IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH: KOLKATA

REGIONAL BENCH – COURT NO. 2

Customs Appeal No. 75192 of 2026

(Arising out of Order-in-Original No. Kol/Cus/Pr.Commr/Port/Gr.3/16/2026 dated 25.02.2026- passed by the Commissioner of Customs (Port) Custom House, 15/1, Strand Road, Kolkata-700001)

M/s. Citizen Umbrella Manufacturers Ltd. **: Appellant**
147, Mahatma Gandhi Road, Kolkata-700007

VERSUS

Commissioner of Customs(Port), **: Respondent**
Custom House, 15/1, Strand Road, Kolkata-700001

APPEARANCE:

Shri Rathindra Nath Bandyopadhyay, Advocate
Smt. Rupsha Chatterjee, Advocate for the Appellant
Shri Subrata Debnath, Authorized Representative for the Respondent

CORAM:

HON'BLE SHRI R. MURALIDHAR, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO.75979/ 2026

DATE OF HEARING: 15.07.2026
DATE OF PRONOUNCEMENT: 04.08.2026

ORDER: [PER SHRI K. ANPAZHAKAN]

The present appeal has been filed assailing the Order-in-Original No. Kol/Cus/Pr.Commr/Port/Gr.3/16/2026 dated 25.02.2026- passed by the Commissioner of Customs (Port) Custom House, 15/1, Strand Road, Kolkata-700001, wherein the Ld. Commissioner has re-classified the goods imported by the Appellant and confirmed the differential customs duty, along with interest and penalty.

2. The facts of the case are that the Appellant imported **"umbrella panel fabric cut in shape and size"** through various Bills of Entry. The said goods were classified by the Appellant under the **CTH 6307 – Other made-up textile articles**. The said classification was declared in the Bills of Entry and accepted by Customs officers at the time of assessment.

2.1. Subsequently, the department issued an **Audit Consultative Letter dated 16.11.2023** alleging misclassification of the goods and proposing classification under **CTH 5407**. A **Show Cause Notice dated 29.09.2025** was thereafter issued demanding differential duty and proposing penalty.

2.2. The learned Principal Commissioner passed **Order-in-Original dated 25.02.2026**, confirming the demand and reclassifying the goods under **CTH 5407**. The present appeal challenges the legality of the said order.

3. The Appellant submits that the imported goods are **triangular textile panels cut to predetermined shape and size**. As per First Schedule of Customs Tariff Act, 1975 **Section Note 7 of Section XI (Textiles and Textiles Articles)**, the expression "made-up" includes:

- articles cut otherwise than into squares or rectangles.

3.1. The goods imported are cut in triangular shape and hence the goods clearly fall within the scope of **made-up textile articles under Chapter 63**.

3.2. The Appellant submits that CTH **5407** applies to **woven fabrics of synthetic filament yarn**. The said chapter heading applies to **textile fabrics in piece or running length**. However, in the present case, the goods imported by the Appellant are **not fabrics in running length but triangular panels ready for umbrella assembly**. Thus, the classification of the impugned goods under CTH 5407 is legally incorrect.

3.3. In support of their contention, the Appellant relied on the decision of the Tribunal, Bangalore in the case of ***Karnataka Umbrella Manufacturers vs CC, Bangalore, 1999 (108) ELT 216 (Tri.),*** wherein the Tribunal has held that Umbrella nylon cloth panels cut in triangular shape are made-up textile articles classifiable under Heading 6307. The Appellant submits that the said judgment directly applies to the facts and circumstances of the present case.

3.4. The Appellant submits that there is **no suppression or mis-declaration** in this case. All imports were made through Bills of Entry. Description of goods was fully declared in the Bills of Entry. Classification was openly declared. Customs has assessed the goods without raising any objection. Thus, the Appellant submits that the Show Cause Notice issued by invoking extended period of limitation, by invoking the provisions under **Section 28(4)** of the Customs Act, is legally not sustainable. In support of this contention, the appellant relied on the decision of the Hon'ble Supreme Court in the case of ***Padmini Products vs CCE 1989 (43) ELT 195 (SC).***

3.5. In view of the above submissions, the Appellant prayed for setting aside the demands of customs duty along with interest and penalty confirmed in the impugned order.

4. The Ld. A.R reiterated the findings in the impugned order.

5. Heard both sides and perused the appeal documents.

6. We find that the issue to be decided in this appeal is whether the **umbrella panel fabric cut in shape and size** imported by the Appellant is classifiable under the **CTH 6307** as made-up textile articles, as claimed by the Appellant or under the CTH **5407** as **woven fabrics of synthetic filament yarn** as claimed by the Revenue.

