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

REGIONAL BENCH – COURT NO. 1

Customs Appeal No. 75889 of 2023

(Arising out of Order-in-Appeal No. Kol/Cus(Port)/KS/294/2023 dated 28.04.2023 passed by the Commissioner of Customs (Appeals)3rd Floor, Custom House, 15/1, Strand Road, Kolkata-700001)

M/s. Topsia Estates Pvt. Ltd. **: Appellant**
Regd. Office at 7B, Justice Dwarkanath Road
P.S. Bhawanipore, Kolkata-700020

VERSUS

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

APPEARANCE:

Shri Ashutosh Nath, A.R. for the Appellant
Shri A. K. Chowdhury, Authorized Representative for the Respondent

CORAM:

HON'BLE SHRI ASHOK JINDAL, MEMBER (JUDICIAL)
HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO.75941/ 2026

DATE OF HEARING: 25.06.2026
DATE OF PRONOUNCEMENT: 28.07.2026

ORDER: [PER SHRI ASHOK JINDAL]

The appellant is in appeal against the impugned order wherein differential duty has been demanded from the appellant by denying the benefit of exemption provided under Notification No. 82/2017-Customs dated 27th October, 2017.

2. The facts of the case are that the appellant filed six bills of entry for home consumption for clearance of goods declared as "Chinlon Knitted Bonded Fabrics" and "Bonded Fabrics in bracket (Eva Lycra)" originating from China, classifying under CTH

60069000 of the Custom Tariff Act, 1975 claiming the benefit of concessional rate of duty in terms of Notification No. 82/2017-Customs dated 27th October, 2017 [Serial Number 169]. The goods were cleared on payment of duty.

3. Later on, it came to the notice of the Revenue that the classification claimed by the appellant for the impugned goods did not appear to be proper and therefore, the concessional rate of duty availed by the appellant for the impugned goods in terms of Serial Number 169 of Notification No. 82/2017-Customs dated 27th October, 2017 did not appear to be applicable to impugned items for the reason that the importer had declared the items covered under the said six Bills of Entry as "Chinlon Knitted Bonded Fabrics" and "Bonded Fabrics in bracket (Eva Lycra)" classifying the same under CTH 60069000 of the First Schedule to the Custom Tariff Act, 1975, which was alleged to be false; that Chapter 60 of the HSN covers 'knitted and crocheted fabrics'; that in the HSN, knitted or crocheted fabrics under the said Chapter 60 of the Custom Tariff Act, 1975 are further classified into six main classes of goods vide six four digit headings, reproduced as under: -

> *"6001 PILE FABRICS, INCLUDING "LONG PILE" FABRICS AND TERRY FABRICS, KNITTED OR CROCHETED*
>
> *6002 KNITTED OR CROCHETED FABRICS OF A WIDTH NOT EXCEEDING 30 CM, CONTAINING BY WEIGHT 5% OR MORE OF ELASTOERIC YARN OR RUBBER THREAD, OTHER THAN HOSE OF HEADING 6001*
>
> *6003 KNITTED OR CROCHETED FABRICS OF A WIDTH NOT EXCEEDING 30 CM, OTHER THAN THOSE OF HEADING 6001 or 6002*
>
> *6004 KNITTED OR CROCHETED FABRICS OF A WIDTH EXCEEDING 30 CM, CONTAINING BY*

WEIGHT 5% OR MORE OF ELASTOERIC YARN OR RUBBER THREAD, OTHER THAN HOSE OF HEADING 6001

6005 WARP KNITTED FABRICS (INCLUDING THOSE MADE ON GALLOON KNITTING MACHINES), OTHER THAN THOSE OF HEADING 6001 TO 6004

6006 OTHER KNITTED OR CROCHETED FABRICS"

4. In the instant case, the appellant has claimed classification under CTH 60069000, which falls under four digit heading viz. 6006. The said four digit heading as in the HSN is reproduced hereunder: -

6006OTHER KNITTED OR CROCHETED FABRICSWARP KNIT FABRICS

HS Code Level	Item description	Unit	Effective BCD
60061000--	Of wool or fine animal hair	kg.	10%
	Of cotton :		
60062100 --	Unbleached or bleached	kg	10%
60062200 --	Dyed	kg	10%
60062300 --	Of yarns of different colours	kg	10%
60062400 --	Printed	kg	10%
-	**Of synthetic fibres**		
60063100 --	Unbleached or bleached	kg.	20%
60063200 --	Dyed	kg.	20%
60063300 --	Of yarns of different colours	kg.	20%
60063400 --	Printed	kg	20%
-	**Of artificial fibres**		
60064100 --	Unbleached or bleached	kg.	20%
60064200--	Dyed	kg.	20%
60064300--	Of yarns of different colours	kg.	20%
60064400 --	Printed	kg.	20%
6006 90 00 -	Other	kg.	10%

