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Date: 22.07.2025

CESTAT Chennai Favors Importer in PVC Resin Classification Dispute

The Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Chennai Bench, set aside the order of the Commissioner (Appeals) and allowed the appeal filed by Ram Nath Co. Pvt. Ltd. The case centered on the correct classification of PVC Resin SP 660 Suspension Grade and the eligibility of the importer to claim the benefit under Notification No. 46/2011-Cus dated 01.06.2011.

The Tribunal reiterated the legal principle that a specific tariff entry must be preferred over a general or residual one, upholding the classification under CTH 39042110 and rejecting the Department's reclassification under CTH 39041090.

Background of the Case

- The appellant imported PVC Resin SP 660 (Suspension Grade) and classified it under CTH 39042110 (Polyvinyl Chloride resins, non-plasticised) while claiming exemption under Notification No. 46/2011-Cus.
- The Department, based on a test report from CIPET, reclassified the product under CTH 39041090 (Polyvinyl Chloride not mixed with other substances – Other) and denied the exemption.
- The Commissioner (Appeals) upheld the reclassification, prompting the importer to file an appeal before CESTAT.

Key Legal Issues

1. Whether the PVC Resin SP 660 Suspension Grade was correctly classifiable under CTH 39042110 or CTH 39041090?

2. Whether the benefit of exemption under Notification No. 46/2011-Cus was rightly denied by the Department?
3. Applicability of Rule 3(a) of the General Rules for the Interpretation of Import Tariff.

CIPET Test Report & Technical Findings

- CIPET's original test report (25.11.2014) described the material as "PVC resin, single thermoplastic material in powder form", not mixed with any other substances.
- A follow-up clarification (25.02.2015) reconfirmed the material as pure PVC resin with negligible volatile matter (0.23%-0.24%)—not amounting to compounding.

Despite these clear technical findings, the Department still treated the material as unclassified under CTH 39041090, leading to denial of exemption.

Appellant's Arguments

- Specific entry (CTH 39042110) must prevail over residual entry (CTH 39041090) as per Rule 3(a) of Import Tariff Rules.
- The test reports confirmed the product as non-plasticised PVC resin, qualifying under the specific tariff heading.
- Previous favourable order of Commissioner (Appeals) in M/s Lila Polymers Pvt. Ltd. for identical goods was ignored.

CESTAT Chennai's Observations & Ruling

Upholding Specific Over Residual

CESTAT held that:

“CTH 39042110 is a specific entry for Polyvinyl Chloride (PVC) Resins and must be preferred over the residual entry 39041090.”

Consistency in Classification

The Tribunal criticized the inconsistent approach of the Commissioner (Appeals), who had earlier classified identical goods in *Lila Polymers* under CTH 39042110 but chose to distinguish the same in this case based on semantics in the test report.

Reference to Supreme Court & Precedents

CESTAT reaffirmed that *Akbar Badrudin v. Collector of Customs and G.C. Jain v. Commissioner of Customs* had laid down that:

“A commodity cannot be classified under a general entry if a specific entry exists.”

Reliance on Co-ordinate Bench Ruling

CESTAT also referred to its Kolkata Bench's ruling in *M/s Surabhi Enterprises Pvt. Ltd.*, which confirmed that PVC resin suspension grade—being non-plasticised—is rightly classifiable under 39042110.

Final Verdict

- The impugned order was set aside.
- The goods were held classifiable under CTH 39042110.

- The importer was entitled to the benefit of Notification No. 46/2011-Cus.
- Consequential relief was directed as per law.

Legal Significance

This ruling reinforces the principles of tariff classification in Customs law:

- Specific descriptions override general ones.
- Consistency in classification is critical.
- Test reports must be interpreted in line with legislative intent, not mere semantics.
- Revenue authorities should not deviate from established classification without strong technical or legal basis.

