



सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण

Customs Authority for Advance Rulings

अग्रिम निर्णय हेतु सीमा शुल्क प्राधिकरण, केंद्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड

Central Board of Indirect Taxes and Customs

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DIN:- 202605740R000000B558

Present

Shailesh Kumar (Customs Authority for Advance Rulings, New Delhi)

F. No. VIII/CAAR/Delhi/Toyota(ACC Import)/24/2025-26 | 637

The day of **04** May, 2026

Rulings No. CAAR/Del/Toyota Tsusho/08 /2026-27

In application No. 185/2025-26 dated 03.02.2026

Name and address of the applicant	M/s Toyota Tsusho India Pvt Ltd 17th Floor, Tower A, Building no. 5, DLF Cyber city, Phase-III, Gurugram, Haryana-122002
Commissioner concerned	Pr. Commissioner of customs, Air Cargo complex, New customs House, New Delhi-110037.
Present for the Applicant	Mr. Vinod Dubey Mr. Pratik Sharma
Present for the Department	None

ध्यान दीजिए/N.B.:

- सीमाशुल्क अधिनियम, 1962 की धारा 281 की उन-धारा (2) के तहत किए गए इस आदेश की एक प्रति संबंधित की निःशुल्क प्रदान की जाती है।
A copy of this order made under sub-section (2) of Section 28-1 of the Customs Act, 1962 is granted to the concerned free of charge.
- इस अग्रिम विनिर्णय आदेश के खिलाफ कोई भी अपील ऐसे निर्णय या आदेश के संचार की तारीख से 60 दिनों के भीतर संबंधित क्षेत्राधिकार के उच्च न्यायालय के समक्ष की जाएगी।
Any appeal against this Advance Ruling order shall lie before **the High Court of concerned jurisdiction**, within 60 days from the date of the communication of such ruling or order.
- धारा 28-1 के तहत प्राधिकरण द्वारा सुनाया गया अग्रिम विनिर्णय पाँच साल तक या कानून या तथ्यों में बदलाव होने तक, जिसके आधार पर अधिम विनिर्णय सुनाया गया है, वैध रहेगा, जो भी पहले हो।
The advance ruling pronounced by the Authority under Section 28-I shall remain valid for five years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier.
- जहां प्राधिकरण को पता चलता है कि आवेदक द्वारा अग्रिम विनिर्णय धोखाधड़ी या तथ्यों की गलत बयानी द्वारा प्राप्त किया गया था, उसे शुरू में ही अमान्य घोषित कर दिया जाएगा।
Where the Authority finds that the advance ruling was obtained by the applicant by fraud or misrepresentation of facts, the same shall be declared void *ab initio*.

Ruling

M/s Toyota Tsusho India Pvt Ltd, 17th Floor, Tower A, Building no. 5, DLF Cyber city, Phase-III, Gurugram, Haryana-122002, hereinafter referred to as "applicant", filed the instant application in Form CAAR-1 before the Customs Authority for Advance Rulings, New Delhi (CAAR, in short) for seeking advance ruling. The complete application was received in the Secretariat of the CAAR, New Delhi on 03.02.2026 along with their enclosures in terms of Section 28H (1) of the Customs Act, 1962 (hereinafter referred to as the 'Act'). The IEC of the applicant is 0799000973. The applicant proposed to import of Polyethylene Terephthalate (PET) coated woven fabric and requested for rulings for classification of the goods in question.

1. The applicant in their application submitted as under

1.1 We, **M/s Toyota Tsusho India Private Limited** (hereinafter referred to as "the Applicant", "the Company", "we", "our", or "us"), having our offices at **17th Floor, Tower A, Building No. 5, DLF Cyber City, Phase III, Gurugram, Haryana 122002** and Plot No. 33 & 34, Bidadi Industrial Area, Bidadi, Ramanagaram Taluk, Ramanagara, Karnataka, 562109, holding **IEC number 0799000973**, are engaged in the import, supply and distribution of specialized materials and components used in the automotive sector, including products required for vehicle safety systems

1.2 As part of its operations in India, the Applicant imports a uniform grade of **Polyethylene Terephthalate (PET) woven fabric coated with silicone**, commonly referred to as **Coated Polyester Fabric or PET Coated Fabric** (hereinafter referred to as "the product" or "the product under consideration"), which is supplied to automotive manufacturers for use in airbag systems.

1.3 The product is imported in roll form and, at the time of importation, is neither cut, sewn, assembled, nor combined with any other components. Subsequent to import, the fabric undergoes further processing in India, including cutting, folding, sewing, and integration with inflators, to manufacture the final side airbag unit. Accordingly, the product, as imported, is in the nature of a **raw material** and does not constitute a finished or semi-finished airbag.

1.4 In view of the above facts, the Applicant has approached the **Customs Authority for Advance Rulings, New Delhi**, under **Section 28H of the Customs Act, 1962**, seeking an advance ruling on the **appropriate tariff classification** of the product under the Customs Tariff, which is a question falling within the scope of **Section 28H(2)(a)** of the said Act.

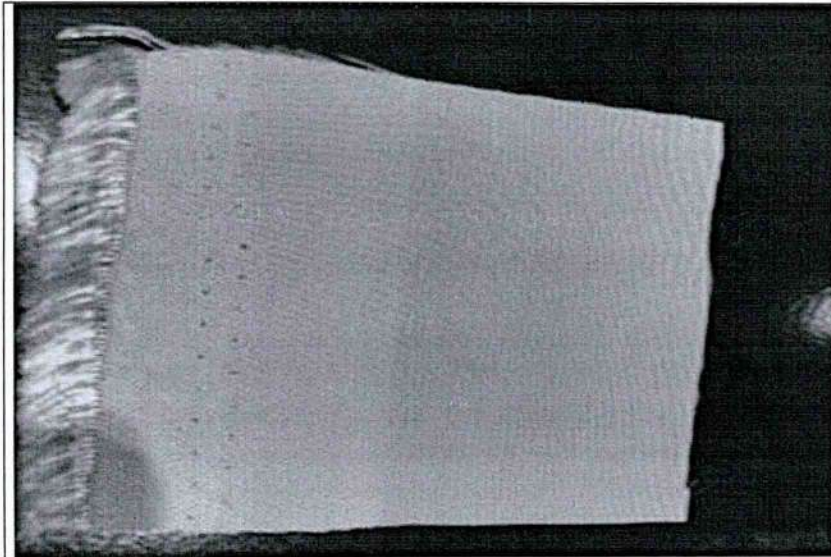
Product applications, functions, and other technical capabilities

1.5 **Product understanding**

- The product under consideration is a Polyethylene Terephthalate (PET) coated **non-textured, unbleached woven fabric**, commonly referred to as Coated Polyester Fabric or PET Coated Fabric, intended for use in the manufacture of airbags for passenger vehicles.
- The product consists of a woven polyester fabric uniformly coated with a thin layer of silicone. The silicone coating is not visible to the naked eye and is applied to enable the fabric to withstand rapid inflation and retain internal air pressure for a short duration during airbag deployment.
- The coating does not alter the inherent flexibility, pliability, or textile character of the underlying woven PET fabric. The fabric remains flexible and can be bent around small diameters without exhibiting rigidity or stiffness.
- As the silicone layer is not visually distinguishable, a **blue pigment** is applied solely for the purpose of identifying the coated areas during handling and processing. The pigment does not perform any functional role in air retention or airbag performance.
- At the time of import, the product is presented in **roll form**, without being cut, sewn, shaped, or assembled, and is not combined with inflators or any other airbag components. In its imported condition, the product is not capable of functioning as an airbag or airbag component.