(Notfn No.82/2017 Sl. 169)

5. The HSN code under four digit Chapter Heading 6006 contains single dash (-) and double dash (--). A single dash (-) at the beginning of a description denotes an article that belongs to a group covered under a heading. A double dash (--) indicates that the article is a sub-classification of the preceding article that has a single dash (-). Accordingly, the said 4-digit heading 6006contains the following five (5) groups of articles that are denoted by a single dash (-)

Level	Article/Group	CTH
-	Of wool or fine animal hair	60061000
-	Of Cotton	60062100, 60062200, 60062300 & 60062400
-	Of Synthetic fibres	60063100, 60032100, 60063300 & 60063400
-	Of artificial fibres	60064100, 60064200, 60064300 & 60064400
-	Other	60069000

6. Therefore, all kinds of knitted or crocheted fabrics are classified under four dashed digit headings i.e., 6001, 6002,6003, 6004 or 6005of Chapter 60 of the HSN. Also, knitted and crocheted fabrics which are not covered under the four dashed digit headings of 6001, 6002, 6003, 6004 or 6005 are classified under four dashed digit heading of 6006, which is for other knitted or crocheted fabrics. The said 4-digit Heading '6006' is further divided into five (05) main classes of goods based on material of the article denoted by a single hash (-)in the HSN. Thus, was alleged that a Knitted or Crocheted fabric' if not coverable under the first five 4-digit Headings of Chapter 60 of the HSN viz '6001', '6002', 6003', '6004' and 6005', the same is classifiable under the 4-digit Heading '6006' of the HSN. And, if a "Knitted or Crocheted fabric is appropriately classifiable under the 4-digit Heading 6006, the 8-digit Tariff Item No. shall be determined according to the constituent material of the item. For instance, knitted or crocheted fabric not coverable under the 4-digit Headings 6001', '6002', 6003', '6004', '6005' and if made up of cotton shall be classifiable under 8-digit Tariff item 60062100', 60062200, 60062300' or 60062400'. That for an article to merit classification under Tariff item 60069000, the said article shall not be made up of wool or fine animal hair, cotton, synthetic fibres or artificial fibres.

7. It is the case of the Revenue that in the instant case, the impugned item is polyester knitted fabric, which is made up of polyester material; as per

Chapter Note 1 to Chapter 54 of the Custom Tariff Act, 1975, polyester is a 'synthetic fibre'; The terms 'synthetic' and 'artificial' used in relation to fibres means 'synthetic fibre' as defined at (b).

7.1. The importer was summoned under section 108 of the Customs Act, 1962 to ascertain the constituent material of the impugned gods and thereby determine the appropriate classification. The importer gavé voluntary statement and stated that the impugned goods are different types and has different uses and these fabrics are synthetic in nature.

8. In view of this, it appeared to the Revenue that the impugned goods, imported by the appellant, is made up of synthetic fibre and are appropriately classifiable under Customs Tariff Item Nos. 60063100, 60063200, 60063300 or 60063400. It was thus alleged that the impugned items being "Chinlon Knitted Bonded Fabrics" and "Bonded Fabrics in bracket (Eva Lycra)." Are made up of synthetic fibre and therefore, appears to be appropriately classifiable under Customs Tariff Item Nos. 60063100, 60063200, 60063300 or 60063400. Accordingly, it was also alleged that the claim of classification of the importer-appellant under Customs Tariff Item No. 60069000 was incorrect as the HSN does not cover articles made of synthetic fibre; that moreover, prior to 27th October 2017, the appellants themselves have classified the impugned goods i.e., "Chinlon Knitted Bonded Fabrics" and "Bonded Fabrics in bracket (Eva Lycra)" under Customs Tariff Item Nos. 60063100, 60063200, 60063300 or 60063400. Therefore, the Revenue was of the view the appellant is not entitled for the

benefit of Notification No. 82/2017-Customs dated 27th October, 2017.

