IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL, NEW DELHI
PRINCIPAL BENCH, COURT NO. IV

Customs Appeal No. 51391 of 2014

[Arising out of Order-In-Appeal No. CC(A)Cus/ICD/ 742 /2013 dated 8.11.2013 passed by Commissioner of Customs (Appeals), New Delhi]

Commissioner of Customs **Appellant**
New Delhi

Vs.

M/s. Craftex India **Respondent**

Appearance:

Shri R K Majhi, AR for the Appellants
Shri A S Hasija, Consultant for the Respondent

CORAM:

Hon'ble Ms Archana Wadhwa, Member (Judicial)
Hon'ble Mr. V Padmanabhan, Member (Technical)

Date of Hearing / Decision: 06.04.2017

FINAL ORDER NO . 52902 /2017

Per V Padmanabhan:

The appeal has been filed by Revenue against the order-in - appeal dated 8.11.2013 passed by Commissioner (Appeals) New Delhi. The respondents imported goods and declared them as “New Trim Cutting Synthetic Waste” and classified the goods under CTH 63109040 and claimed the benefit of CVD at nil rate in terms of notification No. 12/2012 Cus. dated 17.3.2012 (S.No. 299). When the goods were examined on first check basis, the goods were found to be synthetic strip / felt in running length packed in prime packing and not appeared to be waste classifiable under CTH 5603. The original authority on the basis of above examination report, concluded that the impugned goods will not be classifiable as 'Trim cutting synthetic waste' under 6310 and classified the same under 5603 as synthetic strip /felt in running length. When the order was challenged before Commissioner (Appeals), he upheld the classification claimed by the importer under CTH 6310. Aggrieved by the above order, Revenue is in appeal seeking to restore the order passed by the original authority.

2. In the above background, we have heard Shri R K Majhi, learned AR appearing for the Revenue and Shri A S Hasija, learned Consultant appearing for the respondent-assessee.

3. Learned AR submitted that the imported goods were found on examination to be in running length with complete edge on both the sides. It was also found to be in proper packing and did not appear to be waste. He submitted that such goods in running length will not be classifiable under CTH 6310 and must be classified under 5603 as synthetic strip in running length.

4. Learned Consultant for the respondent however argued that the goods in question are in running length having the width of 2.5 inches to 4 inches and imported by the respondent for use in the manufacture

of hand made rugs. He also cited the CBEC Circular No. 20/2011 Cus dated 15.4.2011 in which it has been claimed, as per the opinion of the DGFT, that imported trim cutting waste of continuous length with maximum width up to 10 inch will fall under CTH 6310 and will be allowed for import without import license. He accordingly submitted that impugned order may be upheld.

5. The importer is an exporter of hand made rugs. The imported goods are meant for use in the manufacture of such hand made rugs. The examination report of the imported goods indicates that these are in the form of synthetic strips in running length of width of 2.5 inches to 4 inches. Fabric with the width of 2.6 inches to 4 inches even if it is in running length cannot be considered as synthetic strip classifiable under CTH 5603. The CTH 6310 covers "used or new rags, scrap twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials".

6. From the written submissions of the respondent it is seen that the imported goods have arisen at the end of the manufacture of non-woven fabric rolls and are in the form of cutting edges which has been done to make the rolls even. The reference to CTH 6310 as above reveals that it will cover rags of textile fabric – whether new or worn out. In any case, any fabric found in running length of 2.5" or 4" can only be used as rags and cannot be considered as a fabric.

7. The learned Counsel for the respondent has drawn our attention to the Circular No. 20/2011 Cus dated 15.4.2011 issued by CBEC. The circular has clarified that the import of Trim Cutting waste or fibre trim of continuous length with width upto 10” fall under CTH 6310 required for the manufacture of Chindi rugs will be allowed for clearance without any import license. The above CBEC circular strengthens the view that imported goods are in the nature of waste used for manufacture of rugs and hence will be rightly classifiable under CTH 6310.

8. In view of the above discussion, we find no infirmity in the impugned order. Consequently, it is upheld and the appeal filed by the Revenue is rejected.

(pronounced in the open court)

(Archana Wadhwa)
Member(Judicial)

(V Padmanabhan)
Member (Technical)

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