- The product is designed to meet **automotive safety performance requirements** and serves as a critical input material that attains its intended safety function only after undergoing further processing and assembly into a complete airbag system.

1.5 Product Images:



PET coated fabric

1.6 Material Composition

- The PET coated woven fabric under consideration is manufactured using materials selected for their strength, flexibility, air-retention capability, and suitability for automotive safety applications, particularly in the manufacture of side airbags. The overall composition ensures that the fabric can withstand rapid inflation forces while maintaining its integrity during airbag deployment.

Base Fabric (Woven PET Layer)

- The primary constituent of the product is **Polyethylene Terephthalate (PET) woven fabric**, accounting for approximately **92% ± 5% by weight** of the total material.
- The woven PET layer provides the requisite **tensile strength, tear resistance, durability, and flexibility** necessary for airbag manufacturing.
- The fabric is engineered to remain highly pliable and can be bent around small diameters (less than 7 mm), facilitating folding, packing, and integration into airbag modules without loss of performance.

Silicone Coating

- The PET fabric is uniformly coated with **silicone** on one side, constituting approximately **8% ± 5% by weight** of the overall material composition.
- The silicone coating is thin and **not visible to the naked eye**, and it does not impart rigidity, stiffness, or structural reinforcement to the fabric.
- The coating enables **short-duration air retention** when the fabric is converted into a side airbag and inflated during deployment, ensuring that the airbag remains inflated momentarily to provide occupant protection.
- A **blue pigment** is applied solely to the coated areas for identification during inspection and manufacturing processes and does not contribute to the functional performance of the product.

- In support of the facts stated above and to substantiate the material composition and technical characteristics of the product under consideration, **the Applicant is submitting a Certificate of Material Analysis issued by the manufacturer / accredited laboratory which is enclosed as Annexure -I.**
- The said certificate sets out, inter alia, the material composition, coating content, and physical characteristics of the product and confirms that the imported goods conform to the specifications described in this application. The certificate is enclosed as part of the application for the kind consideration of the Authority.

Chain of events leading to the present Application:

1.7 The Applicant has consistently classified the product under Customs Tariff Heading 5407, which covers woven fabrics of synthetic filament yarn, having regard to the nature, composition, and condition of the goods at the time of import.

1.8 However, the Applicant has received classification queries from Customs authorities at the time of import at different ports to classify goods under CTH 5903. In each instance, **upon submission of detailed technical explanations, the Customs authorities have accepted the Applicant's classification under Heading 5407 and permitted clearance of the shipments.**

1.9 Therefore, to obtain certainty in the classification of the product and **to avoid recurrence of similar disputes in future imports**, the Applicant has filed the present application before the Customs Authority for Advance Rulings under Section 28H of the Customs Act, 1962, seeking an advance ruling on the appropriate tariff classification of the product.

1.10 Relevant tariff entries under consideration are as follows:

Heading/ Sub- heading		Heading/ Subheading Description	Rate of Duty
5407		Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404	
	-	Other woven fabrics, containing 85% or more by weight of polyester filaments:	
5407 61	--	Containing 85% or more by weight of non-textured polyester filaments	
5407 61 10	---	Polyester shirtings	20% or Rs.150 per kg., - whichever is higher
5407 61 20	---	Polyester suitings	20% or Rs.150 per kg., - whichever is higher
5407 61 90	---	Other	20% or Rs.150 per kg., - whichever is higher
5407 69 00	--	Other	20% or Rs.36 per square meter, whichever is higher
5903		Textile fabrics impregnated, coated, covered, or laminated with plastics, other than those of heading 5902	

	-	With polyvinyl chloride	20%
	-	With polyurethane	20%
5903 90	-	Other	20%
5903 90 10	---	Of cotton	20%
5903 90 20	---	Polyethylene laminated jute fabrics	20%
5903 90 90	---	Other	20%

1.11 In light of the above, the Applicant has respectfully approached the Authority for **ruling on the question of appropriate classification** of the **Polyethylene Terephthalate (PET) woven fabric**.

1.12 The Applicant's detailed submissions and prayer in relation to the classification question are set out in the following paragraphs for the Authority's kind consideration.

Statement containing the Applicant's interpretation of law and facts in respect of the aforesaid question(s)

A. General Rules of Interpretation (GRI)

1.13 The classification of goods under the **Indian Customs Tariff** is governed by the **General Rules of Interpretation (GRI)**. In particular, **GRI 1** provides that classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes, and not on the basis of the titles of Sections or Chapters, which serve only as reference and have no legal standing. For reference, GRI 1 states:

***Rule 1:** "The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions."*

1.14 Accordingly, in terms of GRI Rule 1, two tariff entries, namely CTH 5407 and CTH 5903, merit consideration. The issue that arises is the correct classification of PET-coated woven fabric between these two headings, which necessitates an examination of their respective scope in the light of the Customs Tariff Act, 1975, the relevant Section and Chapter Notes, and the Explanatory Notes issued by the World Customs Organization.

1.15 Further, **GRI 6** provides that the classification of goods at the subheading level shall be determined according to the terms of the subheadings, together with any related Subheading Notes, and in accordance with the Section and Chapter Notes, as applicable. Subheadings at the same level are comparable for this purpose, and the essential character of the goods is a relevant consideration where necessary. For reference, GRI 6 states:

***RULE 6 :** For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, mutatis mutandis, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this Rule the relative Section and Chapter Notes also apply unless the context otherwise requires.*

B. Classification of the product under consideration under CTH 5407

1.16 Chapter 54 of the First Schedule to the Customs Tariff Act covers *man-made filaments*, including strips and similar man-made textile materials.

Chapter 54

Man-made filaments; strip and the like of man-made textile materials

1.17 According to Note 1 to Chapter 54, the term '*man-made fibers*' means staple fibers and filament of organic polymers produced by manufacturing process, either:

- a. *by polymerisation of organic monomers to form polymers such as polyesters, polyamides, polyolefins, or polyurethanes, or by chemical modification of polymers produced by this process; or*
- b. *by dissolution or chemical treatment of natural organic polymers, such as cellulose or proteins, to produce polymers including viscose rayon or cuprammonium rayon (cupro), or by chemical modification of natural organic polymers to produce polymers such as cellulose acetate or alginates.*

The Note further clarifies that fibers falling under **clause (a) are referred to as synthetic fibers**, while those under clause (b) are referred to as *artificial fibers*. The same meanings apply to textile materials.

1.18 Accordingly, fibers obtained by polymerization of organic monomers are classifiable as synthetic man-made fibers under Chapter 54, and the subject product, being made of polyester, falls within the scope of the said Chapter.