Conclusion

The CESTAT Chennai ruling in *Ram Nath Co. Pvt. Ltd.* is a victory for importers and traders who frequently face reclassification disputes. It restores confidence in the consistency of customs adjudication and ensures that technical evidence, legislative interpretation, and judicial precedents are respected in customs classification matters.

This Article has been written by Shri Ravi Shekhar Jha, Advocate Delhi High Court based on his interpretation of the law. He can be reached at his email id intelconsul@gmail.com or on his Mobile +91-9999005379.

Source: CESTAT Chennai

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**IN THE CUSTOMS, EXCISE & SERVICE TAX
APPELLATE TRIBUNAL, CHENNAI**

Customs Appeal No. 42400 of 2015

(Arising out of Order in Appeal C. Cus. II No. 776/2015 dated 30.8.2015 passed by the Commissioner of Customs (Appeals – II), Chennai)

Ram Nath Co. Pvt. Ltd.

C16 & C17, Thiru Vi Ka Industrial Estate
Guindy, Chennai – 600 032.

Appellant

Vs.

Commissioner of Customs

Chennai – II Commissionerate
Custom House,
60, Rajaji Salai, Chennai – 600 001.

Respondent

APPEARANCE:

Shri Hari Radhakrishnan, Advocate for the Appellant
Smt. Anandalakshmi Ganeshram, Auth. Representative for the Respondent

CORAM

Hon'ble Shri M. Ajit Kumar, Member (Technical)

Hon'ble Shri Ajayan T.V., Member (Judicial)

FINAL ORDER NO. 40748/2025

Date of Hearing: 14.07.2025

Date of Decision: 21.07.2025

Per M. Ajit Kumar,

This appeal is filed by the appellant against Order in Appeal C. Cus. II No. 776/2015 dated 30.8.2015 passed by the Commissioner of Customs (Appeals – II), Chennai. (impugned order).

2. Brief facts of the case are that the appellant filed Bills of Entry for the clearance of the goods declared as 'PVC Resin SP 660 Suspension Grade' classifying them under CTH 3904 2110 and claimed benefit under Notification No.46/2011-Cus dated 1.6.2011. Sample pertaining to one bill of entry was drawn and sent for testing at Chennai Institute of Plastics Engineering and Technology (CIPET). Based on the test report dated 25.11.2014, the Ld. Original Authority, after granting

a personal hearing, reclassified the goods under CTH 3904 1090; denied the benefit of Notification No. 46/2011-Cus dated 1.6.2011 and demanded the differential duty of Rs.2,66,676/- along with interest. The appellant preferred an appeal before the Commissioner (Appeals) who vide the impugned order upheld the reclassification and rejected the appeal. Hence the present appeal.

3. The learned Advocate Shri Hari Radhakrishnan appeared for the appellant and Smt. Anandalakshmi Ganeshram, Ld. Authorized Representative.

3.1 The Ld. Counsel for the appellant submitted that the test report dated 25.11.2014 given by CIPET was in favour of the appellant and it stated that the sample may be considered as 'Polyvinyl chloride (PVC) resin'. He stated that hence the said goods fall under the specific CTH 3904 2110 of the Customs Tariff. However since certain doubts were raised by revenue they had sought a clarification from CIPET, through the department, and who again vide their letter dated 25.02.2015 further reiterated their stand. In spite of both the reports being available with the Original Authority the impugned goods were reclassified under CTH 3904 1090 and the benefit contained under Notification No. 46/2011-Cus was denied. Further before the Ld. Commissioner (Appeals), it was submitted that the said authority in the case of **M/s. Lila Polymers Pvt. Ltd.** vide Order in Appeal C. Cus. II No. 3 and 4 of 2015 dated 19.1.2015 considered the classification of similar goods i.e. 'PVC Resin Suspension Grade SP 660' and had held that the goods are classifiable under CTH 3904 2110 and granted the benefit of Notification No. 46/2011-Cus dated 1.6.2011. However, in their case, the Ld. Commissioner Appeals chose to distinguish the order

on merits and rejected their appeal. The Ld. Counsel on merits stated that;

A) It is settled law that specific entry will prevail over general one and further held that Rule 3(a) of General Rules for the Interpretation of Import Tariff Schedule also provides that the heading which provides the most specific description shall be preferred to headings providing a more general description.

