. *Excluded 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.*
- C. *They are excluded from the heading when, because of the addition of other substances, they have the character of food preparations, medicaments, etc.*

1.13 The above Explanatory Notes clearly indicate that if extracts undergo any process beyond initial solvent extraction, then, the same would come out of the purview of the heading 1302. Further, it has been clearly explained that if the plant extracts have undergone highly refined filtration and extraction process or are subjected to additional extraction cycles or to purification processes, then, the same does not merit classification under HSN 1302. Also, if by the addition of other substances, they have the characters of foods preparation or medicaments etc. even then they cannot be classified under heading 1302. Here addition of inert substances or for just standardization is not considered such addition. Further, the term “extract” is not defined in heading 1302. Undefined tariff terms are construed in accordance with their common meanings. The widespread understanding of “extract” encompasses only substances obtained by initial extraction of solid plant material and this fact finds support in several portions of Explanatory Notes for CTH 1302. Accordingly, it is apparent that heading 1302 applies to goods that have been obtained through dissolution of plant material and subjected to limited post-extraction processing, but not to those that have subsequently been advanced by various filtration and purification processes like chromatographic purification or similar steps.

1.14 Therefore, it was vital to examine whether the extracts imported were prepared by methods which renders them to be excluded from the purview of CTH 1302 or otherwise they have the essential characteristics of food preparation. Open-source enquiries and data analysis, of various suppliers of extracts to the importer suggested that the extraction processes of the imported goods were subjected to various refined procedures and thus the character of the imported extract / product so formed appears to be no longer eligible to be classified under CTH 13021919/13021990 which was being claimed by the importer. HSN for the heading 2106 clearly states that the dietary or food supplements, including extracts, which maintain general health and prevent nutritional deficiencies are to be classified under heading 2106. Accordingly, it appeared that the extracts imported by the said importer, were classifiable under the heading 2106 of the tariff with duty levy @ 50% (taking benefit of S.No.54 of Notification No.50/2017-Cus dated 30.06.2017).

1.15 Acting on the aforesaid intelligence, searches were conducted by a team of DRI officers at the registered address of M/s Herbo Nutra Extract Pvt. Ltd. under Panchnama dated 10.08.2023. During the course of search proceedings, Sh. Bhashkar Dwivedi, Director, M/s Herbo Nutra Extract Pvt. Ltd., informed that his firm was in the business of import, trading and supply of Herbal Extracts, Food Extracts, Natural Extracts, supplements etc. such as Beta Sitosterol Extract, Ginkgo Biloba Extract, Blueberry Extract, Psidium Guajava Leaf Extract, Panax Ginseng root etc. The main Chinese suppliers of the goods imported by the firm are M/s Shaanxi Belen Biotechnology Co. Ltd., Shaanxi China and M/s Yichun Dahan Life Science Co. Ltd., Jiangxi Province, China.

1.16 During the course of search proceedings, he informed that the imported goods, in question, were supplied to Nutraceutical/Food supplement/Pharmaceutical companies in India, such as M/s Saitro Biotic Pune, M/s Days Healthcare, Baddi, M/s Influx Healthtech, Mumbai, M/s Adret Retail, M/s Konark Herbal, Daman, M/s Zywei Venture, Mumbai, M/s

Kaps 3 Nutra, Gujarat, in as it is form without any other further processing, purification extraction or modification. He further submitted that the imported extracts are in completely refined and purified form and are food formulations. He further submitted that the HSN of the imported extracts was decided by him. The imported extracts supplied by his firm to other companies in India were either encapsulated or used as food additives/functional ingredient in the food supplements/Dietary supplements either as sole ingredient or in addition with other ingredients of the products. He explained the Flow Charts and informed that the general process from cleaning, smashing, grinding, extraction, precipitation, immersion, abstersion, chromatographic purification, dehydration, drying packing etc. was done by the manufacturer/supplier in China and thereafter the same is imported by them for further selling. Reference images of some of the flow charts are as below:

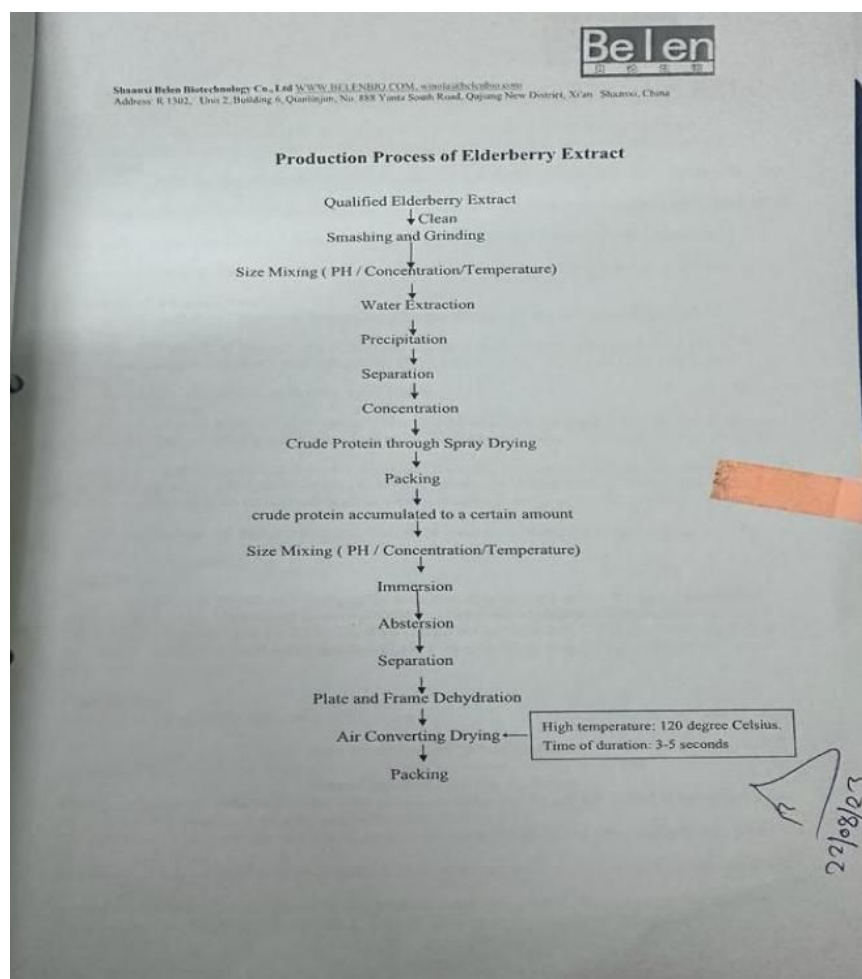
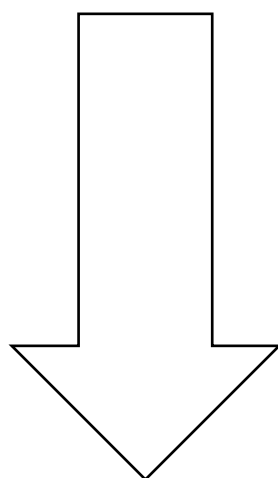


Image 1: Production Process of Elderberry Extract wherein Immersion/Abstersion and other advanced processes are used for extraction.

Image 2: Flowchart of Sesbenia Grandiflora PE wherein advanced processes are used for extraction

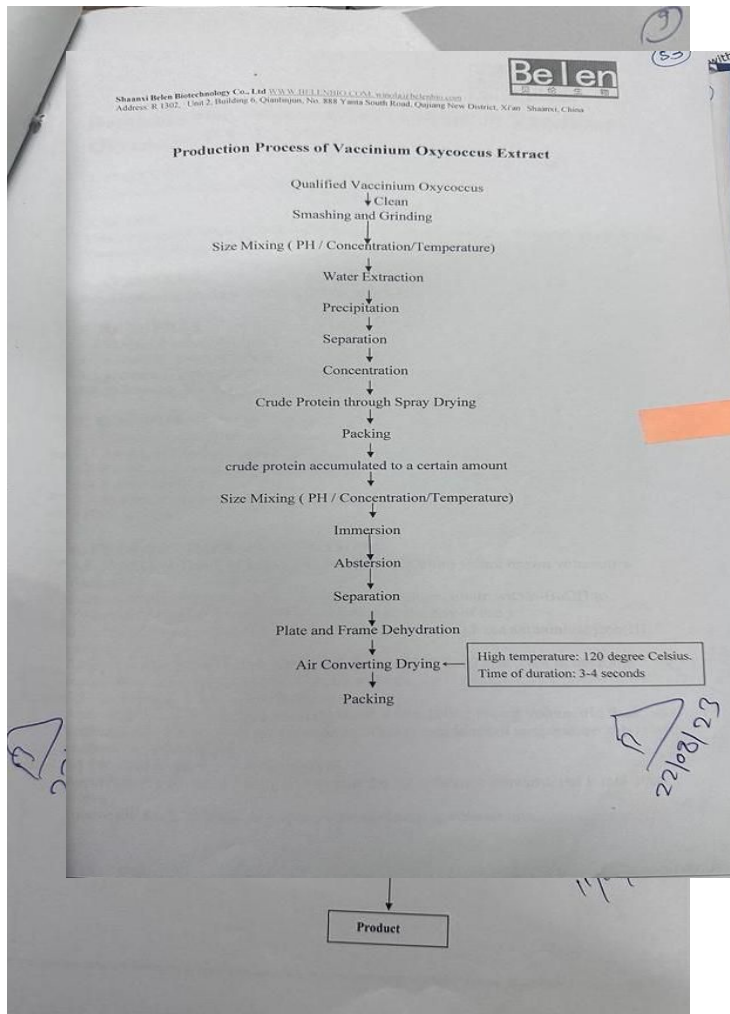


Image 3: Production Process of Blueberry Extract wherein advanced processes are used for extraction

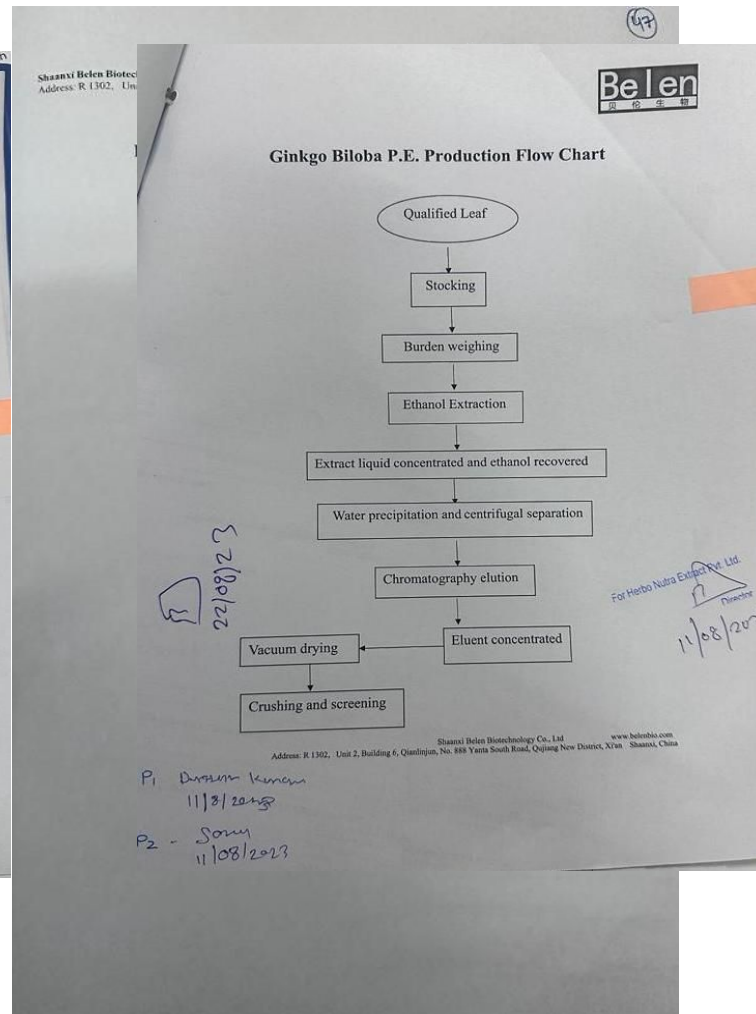


Image 4: Production Process of Vaccinium Oxycoccus Extract wherein advanced processes are used used in extraction

Image 5: Ginkgo Biloba P.E. Production Flow Chart wherein Chromatography elution is in extraction

1.17 During the course of search proceedings, some drums containing the imported goods, as detailed in Table I below, found stored in the stock room of the firm: -

TABLE I						
Sl. No	Goods stored at	Port of Import for stored goods	Bill of Entry	Date of B/E	Item Code & Description	Qty (in Kgs.)
1	M/s Herbo Nutra Extract	INBOM4	9303148	27.06.2022	SHIITAKE MUSHROOM EXTRACT	50
	Pvt. Ltd., A-2/66, Kasna Rd.	INBOM4	9303148	27.06.2022	MAITAKE MUSHROOM EXTRACT	19.4
2	Block G, Industrial	INBOM4	9887075	05.08.2022	POMEGRANATE EXTRACT	50
3	Area, Surajpur	INBOM4	2208546	29.08.2022	CHICORY EXTRACT	43
4	Site 4, Greater	INBOM4	2208546	29.08.2022	BLACK COHOSH EXTRACT	200
5	Noida, Uttar	INNSA1	2087586	20.08.2022	BLUEBERRY EXTRACT	300
6	Pradesh-201308	INNSA1	2317885	06.09.2022	ELDERBERRY EXTRACT	250
7		INNSA1	2508589	19.09.2022	SOYBEAN EXTRACT	220
8		INNSA1	2554768	22.09.2022	SOYBEAN EXTRACT	180
9		INNSA1	2555086	22.09.2022	VACCINIUM OXYCOCCOS EXTRACT	2
10		INNSA1	2555086	22.09.2022	HIPPOPHAE RHAMNOIDES EXTRACT	119.50
11		INNSA1	2932424	18.10.2022	PSIDIUM GUAJAVA LEAF EXTRACT	119.80
12		INNSA1	2932424	18.10.2022	ROSMARINUS OFFICINALIS LEAF EXTRACT	99.50
13		INNSA1	2932424	18.10.2022	BLUEBERRY EXTRACT	50
14		INNSA1	3069088	28.10.2022	GINSENG ROOT EXTRACT	250
15		INNSA1	3180013	05.11.2022	GRAPE SEED EXTRACT	193

16		INNSA1	3180013	05.11.2022	MILK THISTLE EXTRACT	121
17		INNSA1	3547105	01.12.2022	CITRUS AURANTIUM PEEL EXTRACT	24
18		INNSA1	3751245	15.12.2022	BILBERRY EXTRACT	50
20		INNSA1	3845614	21.12.2022	GRAPE SEED EXTRACT	439.50
21		INBOM4	3930933	27.12.2022	PSIDIUM GUAJAVA LEAF EXTRACT	150
22		INNSA1	3859296	22.12.2022	VACCINIUM OXYCOCCOS EXTRACT	400
23		INNSA1	3859296	22.12.2022	HIPPOPHAE RHAMNOIDES EXTRACT	250
24		INNSA1	3859296	22.12.2022	GRAPE SEED EXTRACT	501.50
25		INNSA1	3975118	30.12.2022	SOYBEAN EXTRACT	123
26		INNSA1	4387128	28.01.2023	GINSENG ROOT EXTRACT	457.50
27		INNSA1	4387128	28.01.2023	PSIDIUM GUAJAVA LEAF EXTRACT	300
28		INNSA1	4336678	24.01.2023	GRAPE SEED EXTRACT	500
29		INNSA1	4336678	24.01.2023	MILK THISTLE EXTRACT	203
30		INNSA1	4505537	05.02.2023	SOYBEAN EXTRACT	450
31		INNSA1	4505540	05.02.2023	GINKGO BILOBA LEAF EXTRACT	50
32		INNSA1	4787078	24.02.2023	SOYBEAN EXTRACT	230
33		INNSA1	4954319	08.03.2023	STEVIA EXTRACT (STEVIOL GLYCOSIDES)	300
34		INBOM4	4991587	10.03.2023	PINUS	160

					GERARDIANA BARK EXTRACT	
		INBOM4	4991587	10.03.2023	SESBANIA GRANDIFLORA LEAF EXTRACT	10
		INBOM4	4991587	10.03.2023	GINSENG ROOT EXTRACT	40
35		INNSA1	5594861	20.04.2023	MILK THISTLE EXTRACT	94.30
		INNSA1	5594861	20.04.2023	BILBERRY EXTRACT	350
		INNSA1	5594861	20.04.2023	RHODODENDRO N ARBOREUM FLOWER EXTRACT	300
		INNSA1	5594861	20.04.2023	RED YEAST RICE EXTRACT	
36		INBOM4	5891505	10.05.2023	POMEGRANATE EXTRACT	100
37		INNSA1	6139796	26.05.2023	CITRUS AURANTIUM PEEL EXTRACT	141
		INNSA1	6139796	26.05.2023	POMEGRANATE EXTRACT	88
38		INNSA1	6138468	26.05.2023	PANAX GINSENG ROOT EXTRACT	557.55
		INNSA1	6138468	26.05.2023	GRAPE SEED EXTRACT	699.90
39		INNSA1	6341141	09.06.2023	HIPPOPHAE RHAMNOIDES EXTRACT	450
		INNSA1	6341141	09.06.2023	ELDERBERRY EXTRACT	149.50
40		INBOM4	6354626	10.06.2023	SESBANIA GRANDIFLORA LEAF EXTRACT	3
41		INNSA1	6853729	13.07.2023	MILK THISTLE EXTRACT	204.7
42		INSSA1	6853726	13.07.2023	SOYBEAN EXTRACT	884.6

1.18 During the course of search of digital devices, some e-mails were found which appeared relevant to the investigation. In the said emails, certain documents such as MOA, COA, Flow chart, etc. were received from the Chinese suppliers in respect of the imported goods. The prints out of the relevant communications were retrieved from the emails, were taken, along with Certificate under section 138 C of the Customs Act 1962 from Sh. Bhashkar Dwivedi. Some of the reference images are as below:

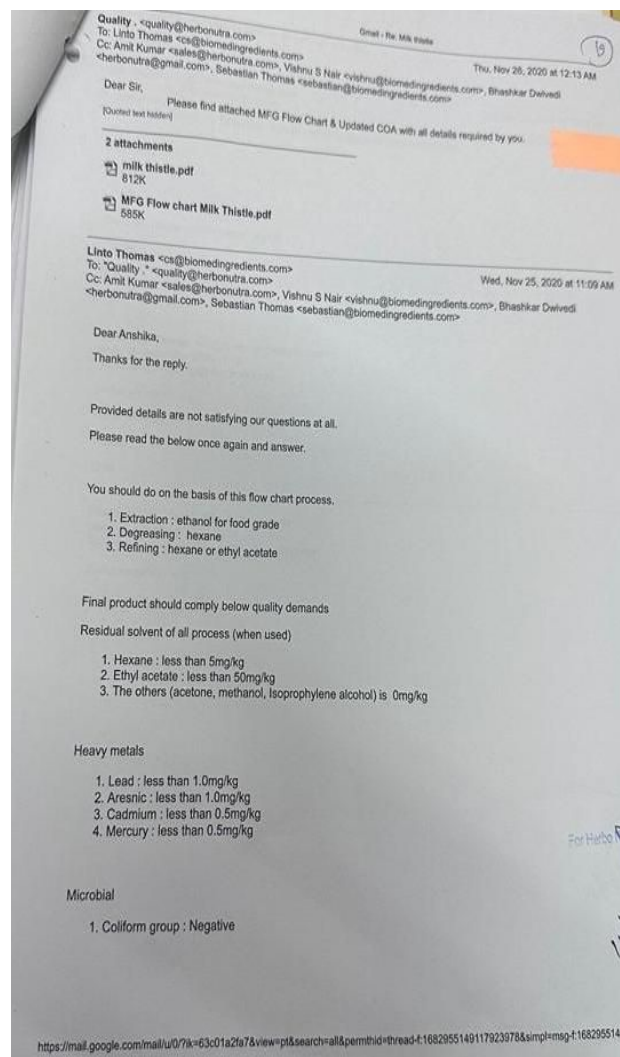
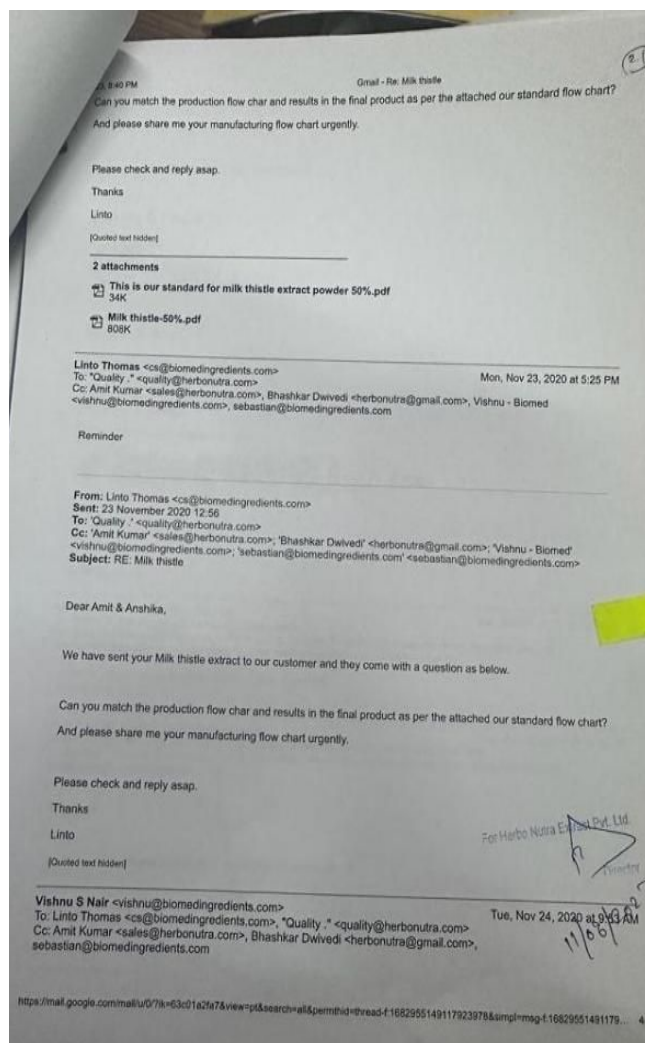


Image 6 & 7: E-mail depicting importer being aware about exact nature of imported goods

1.19 On perusal of the Flow charts, emails etc., it was observed that the entire process of extraction / advanced purification / accumulation etc. were done by the Chinese exporter and the final extract product, which could be directly consumed, was imported into India. The emails further revealed that the importer was aware about the exact nature of imported goods, being highly refined and purified products using advanced techniques carried out by the respective foreign suppliers. The importer was further aware that the imported goods were standardized as per the requirements of the customers in India.

1.20 During the course of Panchanama proceedings, the Explanatory Notes to Chapter 1302 and 2106 were explained to the importer. After reading the Explanatory Notes, the importer, Sh. Bhashkar Dwivedi, informed the DRI officers that he had understood the content of the Explanatory Note to Chapter 1302 and 2106. He further submitted that the extracts imported by his firm were highly refined and purified products, further processed as food formulation/dietary supplements by the respective foreign suppliers and thereafter imported into India by him for trading purpose. He further submitted that the herbal extracts imported by him were classifiable under HSN 2106 and not under 1302. Hence, the HSN for the items imported by him would be accordingly revised to correct CTH of 2106.

1.21 Further, during the search proceedings, the importer was shown the screenshots of certain food supplements of the brand “Urmilife” that were available on his website, <https://www.herbonutra.biz/>. Sh. Bhashkar Dwivedi informed that the capsules placed on the website were for marketing purpose for his customers. The said capsules consisted of sole ingredient as Milk Thistle extract and Grape Seed extract, respectively, which were imported by him and then the extracts were encapsulated by the encapsulation machines. The same belonged to one of his Customers *Urmilife*. The reference images of the website are as follows:

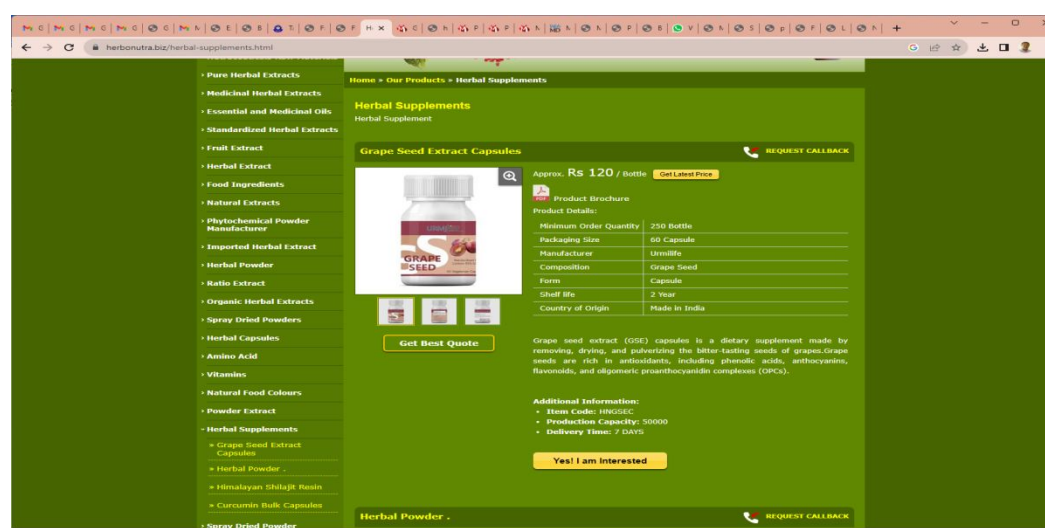


Image 8: Grape Seed Extract Capsules promoted on the website of the importer as dietary supplement.

The screenshot shows the website herbonutra.biz with the search term 'ss=milk'. The main product displayed is 'Milk Thistle Extract Capsules' by URMILIFE. The price is listed as 'Approx. Rs 175 / Bottle'. A 'Get Best Quote' button is visible. The product details table is as follows:

Product Details:	
Minimum Order Quantity	250 Bottle
Benefits	Liver Detox
Product Code	MILK09
Country of Origin	Made in India
Dose	3 Capsules Daily
Color	Transparent capsules
Form	Capsules
Brand	Urmilife
Packaging Type	Bottle
Packaging Size	120 Capsules

Packaging Size Range:

- VEG HPMC 60/120 Capsules per bottle
- Silybum marianum is a species of thistle. It has various common names including milk thistle, blessed milkthistle, Marian thistle, Mary thistle, Saint Mary's thistle, Mediterranean milk thistle, variegated thistle and Scotch thistle. This species is an annual or biennial plant of the family Asteraceae
- Historically, people have used milk thistle for **liver disorders and gallbladder problems**. Milk thistle is promoted as a dietary supplement for hepatitis, cirrhosis, jaundice, diabetes, indigestion, and other conditions.

A 'Yes! I am Interested' button is located below the product details. The left sidebar contains a 'Showcase Gallery' with an image of 'Mudra Puama Extract' and a 'Contact Us Quickly' form with fields for phone number and name, and a 'Contact Now' button.

Image 9: Milk Thistle Extract Capsules promoted on the website of the importer.

1.22 During the course of search proceedings, the importer was asked about the HSN 1302 adopted for the imported goods when the imported extracts could be consumed by way of encapsulation or added as functional ingredients without any processing which was clearly qualified for classification under HSN 2106, Sh. Bhashkar informed that he agreed that the extracts imported by him were classifiable under HSN 2106 as the same were consumed in as it is form either by encapsulation or as an added ingredient in the supplements or as dietary supplements. He agreed that the imports made by him in the past for the above herbal / food extracts from China merit classification under HSN 2106 and not under 1302.

1.23 Statement of Sh.Bhashkar Dwivedi was recorded on 22.08.2023, wherein he, *inter alia*, stated as below:

1.23.1 The imported products declared as extracts were highly refined and purified products having the character of food formulation/dietary supplements. Those imported products were used by various firms as functional ingredients solely or in combination with other ingredients.

1.23.2 He stated that earlier the extracts were imported on the IEC of M/s Herbo Nutra till March 2022 at Delhi Air Cargo port. Later, the import of extracts were started on the IEC of M/s Herbo Nutra Extracts Pvt. Ltd. from Bombay Air Cargo and Nhava Sheva, Bombay. The various extracts like Grape seed extract, blueberry extract, ginseng extract, sesbania grandiflora leaf extract and many others are being imported by him from the Chinese supplier viz. Shaanxi Belen Biotechnology Co., Ltd. Earlier few extracts were imported from Changsha Huir Biological-Tech Co., China in the year 2018-19. These extracts were manufactured and processed by the Chinese suppliers using various refining/purification/filtration processes so that these extracts attain the character of dietary supplements/food formulations. These processed products were then imported by his firms.

1.23.3 On being shown, various documents like flowcharts, COA etc. in respect of extracts imported by him, he stated that all the processes involved in the manufacturing of imported products like additional extraction / refining / purification / filtration etc. were done by the foreign supplier. Those refined products were then imported by his firm into India which were already processed and food grade products. No further processing was being done on those products after import into India, as those were already refined and finished products. Those imported refined products were used by his firms solely for the purpose of trading. He further stated that since those imported goods were processed products and was food grade herbal products which were directly consumable (in specific dosages) so the same were being used mainly to make capsules / tablets. Those imported extracts came in ready to be encapsulated form and were being used as sole ingredient and /or in combination with other ingredients for the ease of consumption in a specific dosage.

1.23.4 On being shown Licence No. 12722999000452 dated 23.06.2022, issued by Food Safety and Standards Authority of India (FSSAI) to his firm, he stated that those imported

goods fall under the category “99.7-Functional Ingredients” of the FSSAI Licence. He added that as per the mentioned category description on FSSAI Licence, the imported goods had the character of dietary supplements which were meant for boosting general health and to address any nutritional deficiency. Those imported goods were being used in capsules / tablet / syrup form as sole ingredient and / or in combination with other ingredients for the ease of consumption in a specific dosage.

1.23.5 On being shown Explanatory Notes to Chapters 13 and 21 in respect to imports of extracts by his firm, he agreed that the imported goods declared as extracts were food grade herbal products, which were highly refined, processed and purified products and were basically dietary supplements. Those imported products were processed and refined by the foreign supplier so that the products had the character of food supplement. Thus, their correct CTH was 21069099 as the imported goods were nutritional / dietary supplements. Hence, the HSN of imported goods would be revised accordingly.

1.24 The imported goods, as detailed supra in Table - I, found stored at the registered premises of the importer were mis-declared and mis-classified before Customs in contravention to the provisions of Section 111 of the Customs Act, 1962, the said imported goods were seized vide Seizure Memo dated 05.09.2023 under the provision of Customs Act, 1962. The value of goods seized vide the said Seizure Memo is Rs. 1,14,33,339/-. Further, vide letter dated 11.02.2024, the importer was informed about the extension of period of seizure for a further period of six months, in terms of sub-section (2) of section 110 of the Customs Act, 1962.

1.25 Analysis of Imported Extracts:

1.25.1 As discussed above, the importer was classifying the imported goods under Customs Tariff Heading 13021919 and 13021990. Analysis of imported extracts from open sources, web pages of the importer / foreign suppliers and several documents resumed during search proceedings are detailed as below:

TABLE II			
Sl. No.	Description of Item	Benefits / (Reference Website)	Documents/Reference of Importer/its foreign supplier

1.	Milk Thistle Extract	Used as dietary supplement having blood pressure healing, antioxidant and anti-inflammatory effects (https://www.nccih.nih.gov/health/milk-thistle)	https://www.herbonutraextract.com/search.html?ss=Silymarin%20Milk%20Thistle#pop
2	Elderberry Extract	Used as dietary supplement for Cold, flu and other similar conditions (https://www.nccih.nih.gov/health/elderberry)	Flow Chart of the Elderberry Extract recovered from the importer clearly indicates that advanced processes like abstersion are used in the extraction process.
3	Ginkgo Biloba Extract	Used as dietary supplement for anxieties, allergies, artery diseases, eye problems (https://www.nccih.nih.gov/health/ginkgo)	Flow Chart of the Ginkgo Biloba Extract recovered from the importer clearly indicates that chromatographic elution is used in the extraction process.
4	Ginseng Extract	Used as dietary supplement to stimulate immune function (https://www.nccih.nih.gov/health/asian-ginseng)	Ginseng Extract Manufacturer at Latest Price in Noida (herbonutra.com)
5	Grape Seed Extract	Used as dietary supplement for Blood pressure, Venous insufficiency, wound healing, inflammation (https://www.nccih.nih.gov/health/grape-seed-extract)	https://www.herbonutraextract.com/search.html?ss=Grape%20Seed%20Extract%20(Vitis%20alba/%20Vitis%20vinifera)#pop

6	Pomegranate Extract	Used as dietary supplement mainly for anti-oxidant properties (Pomegranate NCCIH (nih.gov))	<u>Spray Dried Pomegranate Powder Manufacturer at Latest Price in Noida (herbonutra.com)</u>
7	Cranberry Extract/Vaccinium Oxycoccos Extract	Used as dietary supplement for urinary tract health (https://www.medicinenet.com/what_are_cranberry_supplements/article.htm and Cranberry NCCIH (nih.gov))	Flow Chart of the extraction process adopted by the supplier (Image -4 above) clearly indicates that advanced techniques are used in extraction process
8	Citrus Aurantium Extract	Used as dietary supplement for its anti-oxidant properties, treatment of diabetes etc.[<u>6 Health Benefits of Citrus Aurantium Extract - Herb bio (Herbal Extract Supplier) (xianherb.com) ; https://pubmed.ncbi.nlm.nih.gov/29854097/]</u>	Importer admitted that all the imported extracts are food formulations/dietary supplements with varied health benefits
9	Hippophae Rhamnoides Extract	It is used for relieving cough, aiding digestion, invigorating blood circulation, and alleviating pain since ancient times. [<u>Hippophae rhamnoides L.: A Comprehensive Review on the Botany, Traditional Uses, Phytonutrients, Health Benefits, Quality Markers, and Applications Journal of Agricultural and Food Chemistry (acs.org)] https://xatianrui.en.made-in-china.com/product/hXYEbNKzLscl/China-Pure-Natural-Hippophae-Rhamnoides-Fruit-Extract-</u>	Importer admitted that all the imported extracts are food formulations/dietary supplements with varied health benefits

		for-Sale.html	
10	Pinus Gerardiana Bark Extract	A dietary supplement as admitted which helps improve memory functions, improve erectile dysfunction, Vitamin C regeneration [Pine bark (Pinus spp.) extract for treating chronic disorders - PMC (nih.gov) and 14 Health Benefits of Pine Bark Extract iHerb Blog]	Pine Bark Extract Manufacturer at Latest Price in Noida (herbonutra.com)
11	Psidium Guajava Extract/Guava Root Extract/Guava Leaf Extract	Used as dietary supplement for blood pressure, menstrual cramps eetc. [Health benefits of guava: How to use it, nutrition, and risks (medicalnewstoday.com)]; https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9902774/]	Guava Extract Manufacturer at Latest Price in Noida (herbonutra.com)
12	Red Yeast Rice Extract	Used as a dietary supplement to lower cholesterol levels. [Red Yeast Rice: Health Benefits, Uses, Doses, Safety Information, and More (webmd.com)]	Red Yeast Rice Extract Manufacturer at Latest Price in Noida (herbonutra.com)
13	Rhododendron Abroreum Flower Extract	Used as a dietary supplement for anti-oxidant properties [Bioactive compounds, health benefits and utilization of Rhododendron: a comprehensive review Agriculture & Food Security Full Text]	Importer admitted that all the imported extracts are food formulations/dietary supplements with varied health benefits

		 (biomedcentral.com)]	
14	Sesbania Grandiflora Flower Extract	Used as a dietary supplement to boost immune system and for healthy skin and nails (Natural Herbal Extracts and Pure Herbal Extracts Manufacturer Herbo Nutra, Greater Noida)	Flow Chart of the extraction process adopted by the supplier (Image -2 above) clearly indicates that advanced techniques are used in extraction process
15	Soybean Extract	Used as dietary supplement for its anti-oxidant , anti-inflammatory properties [Soybean Extract - an overview ScienceDirect Topics]	Soya Isoflavone Extract Manufacturer at Latest Price in Noida (herbonutra.com)
16	Shiitake Mushroom Extract	Used as dietary supplement for promoting heart health and immunity(Shiitake Mushroom Extract: Benefits, Side Effects & Dosage (bulksupplements.com)))	Shiitake Mushroom Extracts Manufacturer at Latest Price in Noida (herbonutra.com)
17	Black Cohosh Extract	Used as a dietary supplement to promote women's health [Black Cohosh: Benefits, Dosage, Side Effects, and More (healthline.com)]	Black Cohosh Extract Manufacturer at Latest Price in Noida (herbonutra.com)
18	Blueberry Extract	Used as a dietary supplement for promoting eye and heart health. [Blueberry Extract Powder 25% Anthocyanins Manufacturer and Supplier - Wholesale Bulk]	Flow Chart of the extraction process adopted by the supplier (Image -3 above) clearly indicates that advanced techniques are used in extraction process. The good is promoted as dietary supplement on the

		<u>Customized Plant Extract from Factory - Bolin (bolinherb.com)]</u>	website of the foreign supplier and the importer.
19	Chicory Extract	Used as a dietary supplement for its anti-oxidant properties [<u>Chicory: Does It Benefit Your Health? (webmd.com)</u>]	Importer admitted that all the imported extracts are food formulations/dietary supplements with varied health benefits
20	Maitake Mushroom Extract	Used as a dietary supplement to boost the immune system <u>Maitake Mushroom: Risks, Benefits, and More (healthline.com)</u>	<u>Natural Herbal Extracts and Pure Herbal Extracts Manufacturer Herbo Nutra, Greater Noida and Maitake Mushroom Extract Manufacturer at Latest Price in Noida (herbonutra.com)</u>
21	Stevia Leaf Extract	used as dietary supplement for diabetes, weight loss. [<u>Stevia: Health benefits, facts, and safety (medicalnewstoday.com)</u>]	<u>Stevia Leaf Extract Manufacturer at Latest Price in Noida (herbonutra.com)</u>

1.25.2 Milk Thistle Extract: It is promoted as a dietary supplement for various health conditions like diabetes, indigestion etc. Further, on the website of the importer as well, it is stated that the terms Milk Thistle and Silymarin are used interchangeably. It is further promoted as Dietary Supplement for hepatitis, cirrhosis, jaundice, diabetes, indigestion and other conditions on the website of the importer.