1.19 Having established the nature of the fiber i.e., synthetic, it is necessary to determine whether the product qualifies as a *woven fabric* for tariff purposes. Note 9 to Section XI provides that woven fabrics of Chapters 50 to 55 include fabrics consisting of two sets of textile yarns interlaced at acute or right angles. **The subject product is constructed with distinct warp and weft yarns interlaced perpendicularly, which is the defining characteristic of woven fabrics and clearly distinguishes it from knitted fabrics formed by inter looping of yarns. The product therefore qualifies as a woven fabric under Section XI.**

1.20 Further, the classification of woven fabrics made from synthetic filament yarns is governed by Heading 5407. The relevant tariff entry is reproduced below for ease of reference:

Heading 5407

Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.04.

1.21 The Explanatory Notes to Heading 5407 further clarify that the said heading covers woven fabrics (as described in Part (I)(c) of the General Explanatory Note to Section XI) made of synthetic filament yarn, irrespective of end-use, provided they retain the essential character of a woven textile fabric.

1.22 The subject product is a woven fabric manufactured from polyester (PET) filament yarn (i.e. synthetic filament yarn) and supplied in fabric form. It has silicone coating on one side which does not alter the fundamental woven construction or the essential textile character of the product. **The product therefore satisfies the scope and coverage of Heading 5407.**

1.23 The Explanatory Notes to Heading 5407 also list certain exclusions, such as tire-cord fabrics of Heading 5902 and woven fabrics for technical uses of Heading 5911. The product under consideration does not fall under any of the excluded categories. **Accordingly, heading 5407 remains the most specific and appropriate classification.**

1.24 As discussed above, the product under consideration is a woven PET fabric coated with silicone on one side, which is non-rigid and can be easily bent around a cylinder of diameter less than 7 mm. **Since the product is coated with silicone, it is necessary to examine whether such coating affects the above classification under Heading 5407.**

1.25 Reference is made to Notes 1 and 3 to Chapter 39, which define *plastics* as materials of headings 3901 to 3914 capable of being formed under external influence and clarify that **silicones, being products of chemical synthesis, are classifiable under Heading 3910 when presented in primary form. Accordingly, silicone is recognized as a form of plastic under Chapter 39.**

1.26 In the present case, the subject product i.e., woven PET fabric is made from synthetic filament yarns and **continues to retain the characteristics of a woven textile fabric.** The silicone coating applied to the fabric is not visible to the naked eye and does not impart rigidity or alter its essential

character. Consequently, the product remains classifiable under Heading 5407, and the presence of the silicone coating does not take it outside the scope of Chapter 54.

1.27 Further, under heading 5407, woven fabrics of synthetic filament yarn are further classified based on factors such as texturing of yarn, bleaching, dyeing, finishing, and fabric construction. The subject product is a non-textured, unbleached woven fabric made from polyester (PET) filament yarn and not subjected to any process altering its basic woven character.

1.28 In this regard, subheading 540761 covers woven fabrics of synthetic filament yarn containing 85% or more by weight of non-textured polyester filaments, whether unbleached or bleached, provided the essential woven character is retained. The product under consideration is a PET-coated, non-textured, unbleached woven fabric containing approximately 92% Polyethylene Terephthalate (PET), intended for use in the manufacture of passenger vehicle airbags.

1.29 Accordingly, the product is appropriately classifiable under CTH 5407 61, covering woven fabrics of synthetic filament yarn, containing 85% or more by weight of non-textured polyester filaments, unbleached or bleached, and more specifically under CTH 5407 61 90: "Other".

1.30 A copy of the Section XI Notes, chapter 54 notes, WCO Explanatory Notes to Heading 5407 are enclosed as Annexure-2, Annexure-3 and Annexure-4 respectively for ready reference.

1.31 While the scope of Chapter 54 and Heading 5407 and classification under 5407 61 90 has been examined above, it is also necessary to consider whether the characteristics of the product bring it within the scope of any competing tariff entry. Accordingly, the applicability of Heading 5903 is examined in the following section.

C. Classification of the product under consideration under CTH 5903

1.32 Chapter 59 covers a distinct class of textile materials comprising impregnated, coated, covered, or laminated textile fabrics and certain specified technical and industrial textile articles. The Chapter applies to fabrics treated with plastics or similar materials only where such treatment is visibly apparent or confers characteristics that take the product outside the scope of ordinary woven or knitted textile fabrics classifiable under Chapters 50 to 55.

Chapter 59

Impregnated, coated, covered, or laminated textile fabrics; textile articles of a kind suitable for industrial use

1.33 In terms of Note 2 to Chapter 59, Heading 5903 covers textile fabrics impregnated, coated, covered, or laminated with plastics, irrespective of weight per square metre and the nature of the plastic, subject to specific statutory exclusions. In particular, the heading expressly excludes fabrics where the impregnation or coating is not visible to the naked eye, products that are rigid or incapable of being bent around a 7 mm diameter cylinder without fracturing, fabrics fully embedded in plastics or coated on both sides with visible plastic, and textile-plastic combinations where the textile component serves merely as reinforcement. Relevant extracts of Note 2 to Chapter 59 are reproduced below for reference:

Note 2

- a. *textile fabrics, impregnated, coated, covered, or laminated with plastics, whatever the weight per square metre and whatever the nature of the plastic material (compact or cellular), other than:*
- (i) *fabrics in which the impregnation, coating or covering cannot be seen with the naked eye (usually Chapters 50 to 55, 58 or 60); for the purpose of this provision, no account should be taken of any resulting change of colour;*
 - (ii) *products which cannot, without fracturing, be bent manually around a cylinder of a diameter of 7 mm, at a temperature between 15°C and 30°C (usually Chapter 39);*
 - (iii) *products in which the textile fabric is either completely embedded in plastics or entirely coated or covered on both sides with such material, provided that such coating or covering can be seen with the naked eye with no account being taken of any resulting change of colour (Chapter 39);*
 - (iv) *fabrics partially coated or partially covered with plastics and bearing designs resulting from these treatments (usually Chapters 50 to 55, 58 or 60);*
 - (v) *plates, sheets, or strip of cellular plastics, combined with textile fabric, where the textile fabric is present merely for reinforcing purposes (Chapter 39); or*

(vi) *textile products of heading 5811;*

- b. *fabrics made from yarn, strip, or the like, impregnated, coated, covered or sheathed with plastics, of heading 5604.*

1.34 Further, **note 3 to Chapter 59** clarifies that the expression "*textile fabrics laminated with plastics*" under Heading 5903 refers only to products formed by bonding one or more textile fabric layers with one or more **separate sheets or films of plastics**, irrespective of whether such plastic sheets or films are visible to the naked eye in the cross-section. This provision applies to cases of true lamination involving distinct plastic layers and does not extend to fabrics where plastics are merely applied as a surface coating or impregnation without the presence of a separate plastic sheet or film. The relevant extract is reproduced below for reference:

3.- For the purposes of heading 59.03, "textile fabrics laminated with plastics" means products made by the assembly of one or more layers of fabrics with one or more sheets or film of plastics which are combined by any process that bonds the layers together, whether or not the sheets or film of plastics are visible to the naked eye in the cross-section.

1.35 Further, WCO Explanatory Notes to Heading 5903 reiterate that classification under the heading is contingent upon cumulative satisfaction of specific conditions, namely:

- i) the plastic impregnation, coating, or covering must be clearly visible to the naked eye and not merely perceptible by a change in colour;
- ii) the product must be non-rigid and capable of being bent manually around a 7 mm diameter cylinder at ambient temperature without fracturing; and
- iii) the textile fabric must not be completely embedded in plastics or coated or covered on both sides with visible plastic.

