

## CHAPTER 21

*Miscellaneous edible preparations*

## NOTES

1. This Chapter does not cover:

- (a) mixed vegetables of heading 0712;
- (b) roasted coffee substitutes containing coffee in any proportion (heading 0901);
- (c) flavoured tea (heading 0902);
- (d) spices or other products of headings 0904 to 0910;
- (e) food preparations, other than the products described in heading 2103 or 2104, containing more than 20% by weight of sausage, meat, meat offal, blood, fish or crustaceans, molluscs or other aquatic invertebrates, or any combination thereof (Chapter 16);
- (f) yeast put up as a medicament or other products of heading 3003 or 3004; or
- (g) prepared enzymes of heading 3507.

2. Extracts of the substitutes referred to in Note 1(b) above are to be classified in heading 2101.

3. For the purposes of heading 2104, the expression "homogenised composite food preparations" means preparations consisting of a finely homogenised mixture of two or more basic ingredients such as meat, fish, vegetables, fruit or nuts put up for retail sale as food suitable for infants or young children or for dietetic purposes, in containers of a net weight content not exceeding 250 g. For the application of this definition, no account is to be taken of small quantities of any ingredients which may be added to the mixture for seasoning, preservation or other purposes. Such preparations may contain a small quantity of visible pieces of ingredients.

4. In relation to products of this Chapter, labelling or relabelling of containers or repacking from bulk packs to retail packs or the adoption of any other treatment to render the product marketable to the consumer, shall amount to 'manufacture'.

5. In this Chapter, "brand name" means a brand name, whether registered or not, that is to say, a name or a mark, such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to a product, for the purpose of indicating, or so as to indicate, a connection in the course of trade between the product and some person using such name or mark with or without any indication of the identity of that person.

6. In relation to product of tariff item 2106 90 30, the process of adding or mixing cardamom, copra, menthol, spices, sweetening agents or any such ingredients other than lime, *katha* (catechu) or tobacco to betel nut, in any form, shall amount to "manufacture".

## SUPPLEMENTARY NOTES

1. In this Chapter, "Pan masala" means any preparation containing betel-nuts and any one or more of the following ingredients, namely:—

lime and *katha* (catechu), but not tobacco, whether or not containing any other ingredient, such as cardamom, copra or menthol.

2. In this Chapter, “betel-nut product known as *Supari*” means any preparation containing betel-nuts, but not containing any one or more of the following ingredients, namely:

lime, katha (catechu) and tobacco whether or not containing any other ingredients, such as cardamom, copra or menthol.

3. For the purposes of tariff item 2106 90 11, the expression “Sharbat” means any non-alcoholic sweetened beverage or syrup containing not less than 10% fruit juice or flavoured with non-fruit flavours, such as rose, Khus, Kevara, but not including aerated preparations.

4. Tariff item 2106 90 50, *inter alia*, includes preparations for lemonades or other beverages, consisting, for example, of flavoured or coloured syrup, syrup flavoured with an added concentrated extract, syrup flavoured with fruit juice and intended for use in the manufacture of aerated water, such as in automatic vending machines.

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

(a) protein concentrates and textured protein substances;

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

(c) preparations consisting wholly or partly of foodstuffs, used in the making of beverages of food preparations for human consumption;

(d) powders for table creams, jellies, ice-creams and similar preparations, whether or not sweetened;

(e) flavouring powders for making beverages, whether or not sweetened;

(f) preparations consisting of tea or coffee and milk powder, sugar and any other added ingredients;

(g) preparations (for example, tablets) consisting of saccharin and foodstuff, such as lactose, used for sweetening purposes;

(h) pre-cooked rice, cooked either fully or partially and their dehydrates; and

(i) preparations for lemonades or other beverages, consisting, for example, of flavoured or coloured syrups, syrup flavoured with an added concentrated extract, syrup flavoured with fruit juices and concentrated fruit juice with added ingredients.