9. In view of this, a Show Cause Notice dated 18.09.2020 was issued to the appellant, by invoking the extended period of limitation, to reclassify the said item under CTHs 60063100, 60063200, 60063300 or 60063400.

10. The matter was adjudicated, the goods were reclassified and benefit of exemption under the said Notification was denied. Consequently, by way of the Order-in-Original dated 23.03.2021, the impugned demand has been confirmed against the appellant; penalty was also imposed under Section 114A of the Customs Act, 1962.

11. On appeal, the Ld. Commissioner (Appeals), by way of the impugned order, has upheld the order passed by the ld. adjudicating authority.

12. Against the said order, the appellant is before us.

13. The Ld. Counsel appearing on behalf of the appellant submits that in this case, goods were imported by the appellant by filing of the Bills of Entry during the period from 22.11.2017 to 24.12.2018; that the goods were allowed to be cleared and out-of-charge was given to the appellant. It is his submission that thereafter, the Show Cause Notice came to be issued, on 18.09.2020, which is therefore barred by limitation.

14. It is further submitted that the ld. adjudicating authority has held that the goods in question are 'bleached and dyed' without any test report; that change of classification is not sustainable in the

absence of any test report holding that the goods are 'bleached and dyed'.

15. Therefore, in these circumstances, the Ld. Counsel for the appellant prays that the impugned order be set aside.

16. On the other hand, Ld. Authorized Representative of the Revenue drew our attention to the impugned order wherein it is recorded that in the voluntary statement made by the appellant, it was inter alia stated that these fabrics are synthetic in nature and also that these fabrics are bleached and dyed. Therefore, he contends that the ld. adjudicating authority has rightly re-classified the goods in question under CTHs 60063100, 60063200, 60063300 or 60063400 and denied the benefit of Exemption Notification No. 82/2017-Customs dated 27th October, 2017.

17. Heard the parties and considered their submissions.

18. It is a fact that the adjudicating authority arrived at the said decision on the basis of the voluntary statement made by the appellant, wherein the appellant is said to have stated that these fabrics are synthetic in nature and also that these fabrics are bleached and dyed. We have seen the statement made by the appellant during the course of investigation and nowhere has the appellant made a statement that these fabrics are 'bleached and dyed'. It is only fictions made by the adjudicating authority in the impugned order.

19. For better appreciation of the facts, the extract of the statement of the appellant recorded during the course of investigation is reproduced hereunder: -

4.2. The importer was summoned under section 108 of the Customs Act, 1962 under CBIC Document Identification Number (DIN) No. 20200376NN00001J2DC5 on 6th March 2020 to accurately ascertain the constituent material of the impugned items and thereby ascertain whether the impugned items are appropriately classified under the claimed CTH or otherwise.

Shri Rajendra Jain, Director of M/s. Topsia Estates Pvt. Ltd. appeared before the Appraiser of Customs, SIB, Customs House, Kolkata at the stipulated dated and time. Statements were taken and recorded in writing as per law, copy of which is attached herewith as RUD-01. Statement No. 4 given by the said Shri Rajendra Jain is reproduced below-

> "4. You have imported goods declared as "Chinlon knitted fabric/Chinlon bonded fabric/Bonded fabric (Eva Lycra) vide Bills of Entry No. 4111941 dated 22.11.2017, Bill of Entry No. 9389465 dated 24.12.2018, Bill of Entry No. 6416692 dated 17.05 2018. Bill of Entry No. 8000124 dated 11.09.2018, Bill of Entry No. 46. 0898 dated 02.01.2018 and Bill of Entry No. 3450280 dated 30.05.2018. Are all these fabrics same in terms of constituents and usage. Are all these fabrics synthetic in nature?
>
> Ans: Chinlon Knitted Fabric, Chinlon Knitted fabric and bonded fabric (Eva Lycra) are all different types and has different uses. All these fabrics are *synthetic in nature."*

20. From the above, it is clear that the ld. adjudicating authority has gone on a wrong premise and arbitrarily recorded that the statement of the appellant indicates that these fabrics are bleached

and dyed, without adducing any evidence. We hold that the benefit of the aforesaid Exemption Notification cannot be denied to the appellant in the absence of any test report.

21. In view of this, we do not find any merit in the impugned order. The same is set aside.

22. In the result, the appeal is allowed with consequential relief, if any.

(Order Pronounced in Open court on 28.07.2026)

(ASHOK JINDAL)
MEMBER (JUDICIAL)

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)

RKP