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Milk Thistle

Common Names: milk thistle, Mary thistle, holy thistle

Latin Names: *Silybum marianum*, synonym *Carduus marianus*

Background

- Milk thistle is native to Europe and was introduced into North America by early colonists. Milk thistle is found throughout the eastern United States, California, South America, Africa, Australia, and Asia.
- The terms "milk thistle" and "silymarin" are often used interchangeably.
- Historically, people have used milk thistle for liver disorders and gallbladder problems.
- Milk thistle is promoted as a [dietary supplement](#) for hepatitis, cirrhosis, jaundice, diabetes, indigestion, and other conditions.

How Much Do We Know?

- We know little about whether milk thistle is effective in people, as only a few well-designed clinical studies have been conducted.

What Have We Learned?

- Results from clinical trials of milk thistle for liver diseases have been conflicting or haven't been clinically meaningful. Some of the studies have been of poor quality, too.
- Although some studies have shown positive results on milk thistle for people with chronic hepatitis C virus (HCV) infection, the overall research does not show a benefit.

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<https://www.nccih.nih.gov/health/milk-thistle>

1.25.3 Elderberry Extract: It is promoted as dietary supplement for colds and flu. The flow chart of the imported goods from the foreign supplier indicates that advanced methods like absterstion is used in the extraction process as described in Image 1 above.

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Elderberry

Common Names: European elder, black elder, elderberry, elder flower, sambucus

Latin Names: *Sambucus nigra*

Background

- Elderberry is the dark purple berry of the European or black elder tree, which grows in the warmer parts of Europe, North America, Asia, and Northern Africa.
- Elderberry has been used in folk medicine to treat colds and flu.
- Elderberry is promoted as a dietary supplement for colds, flu, and other conditions. It has also been promoted for COVID-19 (the disease caused by the new coronavirus), but there is no good evidence to support its use.

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<https://www.nccih.nih.gov/health/elderberry>

1.25.4 Ginkgo Biloba Extract: It is promoted as a dietary supplement for various health conditions. Flow Chart of the Ginkgo Biloba Extract issued by the foreign supplier clearly indicates that chromatographic elution is used in the extraction process.

https://www.nccih.nih.gov/health/ginkgo

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Ginkgo

Common Names: ginkgo, Ginkgo biloba, fossil tree, maidenhair tree, Japanese silver apricot, baiguo, yinhsing

Latin Names: *Ginkgo biloba*

Background

- Ginkgo, one of the oldest living tree species in the world, has a long history in traditional Chinese medicine. Members of the royal court were given ginkgo nuts for senility. Other historical uses for ginkgo were for asthma, bronchitis, and kidney and bladder disorders.
- Today, the extract from ginkgo leaves is promoted as a dietary supplement for many conditions, including anxiety, allergies, dementia, eye problems, peripheral artery disease (when buildup of plaque narrows the blood vessels that carry blood to the head, organs, and limbs), tinnitus, and other health problems.

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<https://www.nccih.nih.gov/health/ginkgo>

1.25.5 Ginseng Extract: It is promoted as dietary supplement mainly to stimulate immune function and to improve general well being.

https://www.nccih.nih.gov/health/asian-ginseng

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[Home](#) > [Health Information](#) > [Asian Ginseng](#)

Asian Ginseng

Common Names: Asian ginseng, Chinese ginseng, Korean ginseng, red ginseng, white ginseng

Latin Names: *Panax ginseng*

Background

- Asian ginseng is native to the Far East, including China, Korea, and far-eastern Siberia. It has been used for health-related purposes in traditional Chinese medicine for thousands of years.
- Asian ginseng is one of several types of ginseng. The terms red ginseng and white ginseng refer to Asian ginseng roots prepared in two different ways.
- The part of the plant most frequently used for health purposes is the root.
- Asian ginseng taken orally is promoted for increasing resistance to environmental stress and as a general tonic to improve well-being. Asian ginseng is also promoted as a dietary supplement for a variety of other reasons—to improve physical stamina, concentration, and memory; stimulate immune function; slow the aging process; and relieve various other health problems, such as respiratory and cardiovascular disorders, depression, anxiety, and menopausal

<https://www.nccih.nih.gov/health/asian-ginseng>

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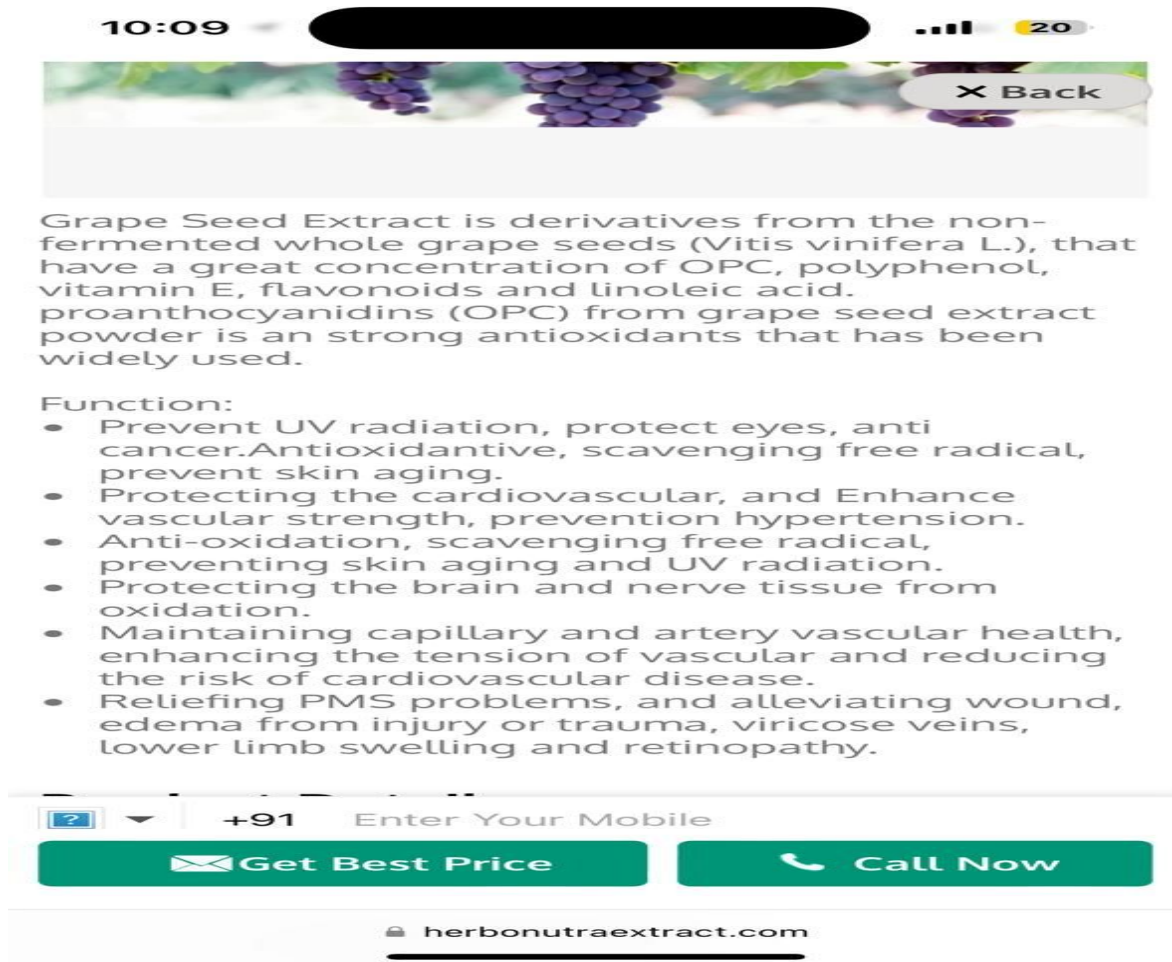
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1.25.6 Grape Seed Extract: The imported product, Grape seed extract, is derived from the tiny seeds of grapes and has various health benefits, promoting cardiovascular and skin health and has antioxidant and anti-inflammatory properties.



<https://www.nccih.nih.gov/health/grape-seed-extract>

1.25.7 Pomegranate Extract: It is used as dietary supplement mainly for anti-oxidant properties and its health benefits are being promoted by the importer.

Extract Type			
Color			
Form	Powder	Edible	Yes

Spray Dried Pomegranate Powder Trade Information

 Send Inquiry
  Send SMS
 
HERBO NUTRA
 extract pvt. ltd.
 

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powder is made from high quality of pomegranate, which helps in increasing hemoglobin of blood and is a rich source of iron. Our products are made available across the globe owing to our major transportation network and diligent group of professionals.

Features of Spray Dried Pomegranate Powder:

- Rich source of iron
- Pure in composition
- Long shelf life

1.25.8Cranberry Extract: It is used as dietary supplement having a lot of health benefits.

← → ↺ https://www.medicinenet.com/what_are_cranberry_supplements/article.htm



Cranberries are packed with antioxidants and other nutrients that have a ton of health benefits. Here are 8 benefits of cranberry supplements

Cranberries are packed with antioxidants and other nutrients that have a ton of health benefits. They are often sold as **dietary supplements** in the form of extracts, pills, capsules, or gummies.

Cranberries are high in:

- **Vitamin C**
- **Flavonoids**
- **Anthocyanins**
- **Proanthocyanidins**
- **Catechin**
- **Triterpenoids**

https://www.medicinenet.com/what_are_cranberry_supplements/article.htm

1.25.9 Citrus Aurantium Extract: Citrus Aurantium, also known as bitter orange, has several health benefits, including promoting weight loss, treatment of diabetes, anti-oxidant properties etc.

products. There are kinds of ingredients in citrus Aurantium extract, which belong to citrus bioflavonoids, such as synephrine, hesperidin, hesperetin, naringenin, naringin, nobiletin, diosmin, and so on

1. Benefits for Health

Bitter Orange oils, extracts, and nutrients are being used for a variety of physical conditions by complementary therapies.

2. Treatments Against Fungal Infections

For many skin problems, like ringworm and athlete's foot, bitter orange is implemented effectively. 2 Previous studies have shown bitter orange oil as a fungicide when applied topically, battling against conditions that are otherwise immune to treatment. As an added benefit, the external application of bitter orange has very few (if any) noted adverse side effects, indicating that it could be used with hardly any risk.

3. Aids Curing Wounds

Bitter Orange is often sometimes usually added in herbal medicine in an attempt to accelerate the recovery of bedsores. Although this effect is not generally standard practice, a reasonable amount of vitamin C is given by an oral ingestion of bitter orange. Vitamin C is a component to collagen, making it necessary for the integrity and recovery of the skin. With 45-90 milligrams, a new bitter orange serving provides 50 to 100 percent of vitamin C's daily allowance.

4. Can Encourage Weight Loss

In both human and rat research, bitter orange has shown positive results on losing weight when supplemented with caffeine. The primary ingredient, p-synephrine, is a known stimulant. In individuals, bitter orange has reported increases over a 6-12 week period in metabolic rate and energy consumption. In rats, during a 13-week testing period, bitter orange extract produced a 30 percent decline in visceral fat.



6. Might Effectively Deter Certain Cancers

Bitter orange also produces many antioxidant-effect flavonoids, including hesperidin and limonene. Hesperidin prevents the development of ovarian cancer cells by activating apoptosis. By amplifying the genes that lead to the development of liver cancer, Limonene shows anticancer effects on the liver. While not a replacement for proof cancer treatment, further studies on bitter orange may produce novel supplementary treatment options.

6 Health Benefits of Citrus Aurantium Extract - Herb bio (Herbal Extract Supplier) (xianherb.com)

pubmed.ncbi.nlm.nih.gov/29854097/

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Review > Oxid Med Cell Longev. 2018 May 2;2018:7864269. doi: 10.1155/2018/7864269. eCollection 2018.

An Overview on *Citrus aurantium* L.: Its Functions as Food Ingredient and Therapeutic Agent

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Affiliations + expand
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Abstract

Citrus aurantium L. (Rutaceae), commonly known as bitter orange, possesses multiple therapeutic potentials. These biological credentials include anticancer, anti-anxiety, anti-obesity, antibacterial, antioxidant, pesticidal, and antidiabetic activities. The essential oil of *C. aurantium* was reported to display marked pharmacological effects and great variation in chemical composition depending on growing locations but mostly contained limonene, linalool, and β -myrcene. Phytochemically, *C. aurantium* is rich in *p*-synephrine, an alkaloid, and many health-giving secondary metabolites such as flavonoids. Animal studies have demonstrated a low affinity of *p*-synephrine for adrenergic receptors and an even lower affinity in human models. The present review focuses on the different biological activities of the *C. aurantium* in animal and human models in the form of extract and its pure secondary

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<https://pubmed.ncbi.nlm.nih.gov/29854097/>

1.25.10 Hippophae Rhamnoides Extract: Also known as sea buckthorn, it is consumed as a food and health supplement. It is used for relieving cough, aiding digestion, invigorating blood circulation, and alleviating pain and also improves cardio vascular system.

Hippophae rhamnoides L.: A Comprehensive Review on the Botany, Traditional Uses, Phytonutrients, Health Benefits, Quality Markers, and Applications

Qin-Ge Ma, Neng-Xin He, Hui-Lian Huang, Xiao-Mei Fu, Zhong-Li Zhang, Ji-Cheng Shu, Qin-Yuan Wang, Jie Chen, Guang Wu, Mei-Ning Zhu, Zhi-Pei Sang*, Lan Cao*, and Rong-Rui Wei*

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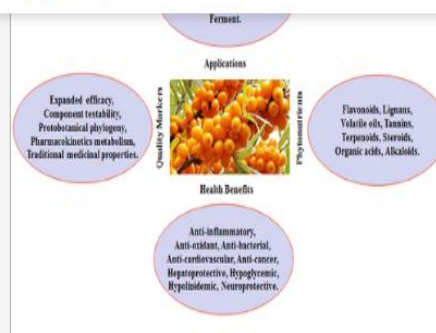
Abstract

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Hippophae rhamnoides L.: A Comprehensive Review on the Botany, Traditional Uses, Phytonutrients, Health Benefits, Quality Markers, and Applications



medicines for relieving cough, aiding digestion, invigorating blood circulation, and alleviating pain since ancient times. Phytochemical studies revealed a wide variety of phytonutrients, including nutritional components (proteins, minerals, vitamins, etc.) and functional components like flavonoids (1–99), lignans (100–143), volatile oils (144–207), tannins (208–230), terpenoids (231–260), steroids (261–270), organic acids (271–297), and alkaloids (298–305). The pharmacological studies revealed that some crude extracts or compounds of *H. rhamnoides* L. demonstrated various health benefits, such as anti-inflammatory, antioxidant, hepatoprotective, antidiabetic, anticardiovascular disease, anticancer,



Hippophae rhamnoides L.: A Comprehensive Review on the Botany, Traditional Uses, Phytonutrients, Health Benefits, Quality Markers, and Applications | Journal of Agricultural and Food Chemistry (acs.org)

Product Description		Company Info.	
QC	ISO,GMP,HACCP	Grade	Pharmaceutical and food
Form	Powder	Place of Origin	China (Mainland)
Testing Method	UV	Type	Herbal Extract
Introduction	Seabuckthorn is plant and the fruit. Seabuckthorn plant seabuckthorn genera, crashing to hu is a deciduous shrub, its characteristic is drought, wind resistance, can survive in the salinization of land, thus is widely used in soil and water conservation. Domestic distribution in north China, northwest, southwest and other places. Seabuckthorn medicine edible plant. Seabuckthorn roots, stems, leaves, flowers, fruits, especially seabuckthorn fruits contain rich nutrients and bioactive substances, can be widely used in food, medicine, light industry, aerospace, agriculture and animal husbandry, fishery, etc many fields of national economy. Seabuckthorn extract for crashing hu families Chinese seabuckthorn plant and yunnan seabuckthorn fruit, cough phlegm, the effect of jianwei xiaoshi, qi and blood stasis.		
Introduction of ingredient	Seabuckthorn flavonoids, seed oil content: 25% seabuckthorn flavonoids seabuckthorn fruit Contains flavonoids ingredients: different rat Li Su (isorhamnetin), different rat Li Su - 3 - O - beta - D - glucose glucoside (isorham - netin - 3 - O - beta - D - glucoside), different rat Li Su - 3 - O - beta rue glucoside (isorhamnetin - 3 - O - beta rutinoside), rutin (rutin), astragalus sinicus glucoside (astragalol) and quercetin (quercetin) and kaempferia galanga phenol (kaempferol) as the aglucone low sugar glucoside. Also contains vitamins (vitamin A, B1, B2, C and E, to hydrogen ascorbic acid (dehydroascorbic acid), folate (folic acid), beta carotene (carotene), carotenoid (carotenoid), catechu extract (catechin), flower pigment (anthocyanin), etc.		
Main	1.Hippophae rhamnoides extract powder with enhanced immune function,can improve the cardiovascular system and anti-tumor. 2.Hippophae rhamnoides extract powder can resist tiredness, reduce blood fat, resist radiation and ulceration, protect the liver, enhance the immunity and so on. 3.Hippophae rhamnoides extract powder has the function of relieving a cough, eliminating sputum, relieving dyspnea, promoting blood circulation by removing blood stasis.		

<https://xatianrui.en.made-in-china.com/product/hXYEbNKzLscl/China-Pure-Natural-Hippophae-Rhamnoides-Fruit-Extract-for-Sale.html>

1.25.11 Pinus Gerardiana Bark Extract: It is a bioflavanoid complex and has powerful antioxidant properties, which play a crucial role in repairing and protecting cells in the body. It is also a dietary supplement as admitted by the importer as well, which helps improve memory functions, improve erectile dysfunction, Vitamin C regeneration etc.

ncbi.nlm.nih.gov/pmc/articles/PMC8094515/

Published online 2020 Sep 29. doi: [10.1002/14651858.CD008294.pub5](https://doi.org/10.1002/14651858.CD008294.pub5) PMID: 32990945

Pine bark (*Pinus* spp.) extract for treating chronic disorders

Monitoring Editor: Cochrane Cystic Fibrosis and Genetic Disorders Group, [Nina U Robertson](#), [Anel Schoonees](#),[®] [Amanda Brand](#), and [Janicke Visser](#)

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This article is an update of "Pycnogenol® (extract of French maritime pine bark) for the treatment of chronic disorders," on page CD008294.

Abstract [Go to: ►](#)

Background

Pine bark (*Pinus* spp.) extract is rich in bioflavonoids, predominantly proanthocyanidins, which are antioxidants. Commercially-available [extract supplements](#) are marketed for preventing or treating various chronic conditions associated with oxidative stress. This is an update of a previously published review.

Objectives

To assess the efficacy and safety of pine bark extract supplements for treating chronic disorders.

Search methods

We searched three databases and three trial registries; latest search: 30 September 2019.

We contacted the manufacturers of pine bark extracts to identify additional studies and hand-searched bibliographies of included studies.

RESOURCES

- Similar articles +
- Cited by other articles +
- Links to NCBI Databases +

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8094515/>

Antioxidants are substances that protect tissue and organs against damaging free radicals. A study in *Ophthalmic Research* demonstrated that the antioxidant potency of French maritime pine bark extract or Pycnogenol® was more powerful than vitamin C, vitamin E, alpha lipoic acid, and coenzyme Q10. The antioxidants in pine bark extract contain bioflavonoids, catechins, epicatechins, procyanidins and phenolic acids—some of these antioxidants are unique to pine bark extract while others can also be found in a variety of fruits such as avocados, strawberries, bananas, and grapes.