6. Tariff item 2106 90 99 includes sweet meats commonly known as “Misthans” or “Mithai” or called by any other name. They also include products commonly known as “Namkeens”, “mixtures”, “Bhujia”, “Chabena” or called by any other name. Such products remain classified in these sub-headings irrespective of the nature of their ingredients.

Tariff Item	Description of goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
<b>2101</b>	EXTRACTS, ESSENCES AND CONCENTRATES, OF COFFEE, TEA OR MATE AND PREPARATIONS WITH A BASIS OF THESE PRODUCTS OR WITH A BASIS OF COFFEE, TEA OR MATE; ROASTED CHICORY AND OTHER ROASTED COFFEE		

Tariff Item	Description of goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
	SUBSTITUTES, AND EXTRACTS, ESSENCES AND CONCENTRATES THEREOF		
	- <i>Extracts, essences and concentrates of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee:</i>		
2101 11	-- <i>Extracts, essences and concentrates:</i>		
2101 11 10	--- Instant coffee, flavoured	kg.	12.5%
2101 11 20	--- Instant coffee, not flavoured	kg.	12.5%
2101 11 30	--- Coffee aroma	kg.	12.5%
2101 11 90	--- Other	kg.	12.5%
2101 12 00	-- Preparations with basis of extracts, essences, concentrates or with a basis of coffee	kg.	12.5%
2101 20	- <i>Extracts, essences and concentrates, of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate:</i>		
2101 20 10	--- Instant tea	kg.	12.5%
2101 20 20	--- Quick brewing black tea	kg.	12.5%
2101 20 30	--- Tea aroma	kg.	12.5%
2101 20 90	--- Other	kg.	12.5%
2101 30	- <i>Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof:</i>		
2101 30 10	--- Roasted chicory	kg.	Nil
2101 30 20	--- Roasted coffee substitutes	kg.	Nil
2101 30 90	--- Other	kg.	Nil
<b>2102</b>	YEASTS (ACTIVE OR INACTIVE); OTHER SINGLE CELL MICRO-ORGANISMS, DEAD (BUT NOT INCLUDING VACCINES OF HEADING 3002); PREPARED BAKING POWDERS		
2102 10	- <i>Active yeasts:</i>		
2102 10 10	--- Culture yeast	kg.	12.5%
2102 10 20	--- Baker's yeast	kg.	12.5%
2102 10 90	--- Other	kg.	12.5%
2102 20 00	- Inactive yeasts, other single-cell micro-organisms, dead	kg.	12.5%
2102 30 00	- Prepared baking powders	kg.	12.5%
<b>2103</b>	SAUCES AND PREPARATIONS THEREFOR, MIXED CONDIMENTS AND MIXED SEASONINGS; MUSTARD FLOUR AND MEAL AND PREPARED MUSTARD		
2103 10 00	- Soya sauce	kg.	12.5%

Tariff Item	Description of goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
2103 20 00	- Tomato ketchup and other tomato sauces	kg.	12.5%
2103 30 00	- Mustard flour and meal and prepared mustard	kg.	12.5%
2103 90	- <i>Other:</i>		
2103 90 10	--- Curry paste	kg.	12.5%
2103 90 20	--- Chilli sauce	kg.	12.5%
2103 90 30	--- Mayonnaise and salad dressings	kg.	12.5%
2103 90 40	--- Mixed, condiments and mixed seasoning	kg.	12.5%
2103 90 90	--- Other	kg.	12.5%
<b>2104</b>	SOUPS AND BROTHS AND PREPARATIONS THEREFOR; HOMOGENISED COMPOSITE FOOD PREPARATIONS		
2104 10	- <i>Soups and broths and preparations therefor:</i>		
2104 10 10	--- Dried	kg.	12.5%
2104 10 90	--- Other	kg.	12.5%
2104 20 00	- Homogenised composite food preparations	kg.	12.5%
<b>2105 00 00</b>	ICECREAM AND OTHER EDIBLE ICE, WHETHER OR NOT CONTAINING COCOA	kg.	6%
<b>2106</b>	FOOD PREPARATIONS NOT ELSEWHERE SPECIFIED OR INCLUDED		
2106 10 00	- Protein concentrates and textured protein substances	kg.	12.5%
2106 90	- <i>Other:</i>		
	--- <i>Soft drink concentrates:</i>		
2106 90 11	---- Sharbat	kg.	12.5%
2106 90 19	---- Other	kg.	12.5%
2106 90 20	--- Pan masala	kg.	37.5%
2106 90 30	--- Betel nut product known as " <i>Supari</i> "	kg.	12.5%
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.	12.5%
2106 90 50	--- Compound preparations for making non-alcoholic beverages	kg.	12.5%
2106 90 60	--- Food flavouring material	kg.	12.5%
2106 90 70	--- Churna for pan	kg.	12.5%
2106 90 80	--- Custard powder	kg.	12.5%
	--- <i>Other :</i>		
2106 90 91	---- Diabetic foods	kg.	12.5%
2106 90 92	---- Sterilized or pasteurized miltone	kg.	6%
2106 90 99	---- Other	kg.	12.5%