1.36 Accordingly, only those textile fabrics that simultaneously satisfy the above visibility, flexibility, and limited plastic coverage conditions are classifiable under **Heading 5903**, while products failing any of these conditions stand excluded and are classifiable under the relevant textile chapters or Chapter 39, as applicable.

1.37 The Explanatory Notes of heading 5903, further clarify that textile fabrics in which the plastic treatment is not visible to the naked eye, or is visible only by reason of a resulting change in colour such as fabrics treated to render them waterproof or otherwise functional are excluded from Heading 5903 and are generally **classifiable under Chapters 50 to 55, 58, or 60**, as applicable.

1.38 In the present case, the product under consideration is a **PET woven fabric uniformly coated on one side with a thin layer of silicone**, which coating is **not visible to the naked eye under normal conditions**. The silicone coating is applied solely to enable the fabric to withstand rapid inflation and to retain internal air pressure momentarily during airbag deployment, without altering the inherent textile character, flexibility, or pliability of the fabric.

1.39 Since the silicone/plastic coating is **not visually distinguishable**, a **blue pigment** is applied **only for identification purposes**. It is respectfully submitted that such pigmentation is merely a visual aid and **does not constitute the coating itself**, nor does it impart any functional contribution to air retention or airbag performance. Accordingly, the visibility of the coating arises **only by reason of a change in colour**, which, in terms of the relevant Chapter Notes and Explanatory Notes, does **not satisfy the visibility criterion prescribed for classification under CTH 5903**.

1.40 Accordingly, as the plastic coating on the subject fabric is not visible to the naked eye, does not render the product rigid, and does not embed or encapsulate the textile fabric, **the product is expressly excluded from the scope of Heading 5903 under Chapter 59**.

1.41 A copy of the chapter 59 notes and Heading 5903 WCO Explanatory Notes are enclosed as **Annexure-5** and **Annexure-6** for reference.

D. Conclusion

1.42 In conclusion, the Applicant respectfully submits that the product under consideration, namely a **woven polyester (PET) fabric with a silicone coating**, is most appropriately classifiable under **Customs Tariff Heading (CTH) 5407 61 90**, based on the following grounds:

Satisfaction of classification criteria under Heading 5407 and tariff entry 5407 61 90

- The product **qualifies as a woven fabric** within the meaning of Section XI of the Customs Tariff, being constructed with distinct interlaced warp and weft yarns.
- The fabric is **manufactured from synthetic filament yarn, namely polyester (PET)**, classifiable under Chapter 54 in terms of Note 1 thereto.
- The product is supplied in fabric form and retains the **essential character of a woven textile fabric**, notwithstanding the application of a surface treatment.
- The product is **not excluded by any Chapter Note or Explanatory Note** applicable to Heading 5407, including the exclusions relating to tyre-cord fabrics or woven fabrics for technical uses classifiable under other headings.

- Non-satisfaction of classification criteria under Heading 5903

- The **silicone coating is not visible to the naked eye**, and any apparent visibility arises only due to a change in colour, which does not satisfy the statutory visibility criterion prescribed under Note 2 to Chapter 59.
- The product remains non-rigid and is capable of being bent manually around a cylinder of diameter 7 mm without fracturing, thereby failing the rigidity test applicable to Heading 5903.
- The textile fabric is neither completely **embedded in plastics nor coated or covered on both sides with visible plastic material**.
- The coating does not result in a laminated plastic-textile product within the meaning of Note 3 to Chapter 59, as no separate plastic sheet or film is bonded to the fabric

1.43 Accordingly, applying **General Rules of Interpretation (GRI) 1 and 6**, read with the relevant **Section XI Notes, Chapter Notes to Chapters 54 and 59**, and the corresponding **WCO Explanatory Notes**, the subject goods are **appropriately classifiable under CTH 5407 61 90** as woven fabrics of synthetic filament yarn containing 85% or more by weight of polyester filaments.

E. Customs Authority views on Classification of PET Coated fabric.

1.44 While we have proposed in the aforesaid paras that classification of the subject goods should be under **CTH 5407 61 90**, based on their technical characteristics as a non-textured, unbleached woven fabric of synthetic filament yarn (polyester/PET) with a silicone coating that does not alter the essential textile character, the customs authorities have accepted classification under **CTH 5407 69 00**. The relevant authorities' positions are as follows:

- **Deputy Commissioner of Customs, Patli:** In a letter dated 11.02.2025, the Deputy Commissioner confirmed classification of the subject goods under CTH 5407 69 00, including for future imports of goods identical in specifications and composition to the subject goods (*Annexure 7*).
- **Joint Commissioner of Customs (SIIB Cell), Pipavav:** In a letter dated 28.10.2025, the Joint Commissioner noted that PET coated fabric for airbags, identical in specifications and quality to the subject goods, is acceptable under CTH 5407 69 00 for future imports (*Annexure 8*).
- **Textile Committee Confirmation:** The Textile Committee, in a report obtained by Customs, confirmed that the subject goods merit classification under CTH 5407 (*Annexure 9*)

1.45 This demonstrates a consistent position of the customs authorities recognizing that the subject goods, despite the silicone coating, retain their essential textile character and fall within CTH 5407 not under CTH 5903.

F. Request for Clarification on Correct Classification under 5407.

1.46 In view of the above, we respectfully seek the Hon'ble Authority's guidance to determine the correct classification of the subject goods, specifically whether they are classifiable under **CTH**

5407 61 90, as proposed based on their technical characteristics, or under CTH 5407 69 00, as accepted by the customs authorities for prior and ongoing imports.

1.47 A formal advance ruling on this matter will provide clarity and ensure uniformity in classification for all future consignments of identical goods.

Annexure – C

Whether the question(s) raised is pending in the applicant's case before any officer of Customs, Appellate Tribunal, or any Court of Law?

1.48 The Applicant respectfully submits **that no dispute, proceeding, inquiry, or issue relating** to the classification of the product under consideration, namely **PET coated woven fabric**, is pending for adjudication before any officer of Customs, the Appellate Tribunal, or any Court of Law in the Applicant's case. The present application is therefore maintainable under Section 28H of the Customs Act, 1962.

Prayer

In light of the facts, relevant legal provisions and our submissions made in the above paragraphs, our humble prayer before your good self is as follows:

- Confirm that the product under consideration, namely PET coated woven fabric, is appropriately classifiable under Tariff Entry 5407 61 90 or 5407 69 00 of the First Schedule to the Customs Tariff Act, 1975; and
- Allow us to present our case in a personal hearing before your good self-prior to issuance of any Order.

2. Comments of Concerned Port:

2.1. Comments of Concerned Port i.e. ACC Import, NCH New Delhi have been received vide letter F.No. CUS/APR/APPL/60/2026-GR3/4/6-O/o Pr Commr-CUS-ACC(I)-Delhi dated 25.03.2023. In this regard, the comments on the aforesaid CAAR application are as under:

(i) Eligibility of the Applicant under Section 28E(c) of the Customs Act, 1962:

Section 28E(c) defines "applicant" to include, inter alia, a resident setting up a joint venture in India in collaboration with a non-resident, a wholly owned subsidiary Indian company of a foreign company, a joint venture in India, or such other class of persons as may be notified.

