



HARYANA AUTHORITY FOR ADVANCE RULING,  
GOODS AND SERVICES TAX,  
HARYANA VANIJYA BHAWAN, PLOT NO 1-3, SECTOR 5,  
ANCHKULA-134151 (HARYANA)



ADVANCE RULING NO.HAR/HAAR/R/2018-19/50  
(In Application No.: 50/2018-19, dated 17.01.2019)

Name & Address of the Applicant	:	M/s Concepts India, 105, Sector-25, Part-II, HUDA, Panipat, Haryana.
GSTIN of the Applicant	:	06AAGFC2541L1ZJ
Date of Application	:	17.01.2019
Clause(s) of Section 97(2) of CGST/HGST Act, 2017, under which the question(s) raised.	:	Clause(a)- classification of any goods or services or both.
Date of Personal Hearing	:	05.04.2019
Present for the Applicant	:	Sh. Karan Kaushal (Partner)

Memo No.: 1030/AAR  
Dated: 28/08/2020

**1. Business Activity:**

- 1.1 The applicant, Concepts India, 105, Sector-25, Part-II, Panipat, holding GSTIN: 06AAGFC2541L1ZJ, is a partnership firm engaged in manufacturing in Non Woven Bags.

**2. Submission of the Applicant:**

- 2.1 The applicant submits that the rolls of non-woven fabric are purchased from the market which come under Chapter 56 and HSN Code 5603, taxed @12%. The fabric is made of 100% poly propylene with density of 25 gsm to 75 gsm. These rolls are then converted into sheets by cutting and printing them and the same then sealed by machines through heating process.

**3. Questions on which ruling is sought:**

- 3.1 The query of the applicant is regarding GST rate and HSN Code on non-woven bags made up of polypropylene manufactured by the applicant and the price of which is below Rs. 1000/- per unit. More specifically, the applicant seeks ruling if the product manufactured by the applicant fell under Chapter 63 Heading 6305.

• **Chapter Heading 6305 runs as under:-**

Sacks and Bags, of a kind used for the packing of goods

• **And more specifically, 63050 33 00, states as follows:-**



Of man-made textile materials: Other, of polyethylene or polypropylene strip or the like

Further, Explanatory Notes to the heading 6305, is as follows:-

- 63.05- Sacks and bags, of a kind used for the packing of goods (+),

6305.10 - Of Jute or of other textile bast fibers of heading 53.03

6305.20 - Of cotton

- Of man-made textile materials;

6305.32 - - Flexible intermediate bulk containers

6305.33 - - Other, of polyethylene or polypropylene strip or the like

6305.90 - - Other

6305.90 - Of other textile materials

- 3.2 The applicant has also produced samples of raw material and finished product.

#### 4. Discussion:

- 4.1 In order to decide the issue at hand, it is necessary to discuss Chapter 39 and Chapter 63 of the GST Tariff on Goods.

- Chapter 39 deals with **Plastics and Articles thereof**. Heading 3904 covers **polymers of vinyl chloride or of other halogenated olefin, in primary form** (Taxable @ 18%).
- Chapter 63 deals with **other made up textile article; sets; worn clothing; and worn textile article; rags** whereas Heading 6305 includes goods of the category **sacks and bags, of a kind used for the packing of goods**.

- 4.2 The Sub-heading 6305 33 00 includes sacks and bags, of a kind used for the packing of goods of man-made textile materials, other than flexible intermediate bulk containers but **of polyethylene or polypropylene strip or the like**. The article falling under sub-heading are taxed at 5% (2.5% CGST and 2.5% HGST), if their sale value does not exceed Rs. 1000/- per piece, otherwise taxed at 12%. But the PP non-woven bags manufactured by the applicant are not made up of polypropylene strip rather they are carved out of sheets through cutting.





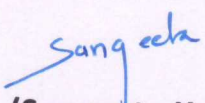
- 4.3 Heading 3923 articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics. The goods covered under this Heading are taxable at 18% (9% CGST and 9% HGST).
- 4.4 **Polypropylene (PP)**, also known as polypropene, is a thermoplastic polymer used in a wide variety of applications. It is produced via chain-growth polymerization from the monomer propylene. **Polypropylene** belongs to the group of polyolefins and is partially crystalline and non-polar. As per this definition, it is amply clear that the PP non-woven bags fall under the category of plastics.
- 4.5 Further, para No. 7.4 of the Circular No. 80/54/2018-GST issued by Tax Research Unit, Department of Revenue, Ministry of Finance, Government of India dated 31.12.2018 clarifies that Polypropylene woven and non-woven bags and PP woven and non-woven bags laminated with BOPP would be classified as plastic bags under HS code 3923 and would attract 18% GST.


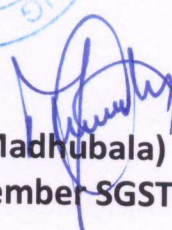
5. **Finding:**

- 5.1 In light of the above discussion, the Authority for Advance Ruling holds that the product manufactured and supplied by the applicant i.e. PP non-woven bags are covered under Heading 3923 in the sub-heading 3923 29 90 (**other**) and taxable at 18% (9% CGST and 9% HGST).

Ordered accordingly.  
To be communicated.

10.04.2019  
Panchkula.

  
(Sangeeta Karmakar)  
Member CGST

  
  
(Madhubala)  
Member SGST

**Regd. AD/Speed Post**

M/s Concepts India, 105, Sector-25,  
Part-II, HUDA, Panipat, Haryana.

Copy to:

1. The Commissioner, Central Goods & Service Tax, Panchkula Commissionerate, SCO 407-408, Sector-8, Panchkula, Haryana.
2. Panipat Division, Office of Assistant Commissioner, Central Goods & Service Tax Division, Gandhi Mandi, Panipat, Haryana.
3. Deputy Excise and Taxation Commissioner (ST), Panipat.

o/c