Natural Facto
Pycnogenol, 1
★★★★★
null
₹3,058.60

Benefits of Pine bark extract

- Helps the body regenerate vitamin C
- Reduces risk of cataracts
- Improves heart health and blood pressure control
- Helps reduce varicose vein swelling
- Antiplatelet properties help keep platelets from sticking together (similar to aspirin, fish oil and krill oil)
- Protects against hay fever, allergies, and lung disease
- Reduces joint inflammation due to arthritis
- Reduces menstrual disorders
- Improves memory function
- May help improve fertility by improving sperm quality
- Appears helpful for attention deficit hyperactivity disorder (ADHD)
- Improves immune system function
- Helps with wound healing and reduces skin bruising
- Provides anti-aging benefits due to its protection against free radicals with benefits for skin's collagen and elastin

Vitamin C Regeneration

Vitamin C (ascorbic acid) is a crucial antioxidant. A severe deficiency leads to scurvy, which results in bleeding gums, easy bruising, poor wound healing, fatigue, and general weakness. It is more common in smokers, the elderly, and in those with poor intake of fruits and vegetables. I have diagnosed two patients in my practice with scurvy over the years—it is more common than many healthcare providers realize. Pine bark extract helps the body regenerate vitamin C back into the active form in the body, preventing deficiency.

Reduces Risk of Cataracts

A cataract is caused when the lens of the eye becomes cloudy. Scientists believe oxidation is the main reason this occurs. Excessive sun exposure is a risk factor for developing cataracts. A 2017 animal study by Dr. J. Kim showed that pine bark extract could prevent the formation of cataracts. A diet high in fruits and vegetables that contain antioxidants is also beneficial.

Improves Heart Health

Cardiovascular disease is the leading killer worldwide. Pine bark extract helps to lower bad cholesterol, which is believed to clog and block arteries while elevating good (HDL) cholesterol. It also helps reduce chronic inflammation and prevent platelets from sticking together.

According to a 2015 study in *Evidence Based Complementary and Alternative Medicine*, pine bark extract helps prevent arteries from developing atherosclerosis, a precursor to a clogged artery. A 2012 study in the *European Heart Journal* showed pine bark extract could help improve overall health and function of arteries.

French maritime pine bark extract or Pycnogenol® also helps the body produce an important chemical known as nitric oxide, which aids circulation. Nitric oxide also helps blood vessels relax so it can help lower blood pressure.

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14 Health Benefits of Pine Bark Extract | iHerb Blog

1.25.12 Psidium Guajava Extract/Guava Extract: It offers an array of health benefits. Being packed with antioxidants, antibacterial and anti-inflammatory agents and beneficial tannins, it acts as a natural pain reliever. The chemicals contained in these leaves such as polyphenols, carotenoids, flavonoids and tannins can be effective in treating various diseases. It is put up as a supplement to the normal diet to promote general health benefits, like relief in menstrual cramps, lowering blood pressures etc.

ncbi.nlm.nih.gov/pmc/articles/PMC9902774/

Figure 2

Traditional uses of guava around the world and new perspectives and applications.

All parts of the bush have been used to treat different disorders (16). For example, the leaves and fruit are used to treat respiratory and digestive problems, while the seeds and the leaves have been used as an antispasmodic, anti-inflammatory and even in the control of hypertension and diabetes (17).

Its use also varies depending on geographical location. It has been reported that in Trinidad, Fiji, China and distinct parts of Latin America, guava leaves are used to treat diarrhea and stomach pain (12). On the other hand, in Uruguay they are used to wash the vagina and uterus, especially leucorrhoea cases; in the Cook Islands, guava leaves are used for sores, cuts, sprains, and boils; while in India they are used together with the root to treat rheumatism, seizures, and fevers (12). In the Amazonia this plant is used for the treatment of menstrual disorders, stomach pain, and vertigo, in Cuba, for colds, dysentery, dyspepsia, diarrhea, and hypertension. Finally, in Haiti, guava is used for epilepsy, diarrhea and different skin disorders (15).

Thanks to scientific research, novel applications of guava have been discovered in immune and endocrine systems diseases, as well as in cancer and diabetes. In addition, studies have reported that guava leaf extracts can be used to improve skin problems such as acne and hyperpigmentation (18).

3.1. Traditional uses of *Psidium guajava* L. in Mexico

In Mexico, herbalism is an ancient practice that has been used to this day and has great cultural and economic importance. However, in most cases, the active ingredients that provide the beneficial effect are unknown and, therefore, it is a field of study of high scientific interest (19). Guava leaves have been used for medicinal purposes in the country since very remote times, their presence in historical documents on indigenous herbalism has been constant for at least five hundred years (20).

This shrub used to be called by the ancient Mexicans as “*xalxócotl*,” a word in Nahuatl that refers to a fruit that has a “hard and acid shell (*xócotl*) and a sandy texture (*xalil*)”, due to its abundant seeds

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9902774/>

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Discover

Research suggests that guava fruits and leaves may have a number of health benefits. Possible benefits of guava include reducing menstrual cramps, treating flu, lowering blood pressure, and more. In some cases though, more research is necessary.

Guava is a traditional remedy for a range of health conditions.

Guavas are tropical fruits with yellowish-green skin, and they grow on trees in Central America. The Latin name for the common guava tree is *Psidium guajava*.

People use guava leaf tea as a treatment for [diarrhea](#) in several countries, including India and China. In other countries, such as Mexico, people have traditionally used the flesh of the fruit to heal wounds.

In this article, we explore some potential health benefits and uses of guava. We also describe nutritional information, risks, and how to incorporate guava into the diet.

[Health benefits of guava: How to use it, nutrition, and risks \(medicalnewstoday.com\)](#)

1.25.13 Red Yeast Rice Extract: The item is listed under nutraceutical tab on the website of the supplier. As admitted by the importer himself, the imported extracts are used as a sole ingredient or in combination with other items for encapsulation to be used as a dietary supplement. Red Yeast Rice Extract is a dietary supplement that helps lowering cholesterol levels, amongst other health benefits.

Health Benefits of Red Yeast Rice



Medically Reviewed by [Kathleen M. Zelman, MPH, RD, LD](#) on March 23, 2023 | Written by [WebMD Editorial Contributors](#)

Health Benefits

Health Risks

Amounts and Dosage

3 min read

[Red yeast rice](#) is a dietary supplement that is produced by fermenting yeast on red rice. Practitioners of Chinese medicine use this herbal supplement to help treat a variety of health concerns. The fermenting process produces chemicals that are similar to those found in common medications used to [lower cholesterol](#).

Red yeast rice products can vary by type and chemical composition, so they do not all work similarly. Some are chemically similar to [statins](#), which are medications known to help lower cholesterol. Other strains may contain these chemicals or contain them at lower levels.

[Red Yeast Rice: Health Benefits, Uses, Doses, Safety Information, and More \(webmd.com\)](#)

1.25.14 Rhododendron Abroreum Flower Extract: It is used as a dietary supplements for its anti-oxidant properties.

economic life of the people. *Rhododendron* is derived from Greek word. *Rhodo* means "rose" and "dendron" means "tree." It belongs to the family, *Ericaceae*, and was first described by Carl Linnaeus in 1837 [1]. *Rhododendron* was originated in the valley of Himalayas, Kashmir, Assam, Manipur in India and in some regions of Bhutan. The aesthetic beauty of the fully blossomed flowers in the flowering season attracts the attention of the visitors [2]. Due to these reasons, the flower has been entitled as the national flower of Nepal and state flower of Himachal Pradesh (India).

India has been considered as a treasure house of medicinal and aromatic plant species.

According to WHO (2000), 65% of the world's population integrate the medicinal plant for treatment and 80% of the Indian population used plant product for treating many diseases

[3]. *Rhododendron* is one of the naturally occurring plants which possess various health benefits, such as prevention and treatment of diseases associated with heart, dysentery, diarrhea, detoxification, inflammation, fever, constipation, bronchitis and asthma [4]. The leaves possess effective antioxidant activity. The young leaves are used to alleviate headache. The wood of this plant can be used for making khukri handles, packsaddles, gift boxes, gunstocks and posts [5]. Due to the limited availability of the flower, researchers and processors in food and pharmaceutical sectors, with few exceptions, did not yet exploit it. This review focuses on the classification, locality, area and production, composition, distribution, medicinal properties, utilization and future prospective of the *Rhododendron* with the aim of dispersing the facts related to it.

Bioactive compounds, health benefits and utilization of *Rhododendron*: a comprehensive review | Agriculture & Food Security | Full Text (biomedcentral.com)

1.25.15 Sesbania Grandiflora Flower Extract: Used as a dietary supplement to boost immune system and for healthy skin and nails.



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Botanical Name	Sesbania grandiflora
English Name	Sesbania grandiflora
Color	Brown
Form	Powder
Brand	Herbo Nutra
Packaging Type	HDPE Drum
Packaging Size	25 kg

Sesbania Grandiflora Extract, more commonly known as hummingbird tree or agastya, is a small, fast-growing tree indigenous to Malaysia and Australia. Nowadays, Sesbania grandiflora is grown and cultivated in humid regions the world over. The name "agastya" is derived from a Vedic sage and practitioner of Ayurvedic Rasayana of the same name. According to one belief, this sage held Sesbania grandiflora in high regard as a medicinal herb, cementing the place of Sesbania grandiflora in Ayurvedic remedies.

The iron and vitamin C content in Sesbania grandiflora can keep the skin healthy and young looking. Vitamin C is essential for collagen production, while iron is necessary for red blood cells to circulate throughout the body and to the various parts, including the skin. Pale and dull skin is a common symptom of iron deficiency, making Sesbania grandiflora all the more helpful in ensuring healthy skin.

Sesbania grandiflora is a good way to add selenium to the diet. Selenium, as well as vitamin C, can strengthen the immune system and make the body less susceptible to diseases.

1.25.16 Soybean Extract Powder: It is used as dietary supplement for its anti-oxidant, anti-inflammatory and anti-ageing properties.

Role of herbal products as therapeutic agents against ultraviolet radiation-induced skin disorders

Sajeeda Archoo, ... Sheikh A. Tasduq, in [Herbal Medicines](#), 2022

16.4.8 Soybean extract

Soybean (*Glycine max*) is legume species native to East Asia. Soybean extracts are popularly known as nutritional and medicinal ingredients. The functional constituents of soybean include [flavonoids](#), [isoflavonoids](#), [tannins](#), phenolic acids and [proanthocyanidins](#). Soy extracts are beneficial to human skin for their antioxidant, anti-inflammatory, [depigmentation](#) and antiaging effects [37]. Soyabean extract inhibits the formation of CPDS in UVB irradiated human [keratinocytes](#) and prevents cells from possible DNA damage. It also reduces the relative ratio of MMP1/ TIMP-1 mRNA, prevents collagen from degradation and protects cells from UV radiation [38].

[Soybean Extract - an overview | ScienceDirect Topics](#)

1.25.17 Shiitake Mushroom Extract: It is used as dietary supplement to promote heart health and to boost immunity.



Shiitake Mushroom Extract: Benefits, Side Effects & Dosage

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What is Shiitake Mushroom Extract?

If you're a fan of Asian cuisine, one who likes to eat the healthiest foods or just generally appreciates umami, you're probably already familiar with shiitake mushrooms. They're a very popular culinary ingredient worldwide, infamous for their flavor and aroma. But shiitake mushrooms also make a great dietary [supplement](#) that can be used by just about anyone for their astounding health benefits.

The shiitake mushroom is a highly nutritious food item, chock-full of vitamins and fiber as well as dozens of other phytonutrients. They have a long history of use in traditional Chinese medicine, mainly to improve overall health and longevity. They can be eaten fresh, dried or made into extracts. Extracts can come as powders, capsules and liquids ([x](#)).

Whether you're using shiitake mushrooms for heart health, its anti-[cancer](#) properties or any of the other research-backed benefits, they are one the most health-promoting mushrooms on the planet.

[Shiitake Mushroom Extract: Benefits, Side Effects & Dosage \(bulksupplements.com\)](#)

1.25.18 Black Cohosh Extract: It is used as a dietary supplement to promote women's health.

Home > Health Information > Black Cohosh

Black Cohosh

Common Names: black cohosh, black snakeroot, macrotys, bugbane, bugwort, rattleroot, rattlesweed

Latin Names: *Actaea racemosa*, *Cimicifuga racemosa*

Background

- Black cohosh, a member of the buttercup family, grows in North America. Native Americans traditionally used black cohosh for a variety of ailments and introduced it to European colonists.
- Currently, black cohosh is promoted as a dietary supplement for hot flashes and other menopausal symptoms. It's also been promoted for other conditions, including menstrual cramps and premenstrual syndrome, and to induce labor.
- The part of the black cohosh plant used in herbal preparations is the root or rhizome (underground stem).

How Much Do We Know?

- Black cohosh has been studied for menopause symptoms in people. Most of the older studies were not of the highest quality. More recent studies have been of higher quality, but they have differed in the formulation, plant species, or dose used, so it's difficult to know the herb's effects with any certainty. Black cohosh has not been studied as much for conditions other than menopause.

What Have We Learned?

<https://www.nccih.nih.gov/health/black-cohosh>

Black Cohosh: Benefits, Dosage, Side Effects, and More (healthline.com)

Black cohosh is a flowering plant that's **native** to Eastern parts of the United States and Canada. Its scientific names are *Actaea racemosa* and *Cimicifuga racemosa*, and it's sometimes called black bugbane, black snakeroot, baneberry, or bug root.

Its flowers and roots were **commonly** used in traditional Native American medicine, and today it's a popular women's health supplement claimed to help with menopause symptoms, fertility, and hormonal balance.

In fact, the popular **women's health** supplement Remifemin contains black cohosh as an active ingredient.

Black cohosh **may** be effective because it functions as a phytoestrogen, a plant-based compound that mimics the action of the hormone estrogen. However, there's some **debate** as to whether black cohosh can be classified as a true phytoestrogen.

Regardless, black cohosh appears to be beneficial for relieving menopause symptoms. Still, evidence for its other uses is lacking.

1.25.19 Blueberry Extract: It is used as a dietary supplement to promote eye and heart health. The imported good is promoted as a dietary supplement on the website of the importer as well.

verywell / Anastasia Hettia

Blueberry extract is a natural health supplement made from concentrated blueberry juice. A rich source of nutrients and [antioxidants](#), blueberry extract contains beneficial plant compounds (including the flavonol [quercetin](#)) and [anthocyanins](#), a class of compounds thought to reduce [inflammation](#) and protect against heart disease and cancer.^[1]

Although its benefits are unproven, it is often promoted for the following conditions:

- [Age-related macular degeneration](#) (AMD; an eye disease)
- Alzheimer's disease^[2]
- [Diabetes](#)
- Heart disease^[3]
- [High blood pressure \(hypertension\)](#)^[4]
- [High cholesterol](#)

<https://www.verywellhealth.com/blueberry-extract-89424>

1.25.20 Chicory Extract: It is used as a dietary supplement for its anti-oxidant properties.

What Is Chicory?

Chicory (*Cichorium intybus*), a perennial plant, has been around for ages and is grown all over the world. People have long used it as food for their livestock. But it's also popular for human consumption due to its medicinal, nutritional, and culinary properties.

Chicory flowers are bright blue, pink, or white. You may see them along roadsides in summers and in wilderness areas. The leaves of chicory look somewhat similar to those of a dandelion, but their shapes can vary. Mostl they are either deeply lobed or have an irregular, toothed appearance.

Most parts of the plant, including the roots, have tons of nutrients. They include proteins, vitamins, minerals, soluble fiber, carbohydrates, and muc more.

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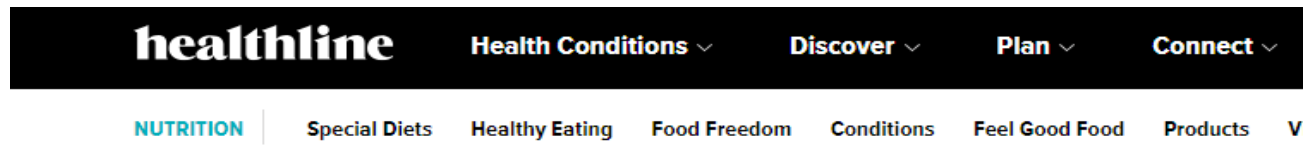
Healthy Eating

Research has found that chicory is:

- Antifungal, antiviral, and antibacterial
- Anticarcinogenic
- Antimutagenic (can reduce the rate of mutation)
- Anthelmintic (can treat parasite-related infections)
- Immune-stimulating
- Antihepatotoxic (can prevent liver damage)
- Antioxidative

[Chicory: Does It Benefit Your Health? \(webmd.com\)](https://www.webmd.com/healthy-eating/what-is-chicory)

1.25.21 Maitake Mushroom Extract: It is used as a dietary supplement to boost the immunity. The imported good is a food grade herbal product as explained by the importer in his statement.



What health benefits are tied to maitake mushroom?

Compared to other mushrooms, maitake has shown better results in preventing and treating cancer and other health conditions. Maitake also has a positive effect on overall immunity.

Maitake mushrooms are rich in:

- antioxidants
- beta-glucans
- vitamins B and C
- copper
- potassium
- fiber
- minerals
- amino acids

[Maitake Mushroom: Risks, Benefits, and More \(healthline.com\)](https://www.healthline.com/health/maitake-mushroom)

1.25.22 Stevia Leaf Extract: It is a compound extracted from the leaves of stevia plant and is commonly used as dietary supplement for diabetes, weight loss. Its health benefits are promoted by importer on its website.

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- CAS No.: 58543-17-2

Details

- FunctionControl high blood pressure and blood sugar levels.
- Help lose weight and reduce cravings for fatty foods.
- Anti-bacterial properties help prevent minor illness and cure minor wounds.
- Improved digestion and gastrointestinal functions.Packing & StoragePacking with fiber drum, 25 kg/drum,or as custo
- Stored in a cool, dry and dark place, shelf life 24 months.

[Stevia Leaf Extract Manufacturer at Latest Price in Noida \(herbonutra.com\)](http://herbonutra.com)

1.26 From the scrutiny of information as detailed above, it was observed that-

1.26.1 The imported extracts were promoted as dietary supplement on the website of the importer. Further, wherever the details in respect of foreign suppliers were available, these imported goods were again promoted as dietary supplement that claims to provide various health benefits. On the website of the importer, it was observed that the imported products were listed under the Brand “Herbo Nutra”, listing several of the benefits of the imported goods. This clearly indicated that the importer was aware about the health benefits of the imported goods and knew the exact nature of the imported goods to be dietary supplement.

1.26.2 The imported extracts are basically standardized herbal / botanical extracts. The importer has submitted flow charts from the manufacturer outlining the extraction process used for imported products.

1.26.3 As per Note 14 of the Explanatory Notes to the heading 2106, the CTH heading 2106 includes the products consisting of plants, mixture of plants parts including plant extracts’ which claim to offer relief from ailments or contribute to general health and well being. Further, as per Note 16 of the Explanatory Notes to the heading 2106, the CTH heading 2106 includes ‘food supplements’ or ‘dietary supplements’, consisting of, or based on, one or more vitamins, minerals, amino acids, concentrates, extracts, isolates or the like of substances found within foods, or synthetic versions of such substances, put up as a supplement to the

normal diet. Here, it is pertinent to mention that the imported products are marketed as nutraceuticals / dietary supplement by the importer and the foreign suppliers and therefore, as per Notes 14 and 16 of the Explanatory Notes to the heading 2106, the imported extracts merit classification under the CTH heading 2106.