The applicant is an Indian incorporated company holding IEC No. 0799000973. It is engaged in the import and distribution of automotive components and materials. It is seeking a ruling on tariff classification of goods being imported. Accordingly, the applicant is prima facie eligible to seek an advance ruling under Section 28E(c) of the Customs Act, 1962.

(ii) Applicability of Proviso to Section 28-I(2) of the Customs Act, 1962:

The proviso to Section 28-I(2) provides that the Authority shall not allow an application where the question raised:

- Is already pending in the applicant's case before any officer of Customs, the Appellate Tribunal or any Court; or
- Is the same as in a matter already decided by the Appellate Tribunal or any Court.

As per the applicant's submissions, classification queries were raised at various ports at the time of assessment. However, upon submission of technical details, the goods were cleared under Heading 5407. No show cause notice or adjudication proceedings on the identical issue have been reported as pending. As per available records of this office, no proceedings appear to be pending on the identical question.

Therefore, the proviso to Section 28-I(2) does not appear to be attracted in the present case.

(iii) Whether the Activity is Ongoing or Proposed

The applicant has stated that:

- a. The product has been consistently imported in the past;
- b. Clearances have been effected under CTH 5407;
- c. The present application has been filed to avoid future disputes.

From the facts stated, it is evident that imports are already taking place and are not merely proposed. Accordingly, the activity is ongoing in nature. The advance ruling, if issued, would operate prospectively in terms of Section 28J of the Act.

(iv) Comments on the Merits of the Question Raised

A. Description of the Product

The product under consideration is:

- Woven fabric made of polyester (PET) synthetic filament yarn;
- Containing approximately 92% PET by weight;
- Uniformly coated on one side, with a thin layer of silicone (~8%);
- Coating stated to be not visible to the naked eye;
- Flexible and capable of being bent around a cylinder of less than 7 mm diameter;
- Imported in roll form, without cutting, sewing or assembly;
- Used as a raw material in manufacture of automotive airbags.

A Certificate of Material Analysis has been submitted in support.

B. Competing Headings

The competing entries are:

- **CTH 5407** - Woven fabrics of synthetic filament yarn; and
- **CTH 5903** -- Textile fabrics impregnated, coated, covered or laminated with plastics.

C. Legal Position

1. Applicability of Heading 5407

Heading 5407 covers woven fabrics of synthetic filament yarn. The subject goods:

- Are constructed from polyester filament yarn (synthetic filament yarn);
- Retain the essential character of woven textile fabric;
- Are imported in fabric form and not as laminated or composite articles.

Under GRI 1, classification is governed by the terms of headings and relevant Chapter Notes. In the absence of exclusion, the goods are prima facie classifiable under Heading 5407.

Sub-heading 5407 61 applies to woven fabrics containing 85% or more by weight of polyester filaments. Based on declared composition (~92% PET), classification under 5407 61 is attracted. Within that category, 5407 61 90 ("Other") appears relevant if not specifically falling under shirtings or suitings.

2. Examination of Heading 5903 (Chapter 59)

Heading 5903 covers textile fabrics impregnated, coated, covered or laminated with plastics, subject to Note 2 to Chapter 59.

Note 2(a) excludes fabrics:

- Where the impregnation or coating cannot be seen with the naked eye (no account being taken of any change in colour);

- Which are rigid and cannot be bent around a 7 mm cylinder without fracturing;
- Which are completely embedded in plastics or coated on both sides with visible plastic;
- Laminated with separate plastic sheets (Note 3).

The applicant has submitted that:

- The silicone coating is not visible to the naked eye;
- The fabric remains flexible;
- It is not embedded in plastics nor laminated with a separate plastic sheet;
- Pigmentation is only for identification and does not constitute visible plastic coating.

If these factual assertions are confirmed through laboratory examination:

- The visibility condition prescribed under Note 2 would not be satisfied;
- Consequently, the goods would fall outside the scope of Heading 5903;
- The goods would revert to classification under Chapters 50-55, as appropriate.

D. Essential Character

The silicone coating:

- Does not impart rigidity;
- Does not change textile construction;
- Does not result in a plastic-dominant article;
- Serves functional purpose without altering basic textile character.

Thus, the essential character remains that of woven textile fabric.

E. Departmental View (Prima Facie)

In view of the above facts and discussions, it is to submit that the classification of the subject goods shall be determined on the basis of outcome of the test conducted by Govt Approved laboratory on the below mentioned parameters:

- Woven/Knitted/Non-woven
- Percentage composition of the fiber/yarn;
- Nature and visibility of coating;
- Thickness and characteristics of silicone layer;
- Whether yarn is filament/staple
- Whether texturised/non-texturised yarn

The product will be appropriately classifiable under **CTH 5407 61 90** subject to fulfilment of following conditions-

The subject good should be woven fabrics of synthetic non texturised filament yarn, containing 85% or more by weight of polyester filaments.

(v) Whether the Question is Pending Before Any Authority

Based on the applicant's declaration and available records, no adjudication proceedings appear to be pending on the identical issue before any officer of Customs; no appeal before the Appellate Tribunal and no matter pending before any Court on the same issue. As per available

records, the question raised in the present application does not appear to be pending before any authority.

3. Personal hearing:

The representatives appeared virtually before the authority on 09.04.2026 and reiterated the facts already mentioned in the application in support of why their product should be considered for classification under CTH 54076190. No one appeared from the department.

4. Discussion, Findings and Conclusion:

4.1. Having examined the CAAR-1 application, the comments received from the Jurisdictional Customs Commissionerate, the record of personal hearing and the applicable legal framework, I find the application to be valid in terms of the Customs Act, 1962 and the CAAR Regulations, 2021. I, therefore, allow the application and proceed to determine the classification of 'Polyethylene Terephthalate (PET) Coated Woven Fabric' (subject goods) on the basis of the information on record.

4.2. Before examining the case on merit, I find that as per the submission of the applicant, the import of subject goods is an ongoing activity. I observe that currently, the applicant is classifying the **Polyethylene Terephthalate (PET) coated non-textured, unbleached woven fabric** (subject goods) under CTI 5407 69 00. In this regard, I find that after changes made in Section 28E(b), there is no requirement of a 'proposed activity' and ruling can be obtained on ongoing activities also and it will be applicable prospectively. The same stand has been taken by Authority of Advance Ruling in earlier cases also. In view of above, I hold that there is no bar in issuing advance ruling for any ongoing activity and ruling can be obtained in respect of any good prior to its importation or exportation clearly denote that such ruling will have prospective effect in respect of the goods for which ruling is obtained. Reliance in this regard is being placed on the Advance Ruling issued by CAAR Mumbai in the case of Amazon Seller Services Pvt. Ltd., (2023) 5 Centax 186 (A.A.R. - Cus. - Mum.), whereby the CAAR authority in para 8 has stated the following:

"8.....Insofar as the issue of advance rulings in respect of an ongoing activity is concerned, with due regard to the definition of advance ruling in law, it is my considered opinion that operation of advance rulings do not get extinguished just because an activity of import/export has taken place earlier, irrespective of the frequency of such activity. Drawing strength from the provisions of law reproduced earlier in this paragraph, a correct interpretation would be that advance rulings can be sought and given even for ongoing activities, so long as such activities, in respect of the same applicant, are not involved in any dispute; or already settled by an order of any competent tribunal/court. However, the application of such an advance ruling, in respect of an ongoing activity, shall be prospective and would not have any implication for activities, which stand concluded. "