B) The impugned goods, as confirmed by the test report, are PVC resins, and are not plasticised and not mixed with any plasticisers or other substances. A harmonious reading of CTH 3904 21 (non-plasticised) and CTH 3904 21 10 (PVC resins) leaves no doubt that the impugned goods squarely fall under CTH 3904 21 10.

C) In contrast, CTH 3904 10 90 is a residual category under CTH 3904 10, which covers goods not mixed with other substances and having specific uses such as binders for pigments.

D) CIPET in their clarification letter dated 25.02.2015 have stated that the sample is containing volatile matter and that it cannot be considered as a compound because of the additive added therein. Therefore, this indicates that the product does contain additives.

In light of his submissions, he prayed that their appeal may be allowed and thus render justice.

3.2 The Ld. AR, has reiterated the findings in the impugned order. She also relied upon the decision of a Co-ordinate Bench of this Tribunal in **M/s Surabhi Enterprises Pvt Ltd Vs Commissioner of Customs (Port), Kolkata** [2025 (7) TMI 576 – CESTAT KOLKATA]. She prayed that the appeal may be rejected.

4. We have heard the contesting parties and have carefully gone through the appeals and submissions made. The dispute pertains to the classification of 'PVC Resin SP 660 Suspension Grade', under CTH 3904 2110 - **Poly (vinyl Chloride) resins**, [appellant] or CTH 3904 1090 - **Poly (vinyl Chloride), not mixed with any other substances: Other** [revenue].

5. Under the Customs Tariff Act, 1975, imported goods are classified based on tariff headings/ sub-headings, section and chapter notes, and the General Rules for the Interpretation of the First Schedule to the Customs Tariff Act, 1975 (**GRI**). Rule 1 of the GRI provides that the classification of goods shall be determined according to the terms of the headings of the tariff and any relative Section notes or Chapter notes. If the goods cannot be classified solely on the basis of GRI 1, Rules 2 to 6 provide further classification guidance in sequential order. Rule 3(a) of GRI also provides that the heading which provides the more specific description shall be preferred to headings providing a more general description. Hence if the goods to be classified are covered by the description in a heading and the Section and Chapter Notes do not exclude classification in that heading, the heading applies.

5.1 Hence a commodity cannot be classified in a residuary entry, in the presence of a specific entry, even if such specific entry requires the product to be understood in the technical sense [see **Akbar Badrudin Vs Collector of Customs**, 1990 (2) SCC 203 / 1990 (47) E.L.T. 161 (S.C.); **Commissioner of Customs Vs G.C. Jain**, 2011 (12) SCC 713 / 2011 (269) E.L.T. 307 (S.C.)].

5.2 The relevant portion of the Schedule to the Customs Act 1975, useful for understanding the classification of the impugned goods is discussed in the judgment of the Commissioner Appeals Dated 19.01.2015, extracted at para 8 below and is hence not being reproduced separately.

5.3 With this understanding of the legal provisions, we can examine the issue at hand.

6. The impugned goods were tested by CIPET. The test report dated 25.11.2014 described the goods as under;

“Comments:- Based on the above test results and the visual appearance, the **submitted sample may be considered as Polyvinyl Chloride (PVC) resin which is single thermoplastic material** in powder form. The submitted sample may be considered as prime material and it may not be considered as compound, since it is not mixed with any other substance.” (emphasis added)

CIPET vide its further letter dated 25.02.2015 made the following observation’

“with reference to your above cited letter, we have thoroughly verified the supplied sample of PVC resin SP660 bearing the BE No. 6884672 dated 25.9.2014 and **confirmed that the sample is PVC resin and not a compound. Though the sample is containing volatile matter, in the range of 0.23 to 0.24%, it may not considered as compound because of the additive added therein.** The volatile loss permissible in PVC resin is referred as per IS 4669.