1.26.4 The above-described manufacturing process doesn't change the nature and character of imported goods declared as extracts by the firm. These goods having the character of dietary supplements are being imported and used and traded/marketed as dietary supplements to maintain general health or well-being, prevent possible nutritional deficiencies or correct sub-optimal levels of nutrients. All extracts were obtained by sophisticated and advanced means of purification such as abstersion, immersion, chromatographic procedures, etc. and these processes result in a substance containing a targeted compound(s) along with plant material.

1.26.5 In the imported extracts, it is evident that certain compounds are targeted and further concentrated in the extraction and purification process, resulting in a relatively pure herbal product that can no longer be considered as an extract of heading 1302, refined by initial solvent extraction.

1.26.6 The heading 1302 stops at initial solvent extraction which indicate that any step further to that initial solvent extraction shall result into a product which does not fall under the ambit of heading 1302. All the imported extracts have undergone some form of filtration and purification, which results in the change in the degree of the certain compound contents that would not be achievable solely by initial solvent extraction.

1.26.7 The heading also excludes the extracts that are dietary supplement or food supplement due to addition of certain other ingredients. Here, the imported extracts are either food formulation having other ingredients as well and/or are products having the character of dietary supplements due to their nature of being highly refined and purified products. These imported extracts are purified to a degree so that these attain the character of dietary supplements and this purification is not possible through initial solvent extraction.

1.26.8 The imported extracts, being highly refined and finished products do not require any further processing after being imported into India. The importer trade these imported extracts to nutraceutical firms wherein these items are used as sole ingredient or in combination with other ingredients/supplements along with binders and bulking agents to form capsules/tablets/syrups for the ease of consumption, as these imported extracts are to be consumed in specific dosages.

1.26.9 Since the goods are dietary supplements / food formulations and not mere extracts as claimed by the importer, thus the appropriate heading for such goods in customs tariff is 2106 and not 1302.

1.27.1 From import data of the importer, it was observed that in the Bill of Entry No. 9887075 dated 05.08.2022 filed at INBOM4 for pomegranate extract, a query dated

06.08.2022 was raised wherein it was asked *to upload the composition details in order to ascertain the declared classification*, and importer submitted documents like Certificate of Analysis, specimen label copy, COO certificate etc. But, the importer had never declared before the Customs that it was basically a product having the character of dietary supplement.

1.27.2 In the Bill of Entry No. 3243924 dated 10.11.2022 filed at INNSA1 for ginkgo biloba extract, a query dated 10.11.2022 was raised wherein importer was asked *for item specification/catalogue/write-up etc. w.r.t. declared CTH* wherein importer uploaded the sale contract, invoice etc. However, the importer had not declared that the product was refined extract wherein advanced process like Chromatography elution was used in extraction. However, the importer was in the possession of suppliers' flowchart which has been detailed in para supra.

1.28 Stevia extract was being imported under CTH 1302 but in one Bill of Entry No. 4954319 dated 08.03.2023 filed at INNSA1, the same was classified by the importer under CTH 29389090 which is discussed as below:

The goods classifiable under Ch 29 are organic chemicals; and not food supplements or edible preparations. In terms of Explanatory notes to Chapter 29, the scope of goods under the said Chapter is as below:

Notes.

1.- Except where the context otherwise requires, the headings of this Chapter apply only to :

- (a) Separate chemically defined organic compounds, whether or not containing impurities;
- (b) Mixtures of two or more isomers of the same organic compound (whether or not containing impurities), except mixtures of acyclic hydrocarbon isomers (other than stereoisomers), whether or not saturated (Chapter 27);
- (c) The products of headings 29.36 to 29.39 or the sugar ethers, sugar acetals and sugar esters, and their salts, of heading 29.40, or the products of heading 29.41, whether or not chemically defined;
- (d) The products mentioned in (a), (b) or (c) above dissolved in water;
- (e) The products mentioned in (a), (b) or (c) above dissolved in other solvents provided that the solution constitutes a normal and necessary method of putting up these products adopted solely for reasons of safety or for transport and that the solvent does not render the product particularly suitable for specific use rather than for general use;
- (f) The products mentioned in (a), (b), (c), (d) or (e) above with an added stabiliser (including an anti-caking agent) necessary for their preservation or transport;
- (g) The products mentioned in (a), (b), (c), (d), (e) or (f) above with an added anti-dusting agent or a colouring or odoriferous substance added to facilitate their identification or for safety reasons, provided that the additions do not render the product particularly suitable for specific use rather than for general use;
- (h) The following products, diluted to standard strengths, for the production of azo dyes : diazonium salts, couplers used for these salts and diazotisable amines and their salts.

The CTH 2938 reads as below:

29.38 - Glycosides, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives.

2938.90 - Other

Stevia is a compound derived from the leaves of Stevia plant and having the character of dietary supplements which is rightly classifiable under CTH 2106. As detailed above, the scope of goods under Ch 29 is organic chemicals; and not food preparations. Thus, the classification under 9090 as adopted by the importer is liable for rejection.

1.29 During the course of investigation, the importer submitted a declaration dated 22.08.2023 wherein he accepted that the extracts imported by his firm under CTH 1302 are rightly classifiable under HSN 21069099 as the same are highly refined and purified products having character of dietary supplements. The importer made a voluntary payment of Rs. 10,00,000/- vide TR6 Challan No. 1097 dated 14.09.2023.

1.30 It has been gathered that, mere extracts produced by way of initial solvent extraction cannot be used as dietary supplement due to potential risks of being impure and contaminated, and hence cannot be given FSSAI certification. Therefore, the extracts which are being imported by the importer are processed food / dietary supplements and / or purified and processed by the respective foreign suppliers so that the same attains the character of dietary supplements. For the CTH 2106, there is levy of BCD@150% but considering the benefit of S.No.103 of Customs Tariff Notification No. 50/2017-Cus dated 30.06.2017, the effective BCD rate under consideration is 50%. The applicable rates of duty on goods of CTH 1302/2938 & 2106 9099 and the differential duty calculation chart are tabulated as below in Table III and Table IV respectively:

TABLE-III				
CTH/Chapters	Basic Customs Duty (assuming AV = 100)	10% SWS on BCD	IGST Rate	Cumulative Duty
1302	15%	1.5%	18%	37.470%
2938	7.5%	0.75%	18%	27.735%
21069099	50%	5%	18%	82.9%

TABLE-IV				
Period of Import	Assessable Value (in cr)	BCD Rate	Total Cumulative Duty paid	Differential duty (as per correct Chapter 21)
2022 - Till date	62916690	15/7.5	2,00,10,789	3,21,47,148/-

1.31 QUANTIFICATION OF DUTY LIABILITY:

The Bills of Entry were assessed at different ports and accordingly the duty difference, port-wise in the instant issue was as follows in Table V:

TABLE-V					
Port	Assessable Value	Total Duty Paid		Duty Liable to be Paid (Ch.21)	
		Cumulative Duty Rate	Total Duty Paid(Y)	Cumulative Duty Rate	Differential Duty Liability
INNSA1 (Annx.A) IEC-AAFCH9959R	55271782	37.470/27.735%	1,74,39,402	82.9%	2,83,80,906
INBOM4 (Annx.B) IEC-AAFCH9959R	7644908	37.470%	25,71,387	82.9%	37,66,242
Total	62916690		20010789		3,21,47,148

1.32 In view of the above, M/s Herbo Nutra Extract Pvt. Ltd., (IEC – AAFCH9959R) was called upon to show cause seeking, as to why:

1.32.1 The classification adopted under the Chapter 1302/2938 for the imported goods in question should not be rejected and instead the CTH 21069099 (for all extracts) should not be adopted for the goods imported vide Bills of Entry as detailed in Annexure A, B;

1.32.2 An amount of Rs. 3,21,47,148/- (Three Crore Twenty One Lakh Forty Seven Thousand One Hundred Forty Eight only) (as mentioned in Table V) should not be recovered from M/s. Herbo Nutra Extract Pvt. Ltd. for the assessed Bills of Entry (as mentioned in Annexure-A,B) filed at Mumbai ACC port (INBOM4) and Mumbai Nhava Sheva port (INSAA1), under Section 28(4) of the Customs Act, 1962 alongwith interest under Section 28AA of the Customs Act, 1962;

1.32.3 An amount of Rs. 10,00,000/- (Ten Lakh only) deposited by the importer should not be appropriated against the aforesaid duty, interest and payment;

1.32.4 The seized goods having value of Rs. 1,14,33,339/-(One Crore Fourteen Lakh Thirty Three Thousand Three Hundred Thirty Nine Only) as detailed in Annexure C, should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962.

1.32.5 The imported goods, other than the seized goods, valuing Rs. 5,14,83,351 /- [Rs. 6,29,16,690 – Rs. 1,14,33,339] (Five Crore Fourteen Lakh Eighty Three Thousand Three

Hundred And Fifty One Only) should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962.

1.32.6 Penalties should not be imposed upon M/s Herbo Nutra Extracts Pvt. Ltd. under Sections 112(a)/114A of the Customs Act, 1962.

1.33 In view of the above, Sh. Bhashkar Dwivedi, Director of M/s Herbo Nutra Extracts Pvt. Ltd. was also called upon to show cause seeking, as to why penalty should not be imposed on him under Section 112(a) of the Customs Act, 1962.

WRITTEN SUBMISSIONS

2. M/s. Herbo Nutra Extract Pvt. Ltd. gave written submissions vide their letter 08.05.2024, wherein they *inter-alia* submitted as below:

2.1 The noticee pointed out to several issues raised in the Show Cause Notice by submitting brief of the case as mentioned in detail in paras supra. The SCN related to classification of 'Vegetable Extracts'. They imported 27 consignments of 'Vegetable Extracts' during the period of August 2022 to September 2023 vide 27 BEs filed at JNCH and 8 BEs filed at ACC, Mumbai. All extracts are packed in paper drums containing 25 Kgs each containing a label declaring *inter-alia*:

- (i) Ingredients for use in the nutraceutical as raw material;
- (ii) Not for direct Human Consumption/Retail Sale;

2.2 No substance has been added to extract imported by them. The allegation in SCN that imported product contain another ingredient is without any basis. No evidence whatsoever has been given in the SCN, except a bald allegation, in support of the allegation. In support of its contention that imported product contain only extract, noticee submitted certificate issued by the manufacturer of those extracts.

2.3 Food Safety and Standard Authority of India (FSSAI) defines Nutraceuticals as product derived from food sources with extra health benefits beyond basic nutritional value. Extract imported are raw material for the manufacture of nutraceutical and used as one of the ingredients in the final product and cannot be directly used in the imported form. The final product is sold in the form of "capsule/tablet/ gummies/ powder/syrup" after addition of various other products. They submitted the list of other products which are added to make the final product. In FSSAI (Nutraceutical) Regulation 2016, these products have been listed as "ingredient" only. In para 8.2(vii) of SCN also it has been stated that

"the importer trade these imported extract to nutraceutical firms where in these items are used as sole ingredients or in combination with other ingredients /supplements along with binders and bulking agent to form capsules /tablets/syrups for the ease of consumption". Further a dosing instruction is also required.

2.4 They reproduced the parts of the HSN notes of Chapter 1302 and submitted that from the explanatory notes the following emerged:

- the Extracts can be obtained by solvent extraction process and may be in liquid or solid form.
- "Fluid extracts" are solutions of extracts in, for example, alcohol, glycerol or mineral oil. Tinctures and fluid extracts are generally standardized by adding mineral oil to produce commercial grade.
- "Solid extracts" are obtained by evaporating the solvent. Inert substances are sometimes added to certain extracts so that they can be more easily reduced to powder or to obtain a standard strength. The addition of such substances does not affect the classification of these solid extracts.
- Extracts when subjected to additional extraction cycles or to refining/ purification processes, such as chromatographic purification, that increase or decrease certain compounds or compound classes to a degree that cannot be achieved solely by means of initial solvent extraction are excluded from heading 13.02.
- Extracts are also excluded from heading 13 02 when, because of the addition of other substances, they have the character of food preparations, medicaments, etc.

2.5 They relied upon the judgment in matter of Commissioner of Customs & C. Ex, Goa vs Phil Corporation Ltd 2008(223) ELT 9 (SC) wherein it was held that "--HSN is a safe guide for the purpose of deciding issues of classification--" and also in the matter of LML Ltd Vs Commissioner of Customs 2010 (258)ELT 321(SC) wherein it was held that "--for resolving any dispute relating to tariff classification, a safe guide is the internationally accepted nomenclature emerging from the Harmonious System of Nomenclature (HSN)". Accordingly, HS explanatory note to heading 1302 as above can be taken as guide for deciding the classification of the "vegetable extracts" under reference.

2.6 Heading 2106 of the Custom Tariff covers "Foods preparations, not elsewhere specified or included". This heading is, therefore, residuary in nature and will cover only those items which are not included in any other heading of the Customs Tariff. Goods imported by them are "vegetable extracts" and the same are classifiable under tariff heading 13 02 of the Customs Tariff which specifically covers "vegetable extracts", however these, will be excluded from this heading when i) subjected to additional extraction cycles or to refining/ purification processes that increase or decrease certain compounds or compound classes to a degree that cannot be achieved solely by means of initial solvent extraction, or (ii) because of addition of other substances, they have the character of food preparations, medicaments, etc. They submitted that goods imported by them are only "vegetable extract" and no other substance has been added in it. SCN also does not contain any such allegation that other substances have been added in these imported vegetable extracts. In support of their above submission that goods are only extract, they submitted copy of the certificate given by the Supplier, for each extract, certifying that goods imported contain 100% extracts only. Therefore, only ground on which these extracts could be excluded from heading 13 02 of the Customs Tariff, would be, when they have been subjected to additional extraction cycles or to refining/ purification processes that increase or decrease certain compounds or compound classes to a degree that cannot be achieved solely by means of initial solvent extraction.

2.7 Details regarding use of these "vegetable extracts" and additional extraction process undertaken are contained in para 8 of the SCN. Para 8.1 contain a table having description of the extract [column (2)], Benefit/reference Website [column (3)] and documents reference of importer/its foreign supplier [column(4)]. Column (3) give benefit of the extracts, as per information given this column all extracts are used as dietary supplement. It also contains intended benefit of the extract and details of website where information is available. In Column(4), in respect of (i) Elderberry Extract, (ii) Ginko Biloba Extract, (iii) Cranberry Extract, (iv) Vaccinium Oxycoccus Extract,(V) Sesbina Grandiflora Flower Extract and (vi) Blueberry Extract it has been stated that flow chart of the extraction process under taken by the supplier clearly indicate that advance techniques has been used in extraction process. However, no such allegation/statement has been made regarding use of advance technique in extraction or purification in respect of remaining extracts. A combine reading of both columns 3&4 show that whereas classification of (i) Elderberry Extract, (ii) Ginko Biloba Extract, (iii) Cranberry Extract, (iv)Vaccinium Oxycoccus Extract, (v) Sesbina Grandiflora Flower Extract and (vi)Bluberry Extract has been proposed under Tariff Heading 21.06 on the ground that these extracts have been obtained using advance extraction technique and that they are used as dietary supplement, classification of remaining 17 was proposed under heading 2106 only on the ground that they are used as dietary supplement. As per EN to heading 13 02, an extract will be excluded from Tariff Item 13 02 if it been subjected to additional extraction cycles or to refining/ purification processes, or because of the addition of other substances, they have the character of food preparations, medicaments, etc. In this case extracts are pure extract and no other substance has been added to them. Further in respect of 17 extracts, SCN does not allege that any advance technique has been applied or these extracts have been subjected refining/purification process. They submitted that the said 17 extracts have been obtained by simple solvent extraction and has not been subjected to any advance technique. Therefore,the said 17 extracts will fall under heading 13 02 of the Customs Tariff. Heading 2106 of the Customs Tariff being a residuary heading will cover those goods which are not covered under any other heading and since in this case these extracts are covered under tariff Heading 13 02, they will not fall under tariff heading 21 06.

2.8 With regard to products viz. Elderberry Extract, Ginko Biloba Extract, Cranberry Extract,Vaccinium Oxycoccus Extract, Sesbina Grandiflora Flower Extract and Bluberry Extract, it has been mentioned in the SCN that advance extraction methods have been applied when obtaining the finished goods. In this regard they submitted that when obtaining the said six extracts also only primary extraction process has been applied and not the advance extraction process as alleged in the SCN. In case of import of elderberry extract, cranberry extract, blue berry extracts and vaccinium Oxycoccus Extract,it has been stated that advance process likeabstersion has been used. "Abstersion" means "cleaning", which is normal activity employed in extraction process and not an advance extraction technique as alleged in the SCN. In case of Ginko Biloba Extract, it has been stated that "flow chart of GinkoBiloba Extract recovered from the importer clearly indicate that chromatographic elution is used". In case of Sesbania grandiflora flower Extract it has been stated that "flow chart of the extraction process adopted by supplier clearly indicatethat advanced techniques have been used".

2.9 In case of stevia extract (Steviol Glycosides) imported vide Bill of Entry No 4954319 dated 08.03.2019, they classified the goods under Tariff Item 2938 90 90 of the Customs Tariff. Heading 29 38 covers Glycosides, natural or Reproduced by synthesis and their salts, ethers, esters and other derivatives. As per HS explanatory Note to heading 29 38

"Glycosides occur mainly in the vegetable kingdom. Usually, under the action of acids, bases or enzymes, they are split into a sugar part and a non-sugar part (aglycone). These parts are bonded to each other via the anomeric carbon atom of the sugar. Thus, products such as vacciniin and hamamelitannin of heading 29.40 are not considered to be glycosides.

The most common naturally-occurring glycosides are the O-glycosides, in which the sugar moiety and aglycone normally are linked by an acetal function. However, there are also naturally-occurring N-glycosides, S-glycosides and C-glycosides, in which the sugar's anomeric carbon is linked to the aglycone via a nitrogen atom, a sulphur atom or a carbon atom, (a C-glycoside). The aglycone is sometimes linked to the sugar by an ester group. Glycosides are generally solid, colourless compounds; they form the reserve substances in vegetable organisms, or act as stimulants. Many are used for therapeutic purposes"

2.10 In this case it has been clearly mentioned in bill of entry that Stevia extracts "Steviol Glycoside". As per certificate of analysis issued by the manufacturer of these, "steviol glycoside" content is not less than 95%, therefore these have been correctly classified under heading 2938 (Tariff item 29389090) of the Customs Tariff which covers natural "glycosides". As regards allegation in the SCN that goods classifiable under Ch 29 are organic chemicals and not food supplements or edible preparations and since in this case goods imported are dietary supplement, they are correctly classifiable under tariff item 21 06 they submitted that heading 2938 covers Glycosides natural or produced by synthesis. In this case stevia extract are "steviol glycosides" only, therefore these have been correctly classifiable under heading 2938 (Tariff item 2938 9090 of the Customs Tariff) which specially covers natural glycosides.

