Circular No. 2 / 2011-Customs

F.No.528/56/2010-STO (TU)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
Tariff Unit

229A, North Block, New Delhi -110001,
4th January, 2011.

To

All Chief Commissioners of Customs / Customs (Prev.),
All Chief Commissioners of Customs & Central Excise,
All Commissioners of Customs / Customs (Prev.),
All Commissioners of Customs & Central Excise,
All Director Generals under CBEC.

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Subject:- Classification of Polyester Bonded Fabrics and other Bonded Fabrics - Regarding.

Sir / Madam,

References have been received that divergent practices are being followed by field formations regarding classification of polyester bonded fabrics and that classification disputes of polyester bonded fabrics are pending at various fora. The issue was also discussed in the Chief Commissioners' Conference on Tariff and Allied Matters held on 29.10.2010 at New Delhi where it was decided that the Board may issue a circular clarifying the issue.

2. The issue has been examined by the Board. Accordingly, it is clarified that,-

(i) Classification of a fabric produced by mixing two or more textile materials prior to spinning or during spinning or twisting or weaving should be determined on the basis of principles contained in Note (2) to Section XI and the relative Explanatory Notes.

(ii) Classification of bonded fabrics produced, after weaving or knitting, by assembling two or more layers of textile fabrics of different composition by sewing or gumming etc. should be determined by application of Rule 3 of the General Interpretative Rules. However, where it is necessary to determine the textile material that predominates by weight for the purpose of deciding classification of each layer of fabric, before determining

the classification of the bonded fabric as a whole, the principles contained in Note (2) to Section XI should be applied and the examples provided in the relative Explanatory Notes should be taken as a guideline.

(iii) Laminated fabrics of heading 5903 or covered fabrics of heading 5907 should not be confused with the fabrics mentioned at Para 2 (ii) above, by relying upon dictionary meanings or other technical opinions. In this context it is clarified that the terms of headings and any relative Section or Chapter Notes are paramount i.e., they are the first consideration in determining classification. Further, Explanatory Notes being the official interpretation of the Harmonized System take precedence over dictionary meanings or other technical opinions. Therefore, as clarified by Explanatory Note (I) (A) to Section XI, classification of fabrics consisting of two or more layers of fabrics of different composition, bonded by plastic or other adhesive should be determined by application of Rule 3 of the General Interpretative Rules.

(iv) Another type of bonded fabrics are those defined in Note 9 to Section XI. These are fabrics consisting of layers of textile yarns superimposed on each other at acute or right angles. The essential character of these fabrics is that the yarns are not interlaced as in a conventional weaving, but are held in place by bonding at the intersections with an adhesive or by a process of thermal bonding. Although this kind of fabrics are not woven in the conventional way, these fabrics are to be classified in the same manner the normal non bonded woven fabrics are classified, in chapters 50 to 55 depending on the composition, by application of the principles contained in Note (2) to section XI.

(v) There are also some bonded fabrics that are stitch bonded. 'Stitch bonded *knitted* fabrics' are those that have undergone a type of warp knitting technique in which an extra yarn runs through the loops to bind two or more layers of fabric as they are being knitted. These types of stitch bonded fabrics are classified in chapter 60. Further, there are some stitch-bonded fabrics classifiable under 5602. The essential feature of these fabrics is that they consist of a web of textile fibres, the cohesion of which is enhanced by picking up fibres from the web itself, and not by means of textile yarns. The fibres are drawn by needles through the web, and form on the surface rows of chain stitches. Some of these fabrics may have a pile surface (whether or not cut) and may be reinforced by a ground of textile or other material.

3. Hence it is clarified that bonded fabrics should be classified depending on type of textile material and the nature of bonding as explained above.

4. All pending assessments, if any, may be finalized accordingly.

5. Difficulty faced, if any, may be brought to notice of the Board.

Yours faithfully,

(B.Timothy)
Senior Technical Officer (Tariff Unit)

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