Product description:

4.3. The product under consideration is a **Polyethylene Terephthalate (PET) coated non-textured, unbleached woven fabric**, commonly referred to as Coated Polyester Fabric or PET Coated Fabric, intended for use in the manufacture of airbags for passenger vehicles. The product consists of a woven polyester fabric uniformly coated with a thin layer of silicone. The silicone coating is not visible to the naked eye and is applied to enable the fabric to withstand rapid inflation and retain internal air pressure for a short duration during airbag deployment. The coating does not alter the inherent flexibility, pliability, or textile character of the underlying woven PET fabric. The fabric remains flexible and can be bent around small diameters without exhibiting rigidity or stiffness. As the silicone layer is not visually distinguishable, a **blue pigment** is applied solely for the purpose of identifying the coated areas during handling and processing. The pigment does not perform any functional role in air retention or airbag performance. At the time of import, the product is presented in **roll form**, without being cut, sewn, shaped, or assembled, and is not combined with inflators or any other airbag components. In its imported condition, the product is not capable of functioning as an airbag or airbag component. The product is designed to meet **automotive safety performance requirements** and serves as a critical input material that attains its intended safety function only after undergoing further processing and assembly into a complete airbag system.

4.4. The primary constituent of the product is **Polyethylene Terephthalate (PET) woven fabric**, accounting for approximately **92% ± 5% by weight** of the total material. The fabric is engineered

to remain highly pliable and can be bent around small diameters (less than 7 mm), facilitating folding, packing, and integration into airbag modules without loss of performance.

4.5. The PET fabric is uniformly coated with **silicone** on one side, constituting approximately **8% ± 5% by weight** of the overall material composition. The silicone coating is thin and **not visible to the naked eye**, and it does not impart rigidity, stiffness, or structural reinforcement to the fabric. The coating enables **short-duration air retention** when the fabric is converted into a side airbag and inflated during deployment, ensuring that the airbag remains inflated momentarily to provide occupant protection. A **blue pigment** is applied solely to the coated areas for identification during inspection and manufacturing processes and does not contribute to the functional performance of the product.

Issue of classification:

4.6. On the basis of the facts presented before me in the present application, I find that the question for determination is the correct classification of the said "Polyethylene Terephthalate (PET) Coated Fabric" under the First Schedule to the Customs Tariff Act, 1975, and in particular whether the goods merit classification under **CTI 5407 61 90 as "Other Woven fabrics, containing 85% or more by weight of non-textured polyester filaments" as claimed by the applicant and agreed by the Jurisdictional Commissionerate** or any other CTI such as 5407 69 00 (*Other woven fabrics containing 85% or more by weight of textured polyester filament*) or CTI 5903 90 90 (*Other textile fabrics impregnated, coated, covered, or laminated with polyurethane, other than those of heading 5902*).

4.7. It is a well-settled principle of law that the classification of goods under the Customs Tariff Act, 1975 is governed by the General Rules for the Interpretation of the Import Tariff (GRI). Rule 1 of the WCO's General Rules of Interpretation states that customs classification is based on the terms of headings and relevant Section or Chapter Notes, not on titles, which serve only as reference and have no legal standing. Rule 1 of GRI is as under:

"Rule 1: The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions."

4.8. Accordingly, in terms of GRI Rule 1, two tariff entries, namely CTH 5407 and CTH 5903, merit consideration. The issue that arises is the correct classification of PET-coated woven fabric between these two headings, which necessitates an examination of their respective scope in the light of the Customs Tariff Act, 1975, the relevant Section and Chapter Notes, and the Explanatory Notes issued by the World Customs Organization.

4.9. Further, **GRI 6** provides that the classification of goods at the subheading level shall be determined according to the terms of the subheadings, together with any related Subheading Notes, and in accordance with the Section and Chapter Notes, as applicable. Subheadings at the same level are comparable for this purpose, and the essential character of the goods is a relevant consideration where necessary. For reference, GRI 6 states:

***RULE 6 :** For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, mutatis mutandis, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this Rule the relative Section and Chapter Notes also apply unless the context otherwise requires.*

Analysis of CTH 5407

4.10. Relevant tariff entries under consideration are as follows:

Heading/ Sub- heading		Heading/ Subheading Description	Rate of Duty
5407		Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404	
	-	Other woven fabrics, containing 85% or more by weight of polyester filaments:	
5407 61	--	Containing 85% or more by weight of non-textured polyester filaments	
5407 61 10	---	Polyester shirtings	20% or Rs.150 per kg., - whichever is higher
5407 61 20	---	Polyester suitings	20% or Rs.150 per kg., - whichever is higher
5407 61 90	---	Other	20% or Rs.150 per kg., - whichever is higher
5407 69 00	--	Other	20% or Rs.36 per square meter, whichever is higher

4.11. I note that Chapter 54 of the First Schedule to the Customs Tariff Act covers *man-made filaments*, including strips and similar man-made textile materials. According to Note 1 to Chapter 54, the term '*man-made fibers*' means staple fibers and filament of organic polymers produced by manufacturing process, either:

- a. *by polymerisation of organic monomers to form polymers such as **polyesters**, polyamides, polyolefins, or polyurethanes, or by chemical modification of polymers produced by this process; or*
- b. *by dissolution or chemical treatment of natural organic polymers, such as cellulose or proteins, to produce polymers including viscose rayon or cuprammonium rayon (cupro), or by chemical modification of natural organic polymers to produce polymers such as cellulose acetate or alginates.*

The Note further clarifies that fibers falling under **clause (a)** are referred to as *synthetic fibers*, while those under clause (b) are referred to as *artificial fibers*. The same meanings apply to textile materials.

4.12. Accordingly, fibers obtained by polymerization of organic monomers are classifiable as synthetic man-made fibers under Chapter 54, and the subject product, being made of polyester, falls within the scope of the said Chapter.

4.13. I further observe that Note 9 to Section XI provides that woven fabrics of Chapters 50 to 55 include fabrics consisting of two sets of textile yarns interlaced at acute or right angles. Based on the submission of the applicant, I note that the subject product is constructed with distinct warp and weft yarns interlaced perpendicularly, which is the defining characteristic of woven fabrics and clearly distinguishes it from knitted fabrics formed by inter looping of yarns. The product therefore qualifies as a woven fabric under Section XI.

4.14. Further, the classification of woven fabrics made from synthetic filament yarns is governed by Heading 5407. The relevant tariff entry is reproduced below for ease of reference:

Heading 5407

Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.04.