However, it is evidently proved that the resin is dissolved completely without any insoluble matter in the solvent cyclohexanone which is correlated and confirmed by K-Value test result obtained.

In case if the material is added with any of the inorganic additive which will reflect in filler content test as residue. But the test result is showing nil. Furthermore the submitted sample of PVC resin (SP660) is white in colour and free flowing powder in nature and hence the **sample is confirmed as PVC resin without any additives including plasticizers.**

Hence we state that there is no change in our Test Report No. 45601 dated 25.11.2014.”

(emphasis added)

7. The Ld. Original Authority after examining both the reports came to a conclusion which he summarised at para 29 of the impugned order, as below;

“Thus combined reading of manufacturer’s product literature, clarification given by the manufacturer and the two reports given by CIPET, it is very clear that the PVC resin grade SP660 is a single thermoplastic material and it is not a compound since it is not mixed with any other substance like plasticizer or non-plasticizer and is rightly classifiable under sub-heading 390410 only. In view of the above discussion and findings, I pass the following order.”

8. When the matter was taken up before the Ld. Commissioner Appeals, his earlier order dated 19.01.2015 in the case of **M/s Lila Polymers** (supra) pertaining to the import of ‘PVC Resin Suspension Grade SP660’ was brought to his notice, where in it was stated;

The appellants have filed the self-assessed bills of entry classifying the goods under CTH 39042110. Whereas the department has changed the classification to CTH 39041090 in the reassessment. Sample was drawn from the consignment and sent to CIPET for test. The Test report has stated as follows:

Based on the above test results and visual appearance, the submitted samples may be considered as Poly Vinyl Chloride (PVC) which is single thermoplastic material in powder form. The submitted sample may be considered as prime material, and it is not containing any other substances like plasticizer.

From the above it can be seen that the test report states that the sample does not contain any other substance like plasticizer. It does not state that the sample does not contain any other substance altogether. This shows that the sample is PVC not containing only plasticizers. The test result does not rule out the presence of substances other than plasticizers along with the PVC. The relevant entries are reproduced below :

3904 00	-	Poly (vinyl chloride) not mixed with any other substances
3904 1010	---	Binders for pigments
3904 10 90	---	Other
	-	Other poly (vinly chloride)
3904 21	--	Non-plasticized
3904 21 10	---	Poly (vinyl chloride) resins
390421 90	---	Other
3904 22	--	Plasticized
3904 22 10	---	Poly (vinyl chloride) (PVC) resins (emulsion grade
3904 22 10	---	Other

It can be seen that the entry at the six-digit level-single dash heading reads as "Poly (Vinyl chloride), not mixed with any other substances". This six-digit heading has two sub classifications directly at eight-digit level with triple dash. They are 39041010 -"Binders for pigments" and 39041090 - "other". After this there is again a single dash heading and the entry against that reads as "other poly (vinyl) chloride" which are sub classified by two double dash headings at six digit level. They are 390421-Non plasticized and 390422 - Plasticized. These six digit double dash sub headings are sub classified into further triple dash headings which are as follows ::

3904 21	-	Non-plasticised
3904 21 10	---	Poly (vinyl chloride) resins
3904 21 90	---	Other
3904 22	--	Plasticized
3904 22 10	---	Poly (vinyl chloride) (PVC) resins (emulsion grade)
390421 90	---	Other
3904 22	--	Plasticized
3904 22 10	---	Poly (vinyl chloride) (PVC) resins (emulsion grade)
3904 22 90	---	Other

Thus on a combined reading of eight digit triple dash heading 39042110 (Poly vinyl Chloride resins) with its immediately preceding six digit double dash heading 3904 21 (Non-plasticised) show that impugned goods (Poly Vinyl Chloride Resins without being plasticized) would fall under only CTH 39042110.