2.11 In their support, they relied upon below mentioned US Customs Rulings in respect of various products imported by them:

2.11.1 Bilberry Extract Powder:

The National Commodity Specialist Division, US Customs Ruling N336958 dated August 4th, 2022 - It has been held that the correct heading applicable for Bilberry Extract Powder would be 1302.19 which provides for

"VEGETABLE SAPS AND EXTRACTS; PECTIC SUBSTANCES, PECTINATES AND PECTATES; AGAR-AGAR AND OTHER MUCILAGES AND THICKENERS, WHETHER OR NOT MODIFIED, DERIVED FROM VEGETABLE PRODUCTS; Other: Extracts"

2.11.2 Milk Thistle Extract:

The National Commodity Specialist Division, US Customs Ruling N236981 dated May 1st, 2013- It has been held that the correct heading applicable for Milk Thistle Extract would be 1302.19 which provides for

"VEGETABLE SAPS AND EXTRACTS; PECTIC SUBSTANCES, PECTINATES AND PECTATES; AGAR-AGAR AND OTHER MUCILAGES AND THICKENERS, WHETHER OR NOT MODIFIED, DERIVED FROM VEGETABLE PRODUCTS; Other: Extracts"

2.11.3 Stevia Leaf Extract:

The National Commodity Specialist Division, US Customs vide Ruling N051978 dated February 23d, 2009 has held that the correct applicable customs tariff for Stevia Leaf Extract would be 2938.90 which provides for

"GLYCOSIDES, NATURAL OR REPRODUCED BY SYNTHESIS AND THEIR SALTS, ETHERS, ESTERS AND OTHER DERIVATIVES: Other"

Hon'ble CESTAT in the matter of Pioma Chemicals vs Commissioner of Customs, Nhava Sheva, 2019(370) ELT 301(Tri-Mum), has held that Ruling by US customs has persuasive value. On this ground also these extracts are classifiable under Tariff Heading 1302/2938 of the Customs Tariff.

2.12 In para 8.1 of the SCN, in support of the contention that these extracts are used as dietary supplement, reliance has also been placed on the statement of Shri Bhashkar Dwivedi, Director of the Noticee and FASSAI license to support the claim that goods are dietary supplement and are classifiable under Tariff heading 21 06 of the Customs Tariff. In this regard, they submitted that all the extracts are imported in bulk packing and label contained clear declaration as mentioned below:

- I INGREDIENTS FOR USE IN THE NUTRACEUTICAL AS RAW MATERIAL;
- II NOT FOR DIRECT HUMAN CONSUMPTION/RETAIL SALE

Further no substance has been added to these extracts and imported goods contain 100% extract only and they are used as raw material for the manufacture of nutraceutical. Before the said products are put to retail sale, various products are added to it and dosing instruction are incorporated. The imported extracts cannot be used as nutraceutical in the form they have been imported as no dose instruction are provided on the imported extract label. The extracts imported are nutraceutical ingredients and not the finished products. They submitted the labels affixed on the finished products made by the imported extracts.

2.13 They submitted that classification of an item is determined according to the terms of headings and any relative Section or Chapter Notes. Based on the description of the goods and scope of Tariff heading 13.02, these goods are classifiable under Heading 13.02 of the Customs Tariff only. As regards heading No 21 06 proposed in the SCN, the said heading covers "Food preparation not elsewhere specified or included". The heading is therefore residual in nature and will include only those goods which are not included in other headings of the Tariff. Hon'ble Apex Court in the matter of Akbar Badrudin v. Collector of Customs, 1990 (2) SCC 203 = 1990 (47) E.L.T. 161 (S.C.); Commissioner of Customs v. G.C. Jain, 2011 (12) SCC 713 = 2011 (269) E.L.T. 307 (S.C.)] has held that a commodity cannot be classified in a residuary entry, in the presence of a specific entry, even if such specific entry

requires the product to be understood in the technical sense. In support of their view, they further relied upon judgments in case of Jayant Oil Mills, 1989 (40) E.L.T. 287 (S.C.); H.P.L. Chemicals v. C.C.E, 2006(197) E.L. T. 324 (S.C.); C.C.E. v. Carrier Aircon, 2006 (5) SCC 596 = 2006 (199)E.L.T. 577 etc.

2.14 With regard to the reference made in the SCN regarding query raised by department in Bills of Entry filed at Air Cargo Complex, Mumbai & Nhava Sheva and response given by them; they stated that they were all along holding a belief that goods being "vegetable extract" are classifiable under heading 13 02 of the Customs Tariff which is specific entry for it and not as dietary supplement under residual heading 2106.

2.15 For the sake of argument, even if it is considered that advance technique has been used for the extraction of the imported goods,even then they will, fall under Chapter 29 as organic chemical or in heading 3824 of the Customs tariff. That US Customs and border Protection in Customs Ruling HQ H262217 dated 24.08.2016 in the matter of import of "bilberry extract" which had under gone advance extraction process, held that these are classifiable under Tariff heading 382490.

2.16 With regard to the demand of differential duty under Section 28(4) of the Customs Act, 1962, they stated that they classified the imported goods under heading 1302/2938 on the ground that the goods are vegetable extracts which are specifically covered under heading 1302. Claiming classification as per one's belief does not fall within the scope of term collusion or willful mis-statement or suppression of facts which are required for raising demand under the said section. The issue relates to classification which is interpretational in nature. Therefore, on this ground demand under section 28(4) is not maintainable.

2.17 SCN also proposes confiscation of these goods under Section 111(m) of the Customs Act, 1962, on the ground that goods have been classified incorrectly with intention to evade payment of correct duty. They have already made a detailed submission that these goods are classifiable under tariff Heading 1302/2938 of the Customs Tariff. Otherwise also mention of wrong tariff heading or claiming benefit of an eligible exemption notification does not amount to mis-declaration making the goods liable to confiscation under section 111(m) of the Customs Act, 1962. In support of their claim, they relied upon judgment in case of Lewek Altair Shipping Pvt. Ltd. vs. Commissioner of Customs Vijaywada 2019 (366) E.L.T.318 (Tri. - Hyd.), Sirthai Superware India Ltd vs Commissioner of Customs 2020(371) ELT 324 (Tri-Mum). As the goods are not liable for confiscation under Section 111 of the Act, therefore, they are not liable to penalty under section 112(a) of the Customs Act, 1962.

2.18 As regards proposal of imposing penalty under section 114A of the Customs Act, 1962, Notice they stated that penalty under section 114A is imposable only when demand of duty is made under section 28(4) of the Customs Act, 1962 and same is confirmed under section 28(8) of the Act *ibid*. As submitted above in this case demand of duty under section 28(4) of the Customs Act, 1962 is not maintainable in law as it is not case where duty has been short paid due to "(a) collusion; or (b) any willful mis-statement; or (c) suppression of facts", therefore no demand can be confirmed under section 28(8) of the Customs Act, 1962.

Accordingly, they are not liable to penalty under Section 114A of the Customs Act, 1962. In this regard they relied on the decision of Hon'ble Delhi High Court in the matter of Commissioner of Customs Import, General vs. Care Foundation 2014(302) ELT 181 (Del).

3. Shri Bhaskar Dwivedi, Director of M/s. Herbo Nutra Extract Pvt. Ltd. gave written submissions vide his letter dated 08.05.2024 wherein he, *inter-alia*, stated that the allegation against him is contained in para no. 15.2 of the SCN. He denied all the allegations contained in the SCN and in particular deny that he is liable for penal action under Section 112 of the Customs Act, 1962. He referred to the above reply filed by M/s. Herbo Nutra regarding classification of the goods, demand of duty & confiscation of the goods. As per the above submissions, the goods under reference are classifiable under heading 1302 and are liable for 15% BCD and they are not liable to pay the duty demanded in the SCN. As the duty demand is not maintainable and goods are not liable for confiscation, therefore, he is not liable for penalty under Section 112 of the Customs Act, 1962.

4. M/s. Herbo Nutra Extract Pvt. Ltd. gave written submissions vide their letter dated 05.05.2025 wherein they reiterated their earlier submissions & *inter-alia* submitted as below:

4.1 Goods imported by them are only extracts and they have not been subjected to advanced refining processor or ultra-filtration and cannot be directly used in the imported form. The final product is sold in the form of 'capsule/tablet/gummies/powder/syrup' after addition of various other products. They submitted label of some products in which the imported goods are used as raw material. The imported extracts are packed in paper drums containing 25 Kgs each and drums containing a label declaring that the goods are ingredients for use in the nutraceuticals raw material and not for direct human consumption/Retail sale. Further, in FASSAI (Nutraceutical) Regulations, 2016, the said products have been listed as ingredient only. They further stated that the buyer of the imported products also uses them as raw material only. In their support, they submitted letters issued by some of the buyers.

4.2 In SCN no evidence has been given that other substances have been added in it or the goods have been subjected to additional extraction cycles. In support of their claim that the goods are only extracts, they submitted the copies of the certificates given by the supplier certifying that the goods contain 100% extract.

4.3 Examples of various vegetables extracts such as Ginseng extract, Hop Extract, Pyrethrum Extract, Aloe, Podophyllum, Curare, Quassia Amara, Belladonna etc given in HSN under heading 1302 also have health and medicinal benefits which promote human health. However, the said products are included under heading 1302 and the same cannot be classified under heading 2106 just because the same are dietary supplements. They relied upon the judgment in case of Cachet Pharmaceuticals P Ltd. Vs CC- 2017(356) ELT 300 wherein Hon'ble tribunal held that Ginseng extract imported in the form of tablets, containing 98% Ginseng extract and balance 2% binder in the form of corn starch & magnesium stearate and which is used as health supplement is classifiable under heading 13.02 and not under 21.06.

4.4 They submitted that the imported products have only gone initial extractions procedure and any & every purification process would not result in exclusion of the vegetable extracts from heading 13.02 but only purification such as chromatography purification and ultrafiltration or additional liquid-liquid extraction. No evidence has been cited in the SCN which established that the imported vegetable extracts have undergone purification process such as chromatography purification and ultrafiltration or additional liquid-liquid extraction. Even if it is assumed that the goods have undergone ultra-purification processes, that by itself won't be sufficient to classify the goods under heading 21.06 since the vegetable extracts are not foods preparations. For classification under 21.06, it is necessary that there should have been addition of substances to the vegetable extracts by reason of which they have the character of food preparation. In the instant case, there is no evidence of addition of such substances to the vegetable extracts which give them the character of food preparations.

4.5 As laid down in various judgments, the burden of classification is on revenue and it is for revenue to lead evidence to establish that the goods are classifiable in the manner claimed by the revenue. They relied upon judgment in case of UOI Vs Garware Nylons Ltd – 1996 (87) ELT 12, Nanya Imports & Exports Enterprises Vs CC- 2006 (197) ELT 154 & HPL Chemicals Ltd Vs CCE- 2006 (197) ELT 324.

PERSONAL HEARING

5. Opportunity for personal hearing was granted to the noticee and in response to the same, Shri Jaideep C. Patel, Advocate authorized representative of M/s. Herbo Nutra Extract Pvt. Ltd. and Shri Bbaskar Dwivedi- Director of M/s. Herbo Nutra Extract Pvt. Ltd. appeared for personal hearing on 03.09.2025. During the hearing, they reiterated their written submissions dated 08.05.2024 & 05.05.2025. They further submitted copies of the judgment relied upon in their submissions along with the HSN notes and US Customs rulings.

DISCUSSIONS AND FINDINGS

6.1 I have carefully gone through the Show Cause Notice, material on record and facts of the case, as well as written and oral submissions made by the Noticee. Accordingly, I proceed to decide the case on merit.

6.2 The adjudicating authority has to take the views/objections of the noticee on board and consider the same before passing the order. In the instant case, the personal hearing was granted to the noticees on 03.09.2025 which was attended by the respective Authorised representative of M/s. Herbo Nutra Extraction Pvt. Ltd. and Shri Bhaskar Dwivedi. During the hearing, the noticees gave their submissions which have been duly taken on record as detailed in preceding paras. In the instant case, as per Section 28(9) of the Customs Act, 1962 the last date to adjudicate the matter was 03.03.2025 which was extended by the Chief Commissioner of Customs in terms of first proviso to Section 28(9) of the Act *ibid* up to 03.03.2026 vide his order dated 25.02.2025. Therefore, the case has been taken up by me for adjudication proceedings within the time limit.

6.3 I find that in compliance to the provisions of Section 28(8) and Section 122A of the Customs Act, 1962 and in terms of the principles of natural justice, opportunities for Personal Hearing (PH) were granted to the Noticees. Thus, the principles of natural justice have been duly followed during the adjudication proceedings. Having complied with the requirement of the principle of natural justice, I proceed to decide the case on merits, bearing in mind the allegations made in the SCN as well as the submissions / contentions made by the Noticee.

6.4 The present proceedings emanate from Show Cause Notice No. 2712/2023-24/COMMR./Gr.1&1A/NS-I/CAC/JNCH dated 04.03.2024 issued to M/s. Herbo Nutra Extract Pvt. Ltd. & its director Mr. Bhaskar Dwivedi, alleging mis-classification of extracts under Chapter Heading 1302. The noticee has imported the goods as vegetable extracts by classifying the same under Chapter heading 1302, whereas the Show Cause Notice finds that the said goods merits classification under Chapter Heading 2106 due to their composition, usage & extraction method. It is alleged in the notice that the imported products are food supplements/dietary supplements and accordingly classifiable under Chapter heading 2106. It is further alleged in the notice that the extraction procedure of the imported products was subjected to various refined procedures and thus the character of the imported extract/product formed appears to be no longer classified under Chapter Heading 1302. Accordingly, SCN alleged that the differential amounting to Rs. 3,21,47,148/- is recoverable from the importer along with applicable interest under Section 28AA. The SCN further proposes holding the goods liable for confiscation under Section 111(m) of the Act, and seeks imposition of penalties upon M/s. Herbo Nutra Extracts Pvt. Ltd. and Shri Bhaskar Dwivedi.

6.5 I find that the importer M/s. Herbo Nutra Extracts Pvt. Ltd. has contended that the goods imported by them are classifiable under heading 1302 only and they have classified the goods correctly. It is submitted by the noticee that the goods imported by them cannot be used in the imported form and the same are ingredients for manufacturing the final nutraceutical products. The noticee further submitted that no other substances are added to the imported goods for the said goods to be classified under heading 2106. I find that the importer has further submitted that in the extraction of the imported goods, no ultra-filtration process has been adopted and accordingly the same are classifiable under heading 1302 only and not under 21.06. With regard to product Stevia Extract, the noticee submitted that the said product is having content of not less than 95% of Steviol glycoside and therefore merits classification under heading 2938 which covers glycosides and not under heading 2106 as alleged in the notice. On the basis of their aforementioned submissions, the noticee requested to drop the said Show Cause Notice.

6.6 I have carefully gone through the records of the case, the allegations made in the Show Cause Notice, and the written and oral submissions made by the importer. On careful perusal of the Show Cause Notice, I find that the following main issues arise for determination in this case:

A. Whether the products viz. extract imported by M/s. Herbo Nutra Extracts Pvt. Ltd. (details as per Annexure-A&B attached to the subject SCN) which were classified under CTH 1302/2938, should be reassessed under CTI 21069099 or otherwise;

B. Whether the goods as detailed in Annexure-A&B to the notice should be confiscated under Section 111(m) of the Customs Act, 1962 or otherwise;

C. Whether the differential duty amounting to Rs. 3,21,47,148/- should be demanded and recovered in terms of Section 28(4) of the Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962 or otherwise;

D. Whether the Penalty should be imposed on the importer M/s. Herbo Nutra Extracts Pvt. Ltd. under Section 112 (a) and /or 114A of the Customs Act, 1962 or otherwise;

E. Whether the Penalty should be imposed on Mr. Bhaskar Dwivedi, Director of M/s. Herbo Nutra Extracts Pvt. Ltd. under Section 112 (a) of the Customs Act, 1962 or otherwise.

6.7 After having framed the substantive issues raised in the SCN which are required to be decided, I now proceed to examine each of the issues individually for detailed analysis based on the facts and circumstances mentioned in the SCN; provision of the Customs Act, 1962; nuances of various judicial pronouncements, as well as Noticee's oral and written submissions and documents / evidences available on record.

A. Whether the products viz. extract imported by M/s. Herbo Nutra Extracts Pvt. Ltd. (details as per Annexure-A &B attached to the subject SCN) which were classified under CTH 1302/2938, should be reassessed under CTI 21069099 or otherwise;

7.1 I note that the goods should be classified under respective chapter headings duly following the General Rules of Interpretation keeping in mind the material condition and basic details of the goods. I find that the classification of goods under Customs Tariff is governed by the principles as set out in the General Rules for the Interpretation of Import Tariff. As per General Rules for the Interpretation of the Harmonised System, classification of the goods in the nomenclature shall be governed by Rule 1 to Rule 6 of General Rules for Interpretation of Harmonised System. Rule 1 of General Rules for Interpretation is very important Rule of interpretation for classification of goods under the Customs Tariff which provides that classification shall be determined according to the terms of headings and any relative Section or Chapter Notes. It stresses that relevant Section/Chapter Notes have to be considered along with the terms of headings while deciding classification. It is not possible to classify an item only in terms of heading itself without considering relevant Section or Chapter Notes. I also put reliance upon the judgement of the Hon'ble Tribunal in case of Pandi Devi Oil Industry Vs. Commissioner of Customs, Trichy [2016 (334) ELT-566 (Tri-Chennai)] wherein it was held that it is settled law that for classification of any imported goods, the principles and guidelines laid out in General Interpretative Rules for classification should be followed and the description given in chapter sub-heading and chapter notes, section notes should be the criteria.

7.2 I find that the noticee has imported different types of extracts, (as tabulated in Para 1.25.1 above) by classifying the same under Chapter Heading 1302; except Stevia Extract which was classified under CTH 2938. However, the notice alleges that all the products imported by M/s. Herbo Nutra Extracts Pvt. Ltd. merit classification under Chapter Heading 2106. The competing two Chapter Headings are as below:

7.2.1 1302: Vegetable saps and Extracts.....

1302	VEGETABLE SAPS AND EXTRACTS; PECTIC SUBSTANCES, PECTINATES AND PECTATES; AGAR-AGAR AND OTHER MUCILAGES AND THICKENERS, WHETHER OR NOT MODIFIED, DERIVED FROM VEGETABLE PRODUCTS	
	- <i>Vegetable saps and extracts :</i>	
1302 11 00	-- Opium	kg.
1302 12 00	-- Of liquorice	kg.
1302 13 00	-- Of hops	kg.
1302 14 00	-- Of ephedra	kg.
1302 19	-- <i>Other :</i>	
	--- <i>Extracts :</i>	
1302 19 11	---- Of belladonna	kg.
1302 19 12	---- Of cascara sagrada	kg.
1302 19 13	---- Of nuxvomica	kg.
1302 19 14	---- Of ginseng (including powder)	kg.
1302 19 15	---- Of agarose	kg.
1302 19 16	---- Of neem	kg.
1302 19 17	---- Of gymnema	kg.
1302 19 18	---- Of garcinia and gamboge	kg.
1302 19 19	---- Other	kg.
1302 19 20	--- Cashew shell liquid (CNSL), crude	kg.
1302 19 30	--- Purified and distilled CNSL (Cardanol)	kg.