6.1. We find that there is no dispute that the goods imported are cut in triangular shape. As per **Section Note 7 of Section XI (Textiles and Textiles Articles o**f the First Schedule of Customs Tariff Act, 1975, the expression "made-up" includes 'articles cut otherwise than into squares or rectangles'. We find that **CTH 6307** specifically covers made-up textile articles. Even if the goods originate from fabric, once they are cut into triangular panels they acquire a **distinct identity and character**. The Hon'ble Supreme Court in the case of **CCE vs Connaught Plaza Restaurant Pvt Ltd 2012 (286) ELT 321 (SC**), held that Classification must depend upon the essential character of goods. In the present case, we find that the essential character of the goods imported is **umbrella panels** and not textile fabric. In trade parlance also the goods are known as **umbrella panels**. They are not sold or purchased as textile fabrics. In the case of ***Dunlop India Ltd vs Union of India,1983 (13) ELT 1566 (SC),*** the Hon'ble Supreme Court has held that Classification should follow commercial understanding.

6.2. Further we find that **CTH 6307** specifically covers made-up textile articles where as CTH **5407** asis a general heading having the description **woven fabrics of synthetic filament yarn**. As per General Rules of Interpretation, a specific heading is always preferred over a general heading. As CTH 6307 specifically covers **umbrella panel fabric cut in shape and size** imported by the Appellant, we hold that the goods imported by the Appellant is appropriately classifiable under the **CTH 6307** as made-up textile articles.

6.3. We find that the issue is no longer res integra as the same issue of classification of **umbrella panel fabric cut in shape and size** has already been decided by the Tribunal, Bangalore in the case of ***Karnataka Umbrella Manufacturers vs CC, Bangalore, 1999 (108) ELT 216 (Tri.),*** wherein the Tribunal has held that Umbrella nylon cloth panels cut in triangular shape are made-up textile articles classifiable under Heading 6307. For ready reference, the relevant portion of the said decision is extracted below:

> *3. Chapter 63 of the Tariff deals with "Other made-up textile articles; sets; worn clothing and worn textile articles; rags". Chaper Heading 63.07 deals with "Other made-up articles, including dress patterns". Sub-heading 10 relates to "Floorcloths, dish-cloths, dusters and similar cleaning cloths", sub-heading 20*

relates to "Life-jackets and life-belts" and sub-heading 90 deals with "Others". Note 7 to Section XI explains the meaning of the expression "made-up". According to clause (a) "madeup" means 'cut otherwise than into squares or rectangles'. The panels in this case, being cut in triangular shape would attract clause (a). According to clause (d) "made-up" also means 'cut to size and having undergone a process of drawn thread work'. The panels imported by the appellant had drawn thread work and would therefore, attract clause (d) also. In other words, the panels are capable of being regarded as "made-up" textile articles, attracting Chapter Heading 63.07

6.4. We find that the ratio of the decision cited supra is squarely applicable to the facts and circumstances of the present case. Accordingly, by relying on the decision cited supra, we hold that the **umbrella panel fabric cut in shape and size** are appropriately classifiable as made-up textile articles under Heading 6307 and reject the re-classification of the impugned goods under the CTH **5407** by the Reve ue.

6.5. The Appellant has also contested the demands confirmed in the impugned order on the ground of limitation. We find merit in the submission of the Appellant that there is **no suppression or mis-declaration** in this case. We find that all imports were made through Bills of Entry. Description of goods was fully declared in the Bills of Entry. Classification was openly declared. Customs has assessed the goods without raising any objection. Thus, we observe that the Show Cause Notice issued by invoking extended period of limitation, by invoking the provisions under **Section 28(4)** of the Customs Act, is legally not sustainable. In support of this view, we rely on the decision of the Hon'ble Supreme Court in the case of ***Padmini Products vs CCE, 1989 (43) ELT 195 (SC),*** wherein it has been held that extended period cannot be invoked for classification disputes.. Thus, we hold that the entire demand is barred by limitation. Accordingly, we hold that the demands confirmed in the impugned order are liable to be set aside on the ground of limitation also.

6.6. Thus, we hold that the demands of customs duty along with interest and penalty confirmed in the impugned order is not sustainable and hence we set aside the same on merits as well as on the ground of limitation.

7. In the result, we set aside the impugned order and allow the appeal filed by the Appellant with consequential relief, if any, as per law.

(Order Pronounced in Open court on 04.08.2026)

(R. MURALIDHAR)
MEMBER (JUDICIAL)

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

RKP