From the submission of the applicant, I observe that the subject product is a woven fabric manufactured from polyester (PET) filament yarn (i.e. synthetic filament yarn) and supplied in fabric form. It has silicone coating on one side which does not alter the fundamental woven construction or the essential textile character of the product. **The product therefore satisfies the scope and coverage of Heading 5407.**

4.15. I observe that the Explanatory Notes to Heading 5407 also list certain exclusions, such as tire-cord fabrics of Heading 5902 and woven fabrics for technical uses of Heading 5911. As per the HSN Explanatory notes to heading 5407, this heading **does not include:**

- a) *Bandages medicated or put up for retail sale (heading 30.05).*
- b) *Woven fabrics of synthetic monofilament of which any cross-sectional dimension exceeds 1 mm or of strip or the like of an apparent width exceeding 5 mm, of synthetic textile materials (heading 46.01).*
- c) *Woven fabrics of synthetic staple fibres (headings 55.12 to 55.15)*
- d) *Tyre cord fabric of heading 59.02.*
- e) *Woven fabrics for technical uses, of heading 59.11.*

As per Chapter Note 8 of the Chapter 59, the heading 5911 applies to the following goods, which do not fall in any other headings of Section XI:

(a) *Textile products in the piece, cut to length or simply cut to rectangular (including square) shape (other than those having the character of the products of headings 5908 to 5910), the following only:*

- i. *Textile fabrics, felt and felt lined woven fabrics, coated, covered or laminated with rubber, leather or other material, of a kind used for card clothing, and similar fabrics of a kind used for other technical purposes, including narrow fabrics made of velvet impregnated with rubber, for covering weaving spindles (weaving beams);*
- ii. *Bolting cloth;*
- iii. *Filtering or straining cloth of a kind used in oil presses or the like, of textile material or of human hair;*
- iv. *Flat woven textile fabrics with multiple warp or weft, whether or not felted, impregnated or coated, of a kind used in machinery or for other technical purposes;*
- v. *Textile fabrics reinforced with metal, of a kind used for technical purposes;*
- vi. *Cords, braids and the like, whether or not coated, impregnated or reinforced with metal, of a kind used in industry as packing or lubricating materials;*

(b) *Textile articles (other than those of headings 5908 to 5910) of a kind used for technical purposes (for example, textile fabrics and felts, endless or fitted with linking devices, of a kind used in paper-making or similar machines (for example, for pulp or asbestos-cement), gaskets, washers, polishing discs and other machinery parts).*

On careful examination, it is observed that the product under consideration does not fall under any of the excluded categories. **Accordingly, heading 5407 remains the most specific and appropriate classification.**

4.16. As already discussed, the product under consideration consists of a woven PET fabric that is coated with silicone on one side and remains non-rigid, being capable of being easily bent around a cylinder of diameter less than 7 mm. In this context, it becomes necessary to examine whether the presence of such silicone coating has any bearing on its classification under Heading 5407. Reference may be made to Notes 1 and 3 of Chapter 39, which clarify that "plastics" include materials falling under Headings 3901 to 3914 that are capable of being moulded or formed under external influence. These notes further specify that silicones, being products of chemical synthesis, are classifiable under Heading 3910 when presented in primary form. Accordingly, silicone is appropriately regarded as a form of plastic within the scope of Chapter 39, and its application as a coating does not, by itself, alter the essential character of the underlying textile fabric for classification purposes. Relevant extracts of Chapter Note 1 and Chapter Note 3 of chapter 39 is reproduced as below:

Note 1

Throughout this Schedule the expression "plastics" means those materials of headings 3901 to 3914 which are or have been capable, either at the moment of polymerisation or at some subsequent stage, of being formed under external influence (usually heat and pressure, if necessary with a

solvent of plasticiser) by moulding, casting, extruding, rolling or other process into shapes which are retained on the removal of the external influence.

Note 3

Headings 3901 to 3911 apply only to goods of a kind produced by chemical synthesis, falling in the following categories:

- a. Liquid synthetic polyolefins of which less than 60% by volume distils at 300°C, after conversion to 1,013 millibars when a reduced pressure distillation method is used (headings 3901 and 3902);
- b. Resins, not highly polymerised, of the coumarone-indene type (heading 3911)
- c. Other synthetic polymers with an average of at least 5 monomer units;
- d. **Silicones (heading 3910);**
- e. Resols (heading 3909) and other prepolymers.

4.17. As discussed above, the product under consideration is a woven PET fabric coated with silicone on one side, which is non-rigid and can be easily bent around a cylinder of diameter less than 7 mm. In the present case, the subject product i.e., woven PET fabric is made from synthetic filament yarns and **continues to retain the characteristics of a woven textile fabric**. The silicone coating applied to the fabric is not visible to the naked eye and does not impart rigidity or alter its essential character. Consequently, the product remains classifiable under Heading 5407, and the presence of the silicone coating does not take it outside the scope of Chapter 54.

4.18. I further observe that under heading 5407, woven fabrics of synthetic filament yarn are further classified based on factors such as texturing of yarn, bleaching, dyeing, finishing, and fabric construction. As per submission of the applicant, the subject product is a non-textured, unbleached woven fabric made from polyester (PET) filament yarn and not subjected to any process altering its basic woven character. In this regard, subheading **540761** covers woven fabrics of synthetic filament yarn containing **85% or more by weight of non-textured polyester filaments**, whether unbleached or bleached, provided the essential woven character is retained. I note that the product under consideration is a **PET-coated, non-textured, unbleached woven fabric containing approximately 92% Polyethylene Terephthalate (PET)**, intended for use in the manufacture of passenger vehicle airbags. Accordingly, the product is appropriately classifiable under CTH 5407 61, covering woven fabrics of synthetic filament yarn, containing 85% or more by weight of non-textured polyester filaments, unbleached or bleached, and more specifically under **CTH 5407 61 90: "Other"**.

4.19. I note that CTI 5407 69 00 covers woven fabrics of synthetic filament yarn containing 85% or more by weight of "textured" polyester filament. As per submission of the applicant, the subject goods are non-textured. Therefore, on the basis of technical details submitted by the applicant, the CTI 5407 69 00 is not applicable to the subject goods.

Analysis of CTH 5903

4.20. Relevant tariff entries under consideration are as follows:

5903		Textile fabrics impregnated, coated, covered, or laminated with plastics, other than those of heading 5902	
	-	With polyvinyl chloride	20%
	-	With polyurethane	20%
5903 90	-	Other	20%
5903 90 10	---	Of cotton	20%
5903 90 20	---	Polyethylene laminated jute fabrics	20%
5903 90 90	---	Other	20%

4.21. I note that Chapter 59 covers a distinct class of textile materials comprising impregnated, coated, covered, or laminated textile fabrics and certain specified technical and industrial textile articles. The Chapter applies to fabrics treated with plastics or similar materials only where such treatment is visibly apparent or confers characteristics that take the product outside the scope of ordinary woven or knitted textile fabrics classifiable under Chapters 50 to 55.

