

Instruction
(Customs)

JD (NS)

F.NO. 528/79/2016-STO (TU)
Government Of India
Ministry Of Finance
Department Of Revenue
Central Board of Excise and Customs
(Tariff unit)

North Block, New Delhi
2nd September, 2016

To,

All Principal Chief Commissioners Customs/All Principal Chief Commissioners of Customs and Central Excise,
All Chief Commissioners of Customs/Chief Commissioners of Customs & Central Excise,
All Directors General/Chief Departmental Representative,
All Principal Commissioners of Customs/Principal Commissioners of Customs & Central Excise,
All Commissioners of Customs / Commissioners of Customs & Central Excise.

Sir/Madam,

Sub: Classification of certain inorganic chemicals such as mono potassium phosphate, calcium nitrate, potassium magnesium phosphate as fertiliser-regarding.

Board has vide Circular No. 44/2001-Cus dated 6th August, 2001 clarified that mono potassium phosphate, calcium nitrate, potassium magnesium phosphate will merit classification under Chapter 28 of the Customs Tariff and not under the Chapter 31 as fertilisers. This was for the reason that note 1(b) of Chapter 31 of the First Schedule to the Customs Tariff Act, 1975 states that this Chapter does not cover separate chemically defined compounds other than those answering to the descriptions in note 2(A), 3(A), 4(A) and 5 of the said Chapter. As the subject compounds do not figure in these chapter notes, they have to be excluded from Chapter 31 and classified as separate chemically defined compounds.

2. In the Conference of Chief Commissioners of Customs and Director Generals (08-09th January, 2016, Mumbai) on Customs Tariff and Allied Matters, one of the Zones had raised the issue of classification of a mixture of Calcium Nitrate and Ammonium Nitrate under the trade name of Calcium Nitrate. It was stated that Calcium Nitrate is used as a trade name only whereas the product imported is actually a mixture of Calcium Nitrate and Ammonium nitrate. Therefore, the issue was raised for clarification whether the Calcium Nitrate mentioned in the Board's Circular No. 44/2001-Cus applied to all sorts of Calcium Nitrate including Ammonium Nitrate as well. It was clarified in the conference itself that the Board Circular 44/2001-Cus did not apply to mixtures.

3. The issue has been examined by the Board and it is clarified that -

The Circular 44/2001 covers Calcium Nitrate as a separate chemically defined product. It should not be confused with mixtures or salts where Calcium Nitrate is one of the constituents. Calcium Nitrate on its own, as a single product shall be classified under Chapter 28 where as, Calcium Nitrate along with other salt shall be classified under Chapter 31. The Circular 44/2001 covers Calcium Nitrate as a single product, only. This Circular is not applicable to mixtures or compounds. Such mixtures shall be classified under Chapter 31.

It is also clarified that the trade name can not be the basis of classification in this case. Only the actual product or the constituents in the mixture should be the basis of classification. Calcium Nitrate alone, as a single product is covered under the said Circular but mixtures of Calcium Nitrate with other salts (such as Ammonium Nitrate), even if they are named as Calcium Nitrate in the trade parlance are not covered under this Circular.

This clarification is issued to ensure uniformity of assessment.

Yours faithfully



(Anurima Sharma)

OSD (Customs)