7.2.2 2106: Food preparations not elsewhere specified and included

2106	FOOD PREPARATIONS NOT ELSEWHERE SPECIFIED OR INCLUDED	
2106 10 00	- Protein concentrates and textured protein substances	kg.
2106 90	- Other:	
	--- Soft drink concentrates :	
2106 90 11	---- Sharbat	kg.
2106 90 19	---- Other	kg.
2106 90 20	--- Pan masala	kg.
2106 90 30	--- Betel nut product known as "Supari"	kg.
2106 90 40	--- Sugar-syrups containing added flavouring or colouring matter, not elsewhere specified or included; lactose syrup; glucose syrup and malto dextrine syrup	kg.
2106 90 50	--- Compound preparations for making non-alcoholic beverages	kg.
2106 90 60	--- Food flavouring material	kg.
2106 90 70	--- Churna for pan	kg.
2106 90 80	--- Custard powder	kg.
	--- Other :	
2106 90 91	---- Diabetic foods	kg.
2106 90 92	---- Sterilized or pasteurized millstone	kg.
2106 90 99	---- Other	kg.

7.3 I find that the Chapter heading 2106 i.e. Food Preparations not elsewhere specified or included, is a residual entry and the goods can be classified under this heading only if the Food preparations are not specifically covered under any other headings. I find that to classify the impugned goods under Chapter Heading 2106, first it has to be evaluated whether the goods can be classified under Chapter heading 1302 as claimed by the importer or otherwise. Relevant extracts of Explanatory Notes to HSN for CTH 1302 are as reproduced below:

"..(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

....Saps are usually thickened or solidified. Extracts may be in liquid, paste or solid form. "Tinctures" are extracts still dissolved in the alcohol by means of which they are extracted; the so-called "fluid extracts" are solutions of extracts in, for example, alcohol, glycerol or mineral oil. Tinctures and fluid extracts are generally standardised (for instance, pyrethrum extract may be standardised by adding mineral oil to produce commercial grades with a standard pyrethrins content of, e.g., 2 %, 20 % or 25 %). Solid extracts are obtained by evaporating the solvent. Inert substances are sometimes added to certain extracts so that they can be more easily reduced to powder (e.g., belladonna extract, to which powdered gum Arabic is added), or to

obtain a standard strength (for instance, certain quantities of starch are added to opium in order to obtain a product containing a known portion of morphine). The addition of such substances does not affect the classification of these solid extracts.

However, extracts may not be subjected to additional extraction cycles or to purification processes, such as chromatographic purification, that increase or decrease certain compounds or compound classes to a degree that cannot be achieved solely by means of initial solvent extraction.

Extracts may be simple or compound. Simple extracts are obtained by the treatment of only one variety of plant. Compound extracts are obtained either by mixing simple extracts or by treating mixtures of different varieties of plants. Compound extracts (whether in the form of alcoholic tinctures or in any other forms) therefore contain the constituents of several kinds of plant; they include compound jalap extract, compound extract of aloes, compound extract of cinchona, etc. 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."

7.4 On careful examination of the explanatory notes to Chapter Heading 1302 of the Customs Tariff, I find that the said heading covers extracts obtained from plants by the use of solvents. Such extracts may be in solid or liquid form, depending upon the extraction process employed. The explanatory notes further clarify that Heading 1302 **excludes extracts subjected to additional extraction cycles or purification processes, such as chromatographic purification, that increase or decrease in certain compounds or compound classes to an extent not achievable by initial solvent extraction alone.** I find that the explanatory notes also **exclude those products from this heading wherein other substances are added to such extracts, thereby imparting to them the character of food preparations.** Accordingly, I find that the **extracts of this heading are generally intended to serve as raw materials for further manufacture and not as finished food products.** In the present case, the Show Cause Notice has proposed to exclude the imported goods from classification under Chapter Heading 1302 on the grounds that the products have undergone additional extraction cycles and that other substances have been added, which impart to the products the essential character of food preparations.

7.5.1 I find that in para 8 of the Show Cause Notice (para 1.25 above), an analysis of individual products imported by M/s. Herbo Nutra Extracts Pvt. Ltd. has been provided. In para 8.1 of the Notice, Table II specifically mentions the details of the imported products along with the details of advanced extraction processes conducted for the extraction of these products. **I find that out of the 21 items listed in the said table, advance extraction**

processes are alleged only against 5 products, viz. *Elderberry Extract*, *Ginkgo Biloba Extract*, *Cranberry Extract (Vaccinium Oxyciccis Extract)*, *Sesbina Grandiflora Flower Extract*, and *Blueberry Extract*, that the same have undergone advanced extraction processes such as chromatographic elution, immersion, abstersion, etc. However, **in the case of only one product, i.e., *Ginkgo Biloba Extract*, chromatographic purification has allegedly been conducted**, whereas for the other products, **only processes such as immersion, abstersion or drying** have shown to be undertaken. I find that the Explanatory Notes clearly state that only those products are excluded from Heading 1302 which are subjected to additional extraction cycles which further increase or decrease certain compounds or compound classes to a degree that cannot be achieved solely by means of initial solvent extraction. I find that as per the extraction process displayed in the pictures above and as mentioned in table-II above, except for *Ginkgo Biloba Extract*, no other product has been subjected to chromatographic purification. However, in case of *Ginkgo Biloba Extract* also, no evidentiary documents have been provided in the Show Cause Notice evidencing as to what changes in the compound of the imported material has been made due to such purification. Even though it is mentioned in the extraction process of *Ginkgo Biloba Extract* that the subject product has gone through the chromatographic purification, however, the notice is silent about the changes in the composition of the impugned product. Since the exclusion from Heading 1302 depends on advanced purification processes that alter the composition of compounds beyond what can be achieved through initial extraction, I note that the Notice does not specify the extent of change, if any, brought about by the so-called extra purification or ultra-filtration processes. Further, aforementioned table mentioning the advanced filtration processes in respect of the imported products, have only mentioned against five imported items that the same have gone through the advanced filtration and no such additional purification method has been mentioned against the rest of the items. I find that in relation to the said five products also, the investigation has not demonstrated any increase or decrease in certain compounds or compound class of the extracted items. The Notice merely mentions processes such as immersion and abstersion as ultra-filtration processes and proposes reclassification of the goods, which, in my view, is not supported by the Explanatory Notes to Heading 1302.

7.5.2 I find that, as per the *Merriam-Webster Dictionary*, “**abstersion**” is defined as “**the action or process of cleansing,**” and as per the *Oxford Dictionary*, it means “**the act or process of wiping clean; cleansing.**” It is evident from these definitions that abstersion is merely a cleaning process which may be undertaken by the supplier prior to packaging and does not, by any measure, alter the extracted compound in any form. Likewise, **the process of immersion denotes the submerging of a material in a liquid medium**, which forms part of the initial extraction procedure and is appropriately covered under the HSN Explanatory Notes. As per the said notes, the extracts may be obtained in liquid, paste or solid forms and can be dissolved in alcohol or other solvents during extraction. In none of these cases is the basic characteristic of the product altered, and therefore, immersion or abstersion cannot be regarded as advanced purification processes capable of changing the nature of the extract.

7.5.3 In view of the foregoing, I find that only five products viz. *Elderberry Extract*, *Ginkgo Biloba Extract*, *Cranberry Extract (Vaccinium Oxyciccis Extract)*, *Sesbina Grandiflora Flower Extract*, and *Blueberry Extract*, have alleged to undergo additional extraction or purification processes such as chromatographic purification, abstersion, immersion, drying etc. However, in case of any of these products, no evidentiary documents or details have been provided as to what alteration has been made to the composition of such products as envisaged in the HSN explanatory notes. I find that as per HSN explanatory notes, the process of ultrafiltration shall result in an alteration of compound composition for the product to be excluded from heading 1302. Also, the processes described as immersion and abstersion are merely cleaning or submerging operations forming part of the initial extraction process which do not alter the chemical composition of the extracts. There is no evidence on record to show that the compound class or characteristics of these products have been changed as a result of such processes.

7.5.4 I observe that, as elaborated in the preceding paragraphs, the Notice has referred only to five products in respect of which it has been stated that these have undergone advanced filtration processes. On the basis of such processes, the Notice has proposed their re-classification under CTH 21.06. However, I find that the Notice does not furnish any substantive evidence to establish that these additional filtration procedures have resulted in any alteration in the composition of the products concerned. As per the Explanatory Notes to Chapter 13.02 of the Harmonized System of Nomenclature (HSN), only those products to which **other substances have been added** can be regarded as food preparations, if they are covered within the scope of Notes 14 and 16 to Heading 21.06, as contended in the Show Cause Notice (SCN). In the present case, no evidence has been adduced in the Notice to demonstrate the addition of any other compounds or ingredients to the imported products. I therefore find that, **even if it is presumed** that the filtration processes such as chromatographic purification, abstersion, filtration, drying, etc. have resulted in some modification of the composition of the impugned goods, **such products, by no stretch of reasoning, can be considered as food preparations classifiable under Chapter Heading 21.06**. Rather, they would be more appropriately covered under Chapter Heading 38.24, which pertains to “*chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included.*” In support of this view, I rely upon the U.S. Customs Ruling HQ H262217 dated 24.08.2016, wherein Bilberry Extract Powder subjected to column separation (a process analogous to chromatographic purification) was classified under Heading 38.24. Although rulings of foreign customs authorities are not binding under Indian law, they possess persuasive value where the facts are comparable. The Hon’ble CESTAT, in *Pioma Chemicals vs Commissioner of Customs, Nhava Sheva*, 2019 (370) ELT 301 (Tri.-Mum.), has held that rulings of the U.S. Customs can have persuasive significance in cases of identical or similar factual circumstances. Accordingly, even assuming that the impugned goods have undergone some change in composition, they would still merit classification under Heading 38.24 and not under Heading 21.06. Furthermore, I find that the applicable rate of Basic Customs Duty (BCD) under Heading 38.24 is lower than the rate of duty already paid by the importer under

Heading 13.02. Consequently, even if the goods are reclassified under Heading 38.24, the differential duty demand proposed in the Notice would not be sustainable

7.5.5 I therefore find that the Show Cause Notice, while alleging that the impugned products merit exclusion from Chapter Heading 1302, has not substantiated with any conclusive evidence that the said products have undergone such additional extraction or purification processes which alter the chemical composition or compound class of the extracts to a degree not achievable through the initial solvent extraction. In respect of Elderberry Extract, Cranberry Extract/Vaccinium Oxyciccis Extract, Sesbina Grandiflora Flower Extract and Blueberry Extract, the said products have merely undergone physical processes such as immersion, abstersion or drying etc., which are part of normal extraction and finishing operations. These processes, in my considered view, do not qualify as advanced purification cycles contemplated in the explanatory notes to Heading 1302. Further, no scientific or analytical data has been placed on record to establish that such processes have caused any material change in the compound structure or active constituents of the extracts. Accordingly, I find that the reliance placed on these processes to exclude the products from Heading 1302 is not supported by adequate technical or evidentiary basis. Accordingly, the impugned products imported by M/s. Herbo Nutra Extracts Pvt. Ltd. merit classification under Chapter Heading 1302 of the Customs Tariff.

7.6 I find that in relation to other imports, the SCN mentioned that the same are promoted as dietary supplements for various health benefits and therefore, they merit classification under Chapter Heading 2106. It is further stated that the said products are promoted by the importer as the dietary supplements mentioning various health benefits of the impugned goods. In this regard, I find that the **explanatory notes have categorically mentioned that only those products which attain the character of food preparation after addition of other compounds, will be excluded from Chapter Heading 1302.** Accordingly, I find that to exclude the goods from 1302 and to classify the goods as food preparations, some other ingredients have to be added to the extracts of heading 1302 so that such imports will attain the nature of food preparation. I find that the noticee in its written submissions have submitted the copies of the certificates from the Supplier **certifying that the goods imported contain 100% extracts only.** Also, the noticee in its submissions have submitted list of other products which are generally added to make the final sellable product which would classify as food preparation of heading 2106. It is pertinent to mention here that the Show Cause Notice is completely silent about the addition any substances in the imported products due to which the products would have garnered the characteristics of the food preparations. Merely because the impugned goods are being promoted as supplements, the same cannot be excluded from Chapter Heading 1302, more so, when no additional substances have been added to the extracted products which would have rendered them the properties of the food preparations.

7.7 I find that the importer has stated in its written submissions that the products imported by them are not for direct human consumption or retail sale. They submitted that at the time of the import of the impugned products, all the packages contained the label wherein it is

categorically mentioned that the products are “*NOT FOR DIRECT HUMAN CONSUMPTION/RETAIL SALE*”. The noticee also submitted the labels in support of their claim. I find that the goods have been imported by the noticee in bulk packaging i.e. in the drums of 25 Kgs each. I also find that in para 2 of the notice, it has been mentioned that the importer is trading the imported goods in the same form or simply encapsulating the same.

7.8 I find that the Show Cause Notice alleges that the noticee is promoting the impugned products as dietary supplements. However, I also find that nowhere in the notice has it been alleged that the noticee is engaged in any further manufacturing or processing of the imported goods by addition of any other substance thereto. The noticee, in its submissions, has clarified that the products imported by them are sold as such to manufacturers of nutraceuticals. I further find that the impugned products have not been sold as food supplements in the retail market; rather, they are sold as ingredients for use in the manufacture of finished nutraceutical products. This position is corroborated by the fact that the products are imported in bulk packaging, bearing labels clearly stating that the goods are “not for direct human consumption.” From the above facts, it is evident that the nature and intended use of the impugned products are crucial in determining their correct classification. The import of goods in bulk form, accompanied by clear labelling that they are not meant for direct human consumption, indicates that the goods are in the nature of *raw materials* or *ingredients* meant for further processing by manufacturers of nutraceuticals. **The mere promotion of such goods as dietary supplements cannot, by itself, alter their essential character at the time of importation.** In the present case, there is no evidence to suggest that the noticee was selling the imported products directly for human consumption in the form of dietary supplements. Rather, the available material supports the position that these products were supplied as input materials to nutraceutical manufacturers, who would thereafter process, formulate, and pack them into finished consumable forms.

7.9 I find that in the explanatory notes to Chapter Heading 1302, it has been categorically mentioned that *the vegetable saps and extracts of this heading are generally raw materials for various manufactured products*. I find that the noticee in its aforementioned submissions have stated that all extracts are packed in paper drums containing 25 Kgs each containing a label declaring that the products are ingredients for use in the nutraceutical as raw material. They further stated that **no substance has been added to the imported product and are 100% extracts**. I find that the noticee has submitted that the extract imported are raw material for the manufacture of nutraceutical and used as one of the ingredients in the final products and cannot be directly used in the imported form. In their support, they relied upon the **FASSAI (Nutraceutical) Regulation 2016, wherein the imported products have been listed as "ingredient" only**. In this regard, the FASSAI (Nutraceutical) Regulations, 2016 were perused and following observations were made:

7.9.1 Nutraceuticals have been defined under Regulation 3(g) of the FASSAI (Nutraceutical) Regulations, 2016 as *a category of foods which consists of extracts, isolates and purified chemical compounds having a physiological benefit and help to maintain health*.

Also, ingredients are defined under Regulation 3(f) of the Regulations, as ***Ingredient means plant or botanicals and their extracts, probiotics, prebiotics, and molecules/isolates as listed by FA in its Schedule II, III and IV.*** I find that the extracts have been included in Schedule III of the FASSAI (Nutraceutical) Regulations, 2016.

As per Regulation 5(1) it is mentioned that *the products covered under these regulations may be in the form of powders, granules, tablets, capsules, liquids, semi solids, drops, pills, gummies, jelly, chewable and mouth dissolving strips, bars, biscuits, candies that are intended to be consumed orally in defined quantities and duration unless otherwise restricted for specific categories under these regulations.....*

I find that the purity criteria for the ingredients have been covered under Regulation 5(5), ingredient combination rationale have been covered under Regulation 5(7) and the process to obtain plant or botanical extracts have been covered under Regulation 5(9) of the FASSAI (Nutraceutical) Regulations, 2016.

7.9.2 On careful consideration of the above provisions of the FSSAI (Nutraceutical) Regulations, 2016, I find that the said Regulations recognize ***extracts of plants and botanicals as permissible ingredients used in the manufacture of nutraceuticals and related food products.*** The definition of “ingredient” clearly indicates that such extracts, isolates, or purified compounds serve as raw materials for formulation of finished nutraceutical preparations in various dosage forms as specified under Regulation 5(1). It is evident that the extracts in question, as imported by the noticee, are not intended for direct human consumption in their imported form, but are instead meant to be used as raw materials in the manufacture of nutraceutical products. The packaging in bulk paper drums of 25 kilograms, along with labelling that identifies them as ingredients for nutraceutical use, further supports this position. Accordingly, in light of the Explanatory Notes to Chapter Heading 1302 which provide that extracts of this heading are generally raw materials for various manufactured products, I find that the imported goods are consistent with the scope of Heading 1302 and **cannot be regarded as food preparations.**

7.9.3 I find that the after fulfillment of compliance of the said Regulations only, FASSAI NOC can be received by the importer in relation to the import of said products. I find that the importer was not at liberty to import or promote the impugned products as Nutraceuticals without compliance of the FASSAI (Nutraceutical) Regulations, 2016. However, as mentioned in para 6.5 of the SCN, the noticee was in possession of the FASSAI license and the subject imported consignments were cleared only after NOC from competent authorities of FASSAI.

7.9.4 I find that as per FASSAI (Nutraceuticals) Regulations, 2016 ingredients have been categorically mentioned in Schedule II and Schedule III to the Regulations. I also find that all the items imported by the noticee are categorically mentioned in the Schedules annexed to the Regulations. Items imported by the noticee vis-à-vis the same mentioned in the Schedules are as tabulated below:

Sr. No.	Description of item	Mentioned at Serial no. in
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		schedules to Regulation
1.	Milk Thistle Extract	35 (Part A) of Schedule-III
2.	Elderberry Extract	165 (Part B) of Schedule-III
3.	Ginkgo Bilboa Extract	17 (Part A) of Schedule-III
4.	Ginseng Extract	27 (Part A) of Schedule-III
5.	Grape seed extract	82 (Part B) of Schedule-III
6.	Pomegranate Extract	155 (Part B) of Schedule-III
7.	Cranberry Extract/VaccinumOxycoccus Extract	187 (Part B) of Schedule-III
8.	Citrus Aurantium Extract	47 (Part B) of Schedule-III
9.	HippophaeRhamonoides Extract	89 (Part B) of Schedule-III
10.	Pinus Gerardiana Bark Extract	146 (Part B) of Schedule-III
11.	Psidium Guajava Extract/Guava Extract	338 Schedule- II
12.	Red Yeast Rice Extract	158 (Part B) of Schedule-III
13.	Rhododendron Abroreum Flower Extract	160 (Part B) of Schedule-III
14.	Sesbania Grandiflora Flower Extract	372 Schedule II
15.	Soybean Extract Powder	372 Schedule II
16.	Shiitake Mushroom Extract	170 (Part B) of Schedule-III
17.	Black Cohosh Extract	10 (Part A) of Schedule-III
18.	Blueberry Extract	186 (Part B) of Schedule-III
19.	Chicory Extract	43 (Part B) of Schedule-III
20.	Maitake Mushroom Extract	84 (Part B) of Schedule-III
21.	Stevia Leaf Extract	23 of Schedule- IV – Annexure-3

7.9.5 In view of the discussions and findings in the foregoing paragraphs, I observe that the HSN Explanatory Notes to Chapter Heading 1302 explicitly clarify that the goods covered under this heading comprise *vegetable saps and extracts* which are generally used as raw materials or intermediate products in the manufacture of a variety of finished goods. These extracts are not intended for direct consumption but serve as active constituents in the formulation of end-use products such as pharmaceuticals, nutraceuticals, cosmetics, and food supplements. I find that chapter note of Chapter 13 makes this abundantly clear that Chapter Heading 13.02 covers only those extracts which are in the form of raw material and it does not cover end products made out of these raw materials. In the present case, the importer,

M/s. Herbo Nutra Extract Pvt. Ltd., has imported different types of extracts which have been declared as *ingredients for the preparation of nutraceutical products* in accordance with the Food Safety and Standards (Nutraceuticals) Regulations, 2016. It is pertinent to note that these very substances are listed in Schedule II and Schedule III of the said Regulations, which specifically mentions approved *ingredients* that may be used in the manufacture of nutraceuticals. This regulatory classification by FSSAI itself establishes that the impugned goods are considered as *ingredients* for use in manufacturing nutraceutical formulations and not as finished nutraceutical products ready for sale or direct human consumption. Further, the goods have been imported in bulk packaging of 25 kilograms each, with labelling that explicitly indicates their intended use as *ingredients for manufacturing nutraceuticals*. Therefore, I find that the imported goods are indeed *raw materials* meant for use in the manufacturing of nutraceutical products and they satisfy the essential criteria envisaged under the HSN Explanatory Notes to Chapter Heading 1302. Hence, I find that classification of the impugned goods under Chapter Heading 1302 is appropriate in consonance with the HSN explanatory notes.