Whereas the entry against CTH 39041090 which is a triple dash heading reads as "other". The other triple dash heading above viz. 39041010 reads as "Binders for pigments". The parent single dash six-digit level heading viz. 3904 00 reads as "Poly (vinyl chloride), not mixed with any other substance". A combined reading of triple dash eight-digit level heading along with its immediately preceding single dash six-digit level heading indicates that CTH 39041090 covers Poly (vinyl chloride), not mixed with any other substance, that are other than binders for pigments. **The test report has stated that the PVC does not contain any other substance** like plasticizers which means that the presence of any substances other than plasticizers along with PVC is not ruled out. Therefore, the classification at the 6-digit level itself i.e. CTH 3904 00 gets ruled level i.e. 39041090 in which the department has classified the impugned goods is found not relevant to the Impugned goods.

Notwithstanding the above, on a comparison with eight digit and triple dash level between CTH 39041090 and CPH 39042110 shows that CTH 39042110 is the most appropriate for the impugned goods namely PVC resins without plasticizers. **When an entry at eight digit level covers the goods specifically then it should be taken as the most appropriate heading.** Further the CTH chosen by the department i.e. CTH 39041090 is a residual entry. Whereas the CTH 39042110 is specific. **Rule 3 (a) of the General Rules for the Interpretation of Import Tariff has laid down that "the heading which provides the most specific description shall be preferred to headings providing a more general description". Therefore, CTH 39041090 being a residual entry at eight digit level gets ruled out.**

Further, there are two separate headings succeeding CTH 3904 00 to cover separately Non plasticized PVC Resins (CTH 390421) and plasticized PVC Resin (CTH 3904 22). The very fact that there are separate sub headings to specifically cover plasticized PVC resin (3904 22) and non-plasticized PVC resin (390421) implies that CTH 390400 would not cover non plasticized PVC resin.

Further, the appellants have stated that all along they have been classifying the said goods under CTH 39042110 and paying Anti Dumping Duty. The assessing authority is now seeking to reclassify the goods under CTH 39041090. If this CTH is correct then the all the ADD paid by the appellants to the tune of Rs. 65.28 crores during the period from November 2013 to January 2014 will be rendered refundable to them. The Assessing Officer in his misplaced enthusiasm for maximizing revenue may in fact end up harming the interests of revenue. This is the precise reason as to why Board In its wisdom had issued Circular No. 41/98 dated 11.6.1998 wherein it has been clarified that a settled position of classification should not be disturbed without the approval of the Commissioner.

In line with the above discussions, the impugned goods have to be compulsorily classified under CTH 39042110 only.

It is seen that there has been a delay in the reassessment of the goods resulting in unnecessary expenditure to the appellants towards detention / demurrage charges. Also, no speaking order was issued to the appellants in terms of Section 17 (5) of the Customs Act, 1962.

In view of the above discussions, it is held that CTH 39042110 would be the appropriate heading for the impugned goods. Accordingly, the assessment is set aside.”

(emphasis added)

8.1 However the Ld. Commissioner Appeals in the impugned order differentiated his earlier order dated 19.01.2015, in the following manner;

The appellant has drawn reference to the Order No. C Cus. 3 & 4/2015 dated 19.1.2015 passed by this authority in the appeals filed by M/s. Lila Polymers P Limited holding that the goods viz. PVC resin Suspension Grade are to be classified under CTH 39042110. Such a decision was taken based on the test report which certified that the sample does not contain substance like plasticizer and that it did not state that the sample does not contain any other substance altogether. whereas in the present case, the Test Report and the clarification have stated that the sample may be considered as a prime material and that it may not be considered as compound since it is not mixed with any other substance. Thus the facts of the case are different.”