- For rates of special duty of excise and notification(s) giving effective rates of special duty of excise on specified goods of this Chapter - please see the second Schedule to this tariff.
- For rates of National Calamity Contingent duty on specified goods of this Chapter - please see Appendix III.
- For effective rates of Cess on the specified goods of this Chapter - please see Appendix IV.
- The specified goods falling under this Chapter are assessable to duty w.r.t. Maximum Retail Price. For percentage of abatement - please see Appendix V.

**Tariff values for Pan Masala in retail packages:**

In exercise of the powers conferred by sub-section (2) of section 3 of the Central Excise Act, 1944 (1 of 1944) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.16/98-Central Excise (N.T.), dated the 2<sup>nd</sup> June, 1998, published in the Gazette of India, Extraordinary, vide number G.S.R.312(E), dated the 2<sup>nd</sup> June, 1998, the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby fixes tariff value in respect of the excisable goods, specified in column (1) of the Table below, and falling under tariff item 2106 90 20 or heading 2403 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), equivalent to the amount specified in the corresponding entry in column (2) of the Table aforesaid:-

**TABLE**

Description of excisable goods (1)	Amount (2)
Pan masala, in retail packages,-	
(1) If retail sale price is not printed on retail pack,-	
(i) containing not exceeding two grams per pack	Re.1.50 per unit pack
(ii) containing more than 2 grams but not exceeding 4 grams per pack	Rs.3.00 per unit pack
(iii) containing more than 4 grams but not exceeding 10 grams per pack	Rs.3.00 +Rs.1.25 per gram or part thereof exceeding 4 grams
(2) If retail sale price is printed on the retail pack	50% of the printed retail sale price

Explanation 1.- For the purposes of this notification “retail sale price” means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like and the price is the sole consideration for such sale.

Explanation 2. For the purposes of this notification, “retail package” means a package containing pan masala which is produced, distributed, displayed, delivered or stored for sale through retail sales agencies or other instrumentalities for consumption by an individual or a group of individuals.

[Notification No. 3/06-CE. (NT) dt. 1.3.2006]

**Levy of duty of excise on food preparations and waters, not in sealed containers during the period commencing on and from 1.3.06 and ending with 3.5.2006.**

Whereas the Central Government is satisfied that according to a practice that was generally prevalent regarding levy of duty of excise (including non-levy thereof) under section 3 of the Central Excise Act, 1944 (1 of 1944) (hereinafter referred to as the said Act), on food preparations and waters, not cleared in sealed containers, falling under tariff item 2106 90 99 and 2201 90 90 respectively, of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), and that such food preparations and waters, not cleared in sealed containers, were liable to duty of excise which was not being levied according to the said practice during the period commencing on and from the 1<sup>st</sup> day of March, 2006 and ending with 3<sup>rd</sup> May, 2006.