Chapter 59

Impregnated, coated, covered, or laminated textile fabrics; textile articles of a kind suitable for industrial use

4.22. I further observe that in terms of Note 2 to Chapter 59, Heading 5903 covers textile fabrics impregnated, coated, covered, or laminated with plastics, irrespective of weight per square metre and the nature of the plastic, subject to specific statutory exclusions. In particular, the heading expressly excludes fabrics where the impregnation or coating is not visible to the naked eye, products that are rigid or incapable of being bent around a 7 mm diameter cylinder without fracturing, fabrics fully embedded in plastics or coated on both sides with visible plastic, and textile-plastic combinations where the textile component serves merely as reinforcement. Relevant extracts of Note 2 to Chapter 59 are reproduced below for reference:

Note 2

- a. *textile fabrics, impregnated, coated, covered, or laminated with plastics, whatever the weight per square metre and whatever the nature of the plastic material (compact or cellular), other than:*
- (i) *fabrics in which the impregnation, coating or covering cannot be seen with the naked eye (usually Chapters 50 to 55, 58 or 60); for the purpose of this provision, no account should be taken of any resulting change of colour;*
 - (ii) *products which cannot, without fracturing, be bent manually around a cylinder of a diameter of 7 mm, at a temperature between 15°C and 30°C (usually Chapter 39);*
 - (iii) *products in which the textile fabric is either completely embedded in plastics or entirely coated or covered on both sides with such material, provided that such coating or covering can be seen with the naked eye with no account being taken of any resulting change of colour (Chapter 39);*
 - (iv) *fabrics partially coated or partially covered with plastics and bearing designs resulting from these treatments (usually Chapters 50 to 55, 58 or 60);*
 - (v) *plates, sheets, or strip of cellular plastics, combined with textile fabric, where the textile fabric is present merely for reinforcing purposes (Chapter 39); or*
 - (vi) *textile products of heading 5811;*
- b. *fabrics made from yarn, strip, or the like, impregnated, coated, covered or sheathed with plastics, of heading 5604.*

4.23. Further, **note 3 to Chapter 59** clarifies that the expression “textile fabrics laminated with plastics” under Heading 5903 refers only to products formed by bonding one or more textile fabric layers with one or more **separate sheets or films of plastics**, irrespective of whether such plastic sheets or films are visible to the naked eye in the cross-section. This provision applies to cases of true lamination involving distinct plastic layers and does not extend to fabrics where plastics are merely applied as a surface coating or impregnation without the presence of a separate plastic sheet or film. The relevant extract is reproduced below for reference:

3.- *For the purposes of heading 59.03, “textile fabrics laminated with plastics” means products made by the assembly of one or more layers of fabrics with one or more sheets or film of plastics which are combined by any process that bonds the layers together, whether or not the sheets or film of plastics are visible to the naked eye in the cross-section.*

4.24. Further, I observe that WCO Explanatory Notes to Heading 5903 reiterate that classification under the heading is contingent upon cumulative satisfaction of specific conditions, namely:

- i) the plastic impregnation, coating, or covering must be clearly visible to the naked eye and not merely perceptible by a change in colour;

- ii) the product must be non-rigid and capable of being bent manually around a 7 mm diameter cylinder at ambient temperature without fracturing; and
- iii) the textile fabric must not be completely embedded in plastics or coated or covered on both sides with visible plastic.

4.25. On careful reading, I observe that only those textile fabrics that simultaneously satisfy the above visibility, flexibility, and limited plastic coverage conditions are classifiable under **Heading 5903**, while products failing any of these conditions stand excluded and are classifiable under the relevant textile chapters or Chapter 39, as applicable. The Explanatory Notes of heading 5903, further clarify that **textile fabrics in which the plastic treatment is not visible to the naked eye, or is visible only by reason of a resulting change in colour such as fabrics treated to render them waterproof or otherwise functional are excluded from Heading 5903 and are generally classifiable under Chapters 50 to 55, 58, or 60, as applicable.**

4.26. As per the applicant's submission, in the present case, the product under consideration is a **PET woven fabric uniformly coated on one side with a thin layer of silicone**, which coating is **not visible to the naked eye under normal conditions**. The silicone coating is applied solely to enable the fabric to withstand rapid inflation and to retain internal air pressure momentarily during airbag deployment, without altering the inherent textile character, flexibility, or pliability of the fabric. Since the silicone/plastic coating is **not visually distinguishable**, a **blue pigment** is applied **only for identification purposes**. It is submitted that such pigmentation is merely a visual aid and **does not constitute the coating itself**, nor does it impart any functional contribution to air retention or airbag performance. Accordingly, the visibility of the coating arises **only by reason of a change in colour**, which, in terms of the relevant Chapter Notes and Explanatory Notes, **does not satisfy the visibility criterion prescribed for classification under CTH 5903**. Accordingly, as the plastic coating on the subject fabric is not visible to the naked eye, does not render the product rigid, and does not embed or encapsulate the textile fabric, **the product is expressly excluded from the scope of Heading 5903 under Chapter 59.**

4.27. I observe that as per comments of the Jurisdictional Commissionerate, classification of the subject goods as claimed by the applicant is acceptable, but shall be determined on the basis of outcome of the test conducted by Govt Approved laboratory on the below mentioned parameters:

- Woven/Knitted/Non-woven
- Percentage composition of the fiber/yarn;
- Nature and visibility of coating;
- Thickness and characteristics of silicone layer;
- Whether yarn is filament/staple
- Whether texturised/non-texturised yarn

The product will be appropriately classifiable under **CTH 5407 61 90** subject to fulfilment of following conditions-

The subject good should be woven fabrics of synthetic non texturised filament yarn, containing 85% or more by weight of polyester filaments.

I find that the applicant has not raised any objection on this issue.

4.28. I observe that the applicant has prayed for maintaining confidentiality regarding all information submitted for the purpose of this advance ruling. The request of the applicant for maintaining confidentiality of the information contained in the present applications has been examined and considered in accordance with the applicable provisions in terms of Regulation 27 of the Customs Authority for Advance Ruling Regulations, 2021

4.29. In the light of the forgoing facts and discussions, I am of the view that *"Polyethylene Terephthalate (PET) woven fabric coated with Silicone"* is appropriately classifiable under CTH **5407 61 90 if the Subject goods are Woven Fabrics of Synthetic Non Texturised Filament yarn, containing 85% or more by weight of polyester filaments, subject to verification of the same by the field formation.**

5. The ruling in the instant application and its records shall be kept confidential in terms of Regulation 27 of the Customs Authority for Advance Ruling Regulations, 2021.

6. I, rule accordingly.

शैलेश कुमार
(Shailesh Kumar)

Customs Authority for Advance Rulings, New Delhi

F. No. VIII/CAAR/Delhi/Toyota(ACC Import)/24/2025-26

Dated: .04.2026

This copy is certified to be true copy of the ruling and is sent to: -

1. M/s Toyota Tsusho India Pvt Ltd, 17th Floor, Tower A, Building no. 5, DLF Cyber city, Phase-III, Gurugram, Haryana-122002
2. The Pr. Commissioner of Customs, ACC Import, New Custom House, New Delhi-110037.
3. The Customs Authority for Advance Rulings, Mumbai, New Custom House, Ballard Estate, Mumbai-400001.
4. The Commissioner (Legal), CBIC Offices, Legal/CX.8A, Cell, 5th Floor, Hudco Vishala Building, C-Wing, Bhikaji Cama Place, R.K. Puram, New Delhi-110066 (Email- Anishgupta.irs@gov.in, commr.legal-cbec@nic.in)
5. The Member (Customs), CBIC, North Block, New delhi-1100001(Email: mem.cus-cbec@nic.in)
6. The Principal Chief Commissioner of Customs, Delhi Customs Zone, New Custom House, IGI Airport Complex, New Delhi-110037.
7. Guard file.
8. Webmaster.

मनीष कुमार
04/04/26

Commissioner (In-Situ) & Secretary,
Customs Authority for Advance Rulings, New Delhi