(emphasis added)

He went on to render the following findings;

“The appellants have imported PVC Resin. Sample was drawn from consignments covered by one of the bills of entry referred in the impugned order in original and sent to CIPET for testing. The Test report in the column "Comments has stated as follows::

"the sample may be considered as polyvinyl chloride (pvc) resin, which is a single thermoplastic material in powder form, it may be considered as prime material and it may not be considered as compound since it is not mixed with any other substances". "

It could be seen that the test report has stated that the sample may be considered as a prime material and cannot be considered as a compound as it is not mixed with any other substance. The testing Lab has given clarification which is as follows ::

"With reference to your above cited letter we have thoroughly verified the supplied sample of PVC resin SP 660 bearing B.E No. 6884672 dated 25.9,2014 and confirmed that the sample is PVC resin and not a compound. Though the sample is containing volatile matter, in the range of 0.23% to 0.24% it may not be considered as compound because of the additive added therein. The volatile loss permissible in PVC resin is referred as per IS: 4669."

In the clarification, the LAA has reaffirmed that the sample cannot be considered as a compound inspite of the presence of volatile material.

Thus, it turns out that the impugned items are PVC resin without any other substance mixed in it. Therefore, **classification has to be made based on the test report read with clarification from the CIPET.** The entry against CTH 390410 - a single dash heading - reads Poly (Vinyl Chloride), not mixed with any other substances: The impugned item is PVC not mixed with any other substance. Therefore, CTH 390410 is appropriate to the impugned goods. CTH 390410 has got two triple dash eight digit sub classifications. One is CTH 39041010 covering Binders for pigments and the other is CTH 39041090 covering those PVC that are other than binders for pigments. The impugned goods are not binders for pigments. Hence, CTH Ch39041090 is appropriate to the impugned goods.

It is the plea of the appellants that PVC resin means only pure resin whereas PVC would denote PVC having other additives like plasticizers, stabilizers, lubricant, pigment, etc. The appellant has not substantiated his plea with any technical / expert evidence. The Tariff entries are totally opposite to what the appellant has pleaded. The entry against CTH 390410 reads as Poly (Vinyl Chloride), “not mixed with any other substances”. The succeeding single dash reads "other poly (Vinyl Chloride) which means that it covers PVC other than not mixed with any other substance. **Thus, it emerges that only those PVC mixed with any other substance can fall under the scope of CTH 390421. Whereas the impugned PVC is not mixed with any other substance, therefore, they cannot fall under the heading 390421.**

(emphasis added)

9. We find that as per the HSN when the imported goods are falling under a specific heading of the Customs Tariff, the goods must be

classified under that heading only. This first principle of classification as also stated by the Hon'ble Supreme Court in several judgments, some referred to above, has also been stated by the Commissioner Appeals himself in his order dated 19.01.2015 in the case of **M/s Lila Polymers** (supra). However, in the appellant case the goods 'PVC resin grade SP660' imported by them was differentiated from the 'PVC Resin Suspension Grade SP660' imported by M/s Lila Polymers in the impugned order.

10. We find that the Ld. Commissioner Appeals in **M/s Lila Polymers** (supra), had classified the goods under CTH 39042110 on two grounds;

(i) The test report states that the submitted sample **may be considered as prime material**, and it is not containing any other substances like plasticizer.

(ii) **Notwithstanding the above position**, he went on to hold that, on a comparison with eight digit and triple dash level between CTH 39041090 and CPH 39042110 shows that CTH 39042110 is the most appropriate for the impugned goods namely PVC resins without plasticizers.

10.1 We find that in the case of the appellant's case too no plasticizer was found, as per the test report. It stated that the submitted sample **may be considered as prime material** and it may not be considered as compound, since it is not mixed with any other substance. It appears that the phrase "it may not be considered as compound" as in test report of the appellants goods, instead of "and it is not containing any other substances like plasticizer" in **M/s Lila Polymers**, appears to have made him change his opinion. In fact in **M/s Lila Polymers** he

reasoned that the report does not state that the sample does not contain any other substance altogether and perhaps presumed that it could be a compound. He however went one step further to classify the goods without taking aid of the test report, based on classification principles itself. That second step, he failed to perform in the appellants case which led him to err in his conclusion.