Now, therefore, in exercise of the powers conferred by section 11C of the said Act, the Central Government hereby directs that the whole of the duty of excise payable under section 3 of the said Act on such food preparations and waters, not cleared in sealed containers, falling under tariff item 2106 90 99 and 2201 90 90 respectively, of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), but for the said practice, shall not be required to be paid in respect of such food preparations and waters, not cleared in sealed containers, on which the said duty of excise was not being levied during the aforesaid period in accordance with the said practice.

**[Notfn. No. 15/06-CE (NT) dt. 19.6.2006]**

#### EXEMPTION NOTIFICATIONS

**For exemption from National Calamity Contingent duty to specified goods of this Chapter please see Notfn. No. 26/2001 under Chapter 24.**

**Effective rate of National Calamity Contingent duty on Pan Masala, produced in North-Eastern States by units availing exemption under Notfn. Nos. 32/99-CE & 33/99-CE both dt. 8.7.1999.**

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sub-section (3) of Section 136 of the Finance Act, 2001 (14 of 2001) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 13/2001-Central Excise, dated the 1<sup>st</sup> March, 2001, published in the Gazette of India, Extraordinary, vide number G.S.R. 138 (E) dated the 1<sup>st</sup> March, 2001, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby **exempts 'Pan Masala' falling under tariff item 2106 90 20** of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) and cleared under the notification of the Government of India in the Ministry of Finance (Department of Revenue) **No. 32/99-Central Excise** [G.S.R. 508(E)], or **No. 33/99-Central Excise** [G.S.R. 509(E)], both dated 8th July, 1999, as the case may be, **from so much of the National Calamity Contingent duty** leviable thereon under sub-section(1) of section 136 of the said Finance Act **as is equivalent to the amount of duty paid by the manufacturer of goods other than the amount of duty paid by utilisation of CENVAT credit under the CENVAT Credit Rules, 2001.**

2. This exemption shall be given effect to in the same manner as the exemption contained in either of the said notifications under which the goods are cleared.

**[Notfn. No. 27/01-CE dt.11.5.2001 as amended by Notfn. No. 35/01 and 20/06].**

**Tariff values for Pan Masala in retail packages:**

In exercise of the powers conferred by sub-section (3) of section 3A of the Central Excise Act, 1944, the Central Government hereby specifies on, -

- (i) pan masala falling under tariff item 2106 90 20 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) except the pan masala containing not more than 15% betel nut; and
- (ii) pan masala containing tobacco, commonly known as gutkha, falling under tariff item 2403 99 90 of the said Tariff Act (hereinafter referred to as specified goods),

manufactured with the aid of packing machine having maximum packing speed as specified in column (3) or column (4) or column (5) of Table-1, as the case may be, at which they can be operated for packing of specified goods which are packed in pouches of retail sale prices as specified in column (2) of the said Table, the rates of duty specified in the corresponding entry in column (3a) or column (3b) or column (4a) or column (4b) or column (5a) or column (5b) of the said Table, as the case may be:

**Table-1**

S. Retail No. sale price (per pouch)		Rate of duty per packing machine per month (Rs. in lakh)					
		Up to 300 pouches per minute		301 to 750 pouches per minute		751 pouches per minute and above	
(1)	(2)	(3)		(4)		(5)	
		Pan masala	Pan masala containing tobacco	Pan masala	Pan masala containing tobacco	Pan masala	Pan masala containing tobacco
		(3a)	(3b)	(4a)	(4b)	(5a)	(5b)
1.	Up to Rs.1.00	19.60	35.35	32.08	57.84	71.29	128.54
2.	From Rs.1.01 to Rs.1.50	29.41	53.02	48.12	86.77	106.93	192.82
3.	From Rs.1.51 to Rs.2.00	37.25	67.16	60.95	109.91	135.44	244.23
4.	From Rs.2.01 to Rs.3.00	55.87	100.75	91.42	164.86	203.16	366.35
5.	From Rs.3.01 to Rs.4.00	72.14	130.09	118.05	212.87	262.33	473.04
6.	From Rs.4.01 to Rs.5.00	90.18	162.61	147.56	266.09	327.91	591.30
7.	From Rs.5.01 to Rs.6.00	108.21	195.13	177.07	319.30	393.50	709.56
8.	Above Rs.6.00	108.21 +17.64 x (P- 6)	195.13 +31.81 x (P-6)	177.07 +28.87 x (P-6)	319.30 +52.06 x (P-6)	393.50 +64.15 x (P-6)	709.56 +115.69 x (P-6)

Where 'P' above represents retail sale price of the pouch for which rate of duty is to be determined.