7.10 I find that the notice has proposed for classification of the goods imported by noticee under Chapter Heading 2106 in reference to Note 14 of HSN Explanatory Notes to Chapter 21. Note 14 is as reproduced below:

*...(14) Products consisting of a **mixture of plants** or parts of **plants** (including seeds or fruits) of different species or consisting of plants or parts of plants (including seeds or fruits) of a single or of different species mixed with other substances such as one or more plant extracts, **which are not consumed as such, but which are of a kind used for making herbal infusions or herbal “teas”**, (e.g., those having laxative, purgative, diuretic or carminative properties), including products which are claimed to offer relief from ailments or contribute to general health and well-being.*

From the above, it can be easily seen that only the products which are combination of plants/parts of plants with other substances i.e. plants/plant extracts are covered under this. I find that the Note explicitly refers to the mixtures and not single-ingredient products as the qualifying words are “*a mixture of plants or parts of plants of different species*” or “*plants or parts of plants ... mixed with other substances such as one or more plant extracts*”; that too ***...which are not consumed as such, but which are of a kind used for making herbal infusions or herbal “teas”***. I find that the products consisting solely of a single plant or part of a plant, without any mixing or addition, are not covered by Note (14). Accordingly, individual plant products that are not mixtures do not fall within the ambit of this Note. I find that in the instant case, as detailed in paras *supra*, the goods imported by the noticee are extracts of individual plants and not the mixtures of two different plants/parts of plants. Therefore, the goods are excluded from the purview of HSN explanatory Note 14 to Chapter 21. The mere fact that the Note refers to products offering relief from ailments or contributing to general health and well-being does not, by itself, bring the impugned products within its ambit. The Note, when read holistically, clearly applies only to mixtures of plant

materials or to combinations of plant materials with other substances, and not to single plant extracts. Hence, the classification of the subject goods cannot be determined under this Note.

7.11 I find that the notice has proposed for classification of the goods imported by noticee under Chapter Heading in reference to Note 16 of HSN Explanatory Notes to Chapter 21. Note 16 is as reproduced below:

*....(16) **Preparations**, often referred to as food supplements or dietary supplements, **consisting of, or based on**, one or more vitamins, minerals, amino acids, concentrates, **extracts**, isolates or the like of substances found within foods, or synthetic versions of such substances, **put up as a supplement to the normal diet**. It includes such products whether or not also containing sweeteners, colours, flavours, odoriferous substances, carriers, fillers, stabilisers or other technical aids. Such products are often put up in packaging with indications that they maintain general health or well-being, improve athletic performance, prevent possible nutritional deficiencies or correct sub-optimal levels of nutrients."*

From perusal of Note 16 to Chapter Heading 2106, I find that it talks about food preparations and not the raw materials which are required for manufacturing of the final products. However, I find that the products imported by the noticee are single ingredient extracts and **not** formulated preparations. As detailed in paras *supra*, I find that the impugned products cannot be consumed as such as food supplements and the same are intended for further manufacture. I find that the phrase "*put up as a supplement to the normal diet*" mentioned in the HSN explanatory note above, implies retail presentation and ready to consume form, whereas the impugned goods were imported in the bulk quantity with labels specifically mentioning that the goods are ingredients for manufacture of the nutraceuticals and are not for direct human consumption. Further, mentioning of the impugned items as ingredients in the FASSAI (Nutraceutical) Regulations, 2016 further supports the said stance.

7.12 I find that HSN explanatory notes to Chapter Heading 1302 specifically mentions that the products of heading 1302 will be **excluded from the heading when due to addition of other substances, they attain the character of food preparations**. Therefore, conjoint reading of HSN explanatory notes of Chapter Heading 1302 and Note 16 of Chapter Heading 2106, clearly establishes that the food preparations mentioned in both the headings refers to the products which are formulated by addition of other substances to the plant extracts. However, the Show Cause Notice has not named even a single item which has been added to the impugned imported items. Rather, the noticee has submitted the certificates of the suppliers that the **imported products are 100% single ingredient and does not contain anything other than the extracts**.

7.13 I find that Note 16 to the Explanatory Notes of Chapter heading 2106 covers preparations commonly referred to as food supplements or dietary supplements, which consist of or are based on one or more vitamins, minerals, amino acids, concentrates, extracts, isolates, or similar substances, and which are put up as supplements to the normal diet. Such products are generally presented in a form ready for consumption, such as capsules, tablets, powders, or liquids and may contain carriers, sweeteners, flavours, stabilisers, or other

excipients. In the present case, the imported goods are plant extracts of individual botanical origin, without mixture of any other substances, and are imported in bulk packaging. Further the imported goods are not preparations put up as food or dietary supplements for direct consumption but are raw materials intended for further industrial or formulation use. Therefore, **the impugned imported goods cannot be considered as “preparations” within the meaning of Note 16 to Heading 2106.** Consequently, the impugned goods fall outside the scope of Heading 2106 and are more appropriately classifiable under Heading 1302 as *vegetable saps and extracts*.

7.14 I find that the Chapter Heading 2106 stipulates the items “*Food preparations not elsewhere specified or included*” and the explanatory notes mentions that the said heading covers the products “*provided that they are not covered by any other heading of the nomenclature*”. From the plain reading of these, it is evident **that the heading 2106 is residuary in nature and only covers the products which are not covered by any other heading.** I find that for the reasons mentioned in aforesaid paras, the products imported by the noticee are specifically and squarely covered under Chapter heading 1302, therefore, the same cannot be classified in the heading which is residuary in nature. Hon’ble Apex court in case of Akbar Badrudin Vs Collector of Customs {1990 (47) ELT 161 SC} has held **that a commodity cannot be classified in a residuary entry, in the presence of a specific entry.** I find that in case of C.C.E. v. Carrier Aircon, 2006 (199) E.L.T. 577 (S.C.), Hon’ble Apex court has held as below:

“15. End use to which the product is put to by itself cannot be determinative of the classification of the product. See Indian Aluminium Cables Ltd. v. Union of India and Others, 1985 (3) S.C.C. 284. There are a number of factors which have to be taken into consideration for determining the classification of a product. For the purposes of classification, the relevant factors inter alia are statutory fiscal entry, the basic character, function and use of the goods. When a commodity falls within a tariff entry by virtue of the purpose for which it is put to, the end use to which the product is put to, cannot determine the classification of that product.”

In view of the above, as the impugned goods fall within the ambit of Chapter Heading 1302 and the heading 2106 being residuary in nature, I am, therefore, of a considered opinion that the imported goods shall be classified under heading 1302 and not under the residuary entry 2106.

7.15 I find that explanatory notes to Chapter heading 1302 specifically covers one of the items imported by the noticee viz. Ginseng Extract. The relevant part of the explanatory notes is as reproduced below:

(A) Vegetable saps and extracts.

Ginseng extract, obtained by water or alcohol extraction, whether or not put up for retail sale.

Mixtures of ginseng extract with other ingredients (e.g., lactose or glucose) used for the preparation of ginseng "tea" or beverage are excluded (heading 21.06).

I find that the explanatory notes specifically cover the product ginseng extract, which has also been imported by the noticee (mentioned as Serial no. 4 of Table II above) even if the same is put up for retail sale. Therefore, I find that the heading 1302 covers the extracts even if the same are put up in retail sale. However, the said product is excluded from heading 1302 **only when** the same are combined with other ingredients *used for the preparation of ginseng "tea" or beverage* and thus can be classified as food preparation under heading 2106. However, I find that the products imported by the noticee are of single ingredient, therefore, the said products are correctly classifiable under heading 1302.

7.16 I find that in case of CACHET PHARMACEUTICALS (P) LTD. Vs COMMR. OF CUSTOMS, NEW DELHI {2017 (356) E.L.T. 300 (Tri. - Del.)}, Hon'ble CESTAT held the classification of Ginseng extract under 1302 even when the same were imported in the form of tablets containing 98% of Korean red Ginseng and 1.5% of corn starch and 0.5% of magnesium stearate. Relevant part of the order is reproduced below:

.....6. *Just opposed to the above proposition of Revenue, we note that the appellant claimed classification under Tariff Item 1302 19 14 which is for vegetable extracts of Ginseng (including powder). Even on plain reading, it is apparent and clear that this entry will more specifically cover the product in question. As already noted, the imported item is "Korean Ginseng tablets" containing 98% of Korean red Ginseng and 1.5% of corn starch and 0.5% of magnesium stearate. We find that the impugned order justified the classification of Revenue on the ground that plant extract is not the same thing as tablet. Tablets is a finished product. Further, it was recorded that the imported item is taken on prescription for specified purpose and is not meant for generic use. We find the reasoning adopted in the impugned order is completely out of context and not relevant to the conclusion arrived. Plant extract can be in any form, including powder. The product imported tablet form is known as Korean Ginseng and does not contain any other active ingredient. We also note that the impugned order recorded that such tablets should be considered as a medicinal formulation but approved the classification under Chapter 21 which is for misc. edible preparations. It is common knowledge that edible preparations for specific purpose cannot be equated to medicinal preparation. As such, we find that the impugned order fell in error, in reasoning and by applying wrong facts.*

7. *Tariff Item 1302 19 14 specifically mentions extracts of Ginseng (including powder). It is clear that if Ginseng extract is imported in powder form, there could be no question about its classification. However, in the present case, the objection came only because it is in tablet form. Admittedly, vegetable extracts like the present one, can be in various forms, liquid, powder or compacted tablet. As long as the item is only extract of Ginseng plant, there can be no reason for exclusion of such item from the said tariff entry. Even otherwise, we note that the classification proposed by the Revenue is completely unconnected to the product in question. A perusal of main Tariff Entry 2106 will show that the said heading deals with food preparations not elsewhere specified or included. A perusal of open source information*

available in public domain indicates that the said Ginseng extract is considered as traditional medicine, for centuries. Extract is widely used as a generic health supplement and for various other specific requirement like muscle strength, improved concentration, etc.

8. *After careful consideration of the findings in the impugned order and the nature of imported material, we find that 'Korean Ginseng tablets' are correctly classifiable under Tariff Item 1302 19 14 as vegetable extracts of Ginseng (including powder). **The classification approved by the Revenue under Chapter 21 Tariff Item 2106 90 99 is completely out of context and not applicable to the products in hand.** Accordingly, we set aside the impugned order and allow the appeal."*

7.17 I find that the noticee has relied upon the US Customs rulings in support of their classification. I find that judgments or rulings of other countries cannot be relied upon. However, the same have persuasive value when the facts are identical.

In relation to Bilberry Extract Powder, which has also been imported by the noticee, US Customs vide Ruling N336958 dated August 4th, 2022 held that **the correct heading applicable for Bilberry Extract Powder would be 1302.19.**

In relation to Milk Thistle Extract vide Ruling N236981 dated May 1st, 2013, it has been held that **the correct heading applicable for Milk Thistle Extract would be 1302.19.**

7.18.1 I find that the importer has imported one of the extracts, namely *Stevia Extract (Stevia Glycosides)*, declaring it under Heading 2938 at the time of import, whereas the Show Cause Notice has proposed its classification under Heading 2106 for the same reasons as advanced in respect of the other extracts. In this regard, I note that the said product has also been imported as a single-ingredient raw material, with no other substances or compounds added thereto. As discussed in the preceding paragraphs, classification under Heading 2106 is attracted only when the goods are *food preparations* comprising more than one ingredient or containing additives that impart the essential character of a food product. Since the imported *Stevia Extract (Stevia Glycosides)* is a pure extract imported in bulk packaging for industrial use as an ingredient in further manufacture, it does not meet the requirements for classification under Heading 2106.

7.18.2 I further find that Chapter Heading 2938 specifically covers "Glycosides, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives." The HSN Explanatory Notes to Heading 2938 clarify that glycosides occur mainly in the vegetable kingdom and are compounds in which a sugar part is chemically linked to a non-sugar part (aglycone) through the anomeric carbon atom of the sugar. **The product imported by the noticee, as per the Bill of Entry and the accompanying Certificate of Analysis, is *Steviol Glycoside* with a purity of not less than 95%.** This clearly establishes that the imported goods are glycosides of natural origin.

7.18.3 In view of the General Rules for the Interpretation of the Customs Tariff, particularly Rule 1, classification shall be determined according to the terms of the headings and any

relevant Section or Chapter Notes. **As both natural and synthetic glycosides are expressly covered under Heading 2938, the product Stevia Extract (Steviol Glycoside) appropriately falls within the ambit of this heading.** Accordingly, I find that the importer has correctly classified the said goods under Chapter Heading 2938 of the Customs Tariff, and the proposal in the Show Cause Notice to reclassify the same under Heading 2106 is not sustainable.

7.19 As discussed in paras *supra*, the US Customs Rulings even though not applicable, have persuasive significance, **I find that in relation to Stevia Leaf Extract, the US Customs vide Ruling N051978 dated February 23rd, 2009 has held that the correct applicable customs tariff for Stevia Leaf Extract would be 2938.90.**

7.20 In view of the detailed discussions and findings recorded hereinabove, I find that the impugned goods imported by M/s. Herbo Nutra Extracts Pvt. Ltd. comprise single-ingredient extracts of individual plants and have been imported in bulk packaging of 25 kilograms each, with clear labelling that they are “not for direct human consumption” and are intended for use as ingredients in the manufacture of nutraceutical products. Except for Stevia Extract (Steviol Glycosides), which is **specifically** covered under Chapter Heading 2938, all other imported items are classifiable under Chapter Heading 1302 of the Customs Tariff, as vegetable saps and extracts. I further find that the Show Cause Notice has relied upon the allegation that certain products have undergone advanced filtration processes such as chromatographic purification, immersion, abstersion, or drying, and hence merit exclusion from Heading 1302. However, from the discussions mentioned in detail in paras *supra*, it is observed that out of the total 21 products, such processes have been alleged only against five items and even in respect of those five items also, the Show Cause Notice has not adduced any conclusive evidence to demonstrate that the alleged processes have resulted in any alteration in the chemical composition, compound class, or essential characteristics of the extracts as envisaged in the HSN Explanatory Notes. The processes described as immersion, abstersion, and drying are, in fact, steps within the normal extraction procedure and cannot be considered as advanced purification cycles that alter the nature of the extract. **Even if, it is assumed that these products have undergone advanced purification processes that have resulted in some modification in the composition of impugned goods, then, these imports would have been more appropriately covered under Chapter 38.24 which has lower rate of duty;** and can NOT be considered as food preparations classifiable under CTH 21.06. On the contrary, the evidences placed on record, including supplier certificates and product labels, establish that the impugned goods are 100% pure extracts without the addition of any other substances. The goods have been imported in bulk quantity for supply to manufacturers of nutraceuticals who, in turn, utilize them as ingredients in finished formulations. Accordingly, I hold that all the imported items, except Stevia Extract (Steviol Glycoside), merit classification under Chapter Heading 1302 as vegetable extracts. The product Stevia Extract (Steviol Glycoside), being a natural glycoside of defined chemical composition, is specifically covered under Heading 2938 of the Tariff. The goods are not put up for retail sale or direct human consumption and are instead intended to serve as ingredients for further formulation of nutraceutical products. Hence, the reliance placed in the Notice on Chapter

Heading 2106, which covers food preparations not elsewhere specified or included, is misplaced, particularly in light of the settled position that residuary entries cannot be invoked where a specific entry is available.

7.21 Accordingly, I hold that the impugned goods are correctly classifiable under Chapter Heading 1302 except Stevia Extract (Steviol Glycoside), which merits classification under Heading 2938. Consequently, the proposal in the Show Cause Notice to classify the goods under Heading 2106 is not sustainable in law and on facts. Accordingly, the demand of differential duty, interest and consequential imposition of penalties on the importer and its director based on such proposed classification are therefore liable to be set aside.

8. In view of the above, I pass the following order:

ORDER

8.1 I drop the proposal of re-classification of the goods (as detailed in Annexure-A & B of the SCN) imported by M/s. Herbo Nutra Extracts Pvt. Ltd. under Chapter Heading 2106.

8.2 I drop the demand of differential duty amounting to Rs. 3,21,47,148/- from the importer M/s. Herbo Nutra Extracts Pvt. Ltd. under Section 28(4) of the Customs Act, 1962.

8.3 I order that the proposal to confiscate the goods under Section 111(m) of the Customs Act, 1962 is not sustainable and is hereby dropped.

8.4 I order that the proposal to impose penalties on M/s. Herbo Nutra Extracts Pvt. Ltd. and Mr. Bhaskar Dwivedi under Section 114A, 112 of the Customs Act, 1962 is not maintainable and is hereby dropped.

8.5 I order that the Show Cause Notice No. 2712/2023-24/Commr./Gr.I&IA/NS-I/CAC/JNCH dated 04.03.2024 is hereby dropped in entirety.

9. This order is issued without prejudiceto any other action that may be taken in respect of the goods in question and/or the persons/firms concerned, covered or not covered by this Show Cause notice, under the provisions of the Customs Act, 1962 and/or any other law for the time being in force in the Republic of India.

(यशोधन अ. वनगे/YashodhanA.Wanage)
प्रधान आयुक्त सीमा शुल्क/Pr.Commissioner of Customs
एनएस-I,जेएनसीएच/NS-I,JNCH

To

1. M/s Herbo Nutra Extract Pvt. Ltd. (IEC – AAFCH9959R) registered at UPSIDC Site, A-2/66, Kasna Road, Block G, Industrial Area, Surajpur Site 4, Greater Noida, Uttar Pradesh-201308.
2. Sh. Bhashkar Dwivedi, Director, M/s Herbo Nutra Extract Pvt. Ltd., UPSIDC Site, A-2/66, Kasna Road, Block G, Industrial Area, Surajpur Site 4, Greater Noida, Uttar Pradesh-201308

Copy to:

1. The Pr. Additional Director General, DRI, DZU, B-3&4, 6th Floor, Pt. Deen dayal Antyodaya Bhawan, CGO Complex, Lodhi Road, New Delhi-110003.
2. The Additional Commissioner of Customs, Gr. I&IA, JNCH.
3. DC, Chief Commissioner's Office, JNCH.
4. AC/DC, Centralized Revenue Recovery Cell, JNCH.
5. Superintendent (P), CHS Section, JNCH- for display on JNCH Notice Board.
6. EDI Section for displaying on website.
7. Office Copy.