10.2 A Co-ordinate Bench of this Tribunal at Chennai, (speaking through the Member (Technical), Mr. M Ajit Kumar), in **M/s. Flextronics Technologies Pvt. Ltd. Vs Commissioner of Customs**, [Final Order Nos. 40203-40208/2024, Dated: 28.02.2024] stated;

“9.13 . . . Language is an imperfect vehicle of thought and the ability of written language to precisely convey technical information and description of products as done by mathematical symbols and formula, especially in the case of legal matters, enactment or notifications, may not at all times be achieved. This inexactitude of words at times makes it necessary as discussed above, to understand the legislative intent in issuing these notifications by looking at the subject of legislation and object of the law, when an ambiguity exists.”

10.3 We find that the Ld. Commissioner Appeals had in his alternate finding freed himself from the restricting boundaries of the test report in the classification of similar goods in **M/s Lila Polymers** (supra). He opined that when an entry at eight-digit level covers the goods specifically then it should be taken as the most appropriate heading. Further the CTH chosen by the department i.e. CTH 39041090 is a residual entry. Whereas the CTH 39042110 is specific. Rule 3 (a) of the General Rules for the Interpretation of Import Tariff has laid down that "the heading which provides the most specific description shall be preferred to headings providing a more general description". Therefore, CTH 39041090 being a residual entry at eight-digit level gets ruled out.

11. Based on the discussions we feel that the Ld. Commissioner Appeals had correctly interpreted the test reports and the law in **M/s Lila Polymers** (supra) and should not have allowed a change in semantics to have altered his opinion so drastically and to speak in two voices on the same issue.

12. We are hence of the opinion that the impugned order merits to be set aside and the appropriate Customs tariff heading for the impugned goods held to be 39042110.

13. We are fortified in our views by the order of a coordinate Bench of this Tribunal at Kolkata in the case of **M/s Surabhi Enterprises** (supra) cited by revenue. In that case the only dispute as stated by revenue was that the imported goods being 'uncompounded or pure PVC Resin' are classifiable under Tariff Item 3904 10 90 within sub-Heading 3904.00, which covers 'Poly (vinyl chloride), not mixed with any other substances', whereas, the Appellants have classified the goods under Tariff Item 3904 21 10 which covers 'Poly (vinyl chloride) resins', within sub-heading 3904.21 which covers 'other poly (vinyl chloride) non-plasticised'. However, this change in CTH pertained to the period after 31.03.2017 when 'Poly (vinyl chloride) resin' falling under the heading 3904 2110 was deleted and shifted to 3904 10, as per the Finance Act, 2017. The period in this case is prior to the change made in the heading when 'Poly (Viny Chloride) resin' was covered under a specific tariff heading. The Tribunal at para 5.3 held;

5.3. From the Heading 39.04, it is evident that during the period in dispute, Tariff Item 3904 21 10 was specific entry for 'Poly (vinyl chloride) resin'. It is settled law that specific entry will prevail over general one. Rule 3(a) of General Rules for the Interpretation of Import Tariff Schedule also provides that the heading which provides the most specific description shall be preferred to headings providing a more general description. In the present case, Tariff Item 3904

2110 is specific for Poly (vinyl chloride) resins', whereas Tariff Item 3904 10 90 covers 'Others' which is a residuary entry and the same cannot be preferred over a specific entry. The imported goods are 'PVC resin suspension grade' which is non-plasticised. Therefore, going by the General Rules for Interpretation, we find that subheading 3904 21 is a specific heading, which is to be preferred over the general Heading 3904 00. Thus, we observe that the imported goods are correctly classifiable under sub-heading 3904.21 (Tariff Item 3902 21 10) by application Rule 3(a) of General Rules for the Interpretation of Import Tariff Schedule.

(emphasis added)

14. For the reasons discussed we set aside the impugned order and allow the appeal. The appellant is eligible for consequential relief, if any, as per law. The appeal is disposed of accordingly.

(Order pronounced in open court on 21.07.2025)

(AJAYAN T.V.)
Member (Judicial)

(M. AJIT KUMAR)
Member (Technical)

Rex