Illustration. - The rate of duty per packing machine per month for a pan masala pouch having retail sale price of Rs. 8.00 (i.e. 'P') packed with the aid of a machine having maximum packing speed, at which it can be operated for packing of pan masala pouch of the said retail sale price, of 600 pouches per minute shall be = Rs.  $177.07 + 28.87 \times (8-6) = \text{Rs.}234.81$  lakh.

*Explanation 1.* - For the purposes of this notification, “packing machine” includes all types of Form, Fill and Seal (FFS) machines and Profile Pouch Making Machine, by whatever names called, whether vertical or horizontal, with or without collar, single-track or multi-track, and any other type of packing machine used for packing of pouches of notified goods.

*Explanation 2.* - For the purposes of this notification, if there are multiple track or multiple line packing machine which besides packing the specified goods in pouches, perform additional processes involving moulding and giving a definite shape to such pouches with a view to distinguish the brand or to prevent the counterfeiting of the goods, etc., two such tracks or lines shall be deemed to be one individual packing machine for the purposes of calculation of the duty liability.

Provided that in case of multiple track or multiple line packing machine which are incapable of performing such additional processes, each such track or line shall be deemed to be one individual packing machine for the purposes of calculation of the duty liability.

*Explanation 3.* - For the purposes of this notification, “retail sale price” means the maximum price at which the specified goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like and the price is the sole consideration for the sale:

Provided that where on the package, more than one retail sale price is declared, the maximum of such retail sale prices shall be deemed to be the retail sale price:

Provided further that if the goods are cleared in wholesale packages containing a number of standard packages with retail sale price declared on them, then, such declared retail sale price shall be taken into consideration for determining the rate of duty under respective S. Nos. referred to in Table-1.

2. The number of packing machines and the maximum packing speed at which the machine can be operated for packing of specified goods of various retail sale prices, for the purpose of computation of the rate of excise duty specified in the opening paragraph shall be determined in terms of Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008.

3. The duty levied and collected on such specified goods shall be the aggregate of the duty leviable under the Central Excise Act, 1944 (1 of 1944), the additional duty of excise leviable under section 85 of the Finance Act, 2005 (18 of 2005), the National Calamity Contingent Duty leviable under section 136 of the Finance Act, 2001 (14 of 2001), Education Cess leviable under section 91 of the Finance Act, 2004 (23 of 2004) and Secondary and Higher Education Cess leviable under section 136 of the Finance Act, 2007 (22 of 2007) and shall be apportioned in the ratios specified in the Table-2 below.

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TABLE-2

S. No.	Duty	Duty ratio for pan masala	Duty ratio for pan masala containing tobacco
(1)	(2)	(3)	(4)
1.	The duty leviable under the Central Excise Act, 1944 (1 of 1944)	0.3725	0.7864
2.	The additional duty of excise leviable under section 85 of the Finance Act, 2005 (18 of 2005)	0.1765	0.1165
3.	National Calamity Contingent Duty leviable under section 136 of the Finance Act, 2001 (14 of 2001).	0.4510	0.0971
4.	Education Cess leviable under section 91 of the Finance Act, 2004 (23 of 2004)	0.0	0.0
5.	Secondary and Higher Education Cess leviable under section 136 of the Finance Act, 2007 (22 of 2007)	0.0	0.0

[Notifn. No. 42/2008-Cen. Ex., dt.1.7.2008 as amended by 43/08, 13/12, 1/14, 16/14, 6/15, 17/16, 4/17]