

**AUTHORITY FOR ADVANCE RULING - KERALA**  
**Tax Tower, Killippalam, Karamana P. O, Thiruvananthapuram - 695 002**  
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**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING**  
**U/s.98 OF THE GOODS AND SERVICES TAX ACT, 2017.**

*Members present are:*

1. *Senthil Nathan S, IRS*  
*Joint Commissioner,*  
*Office of the Commissioner of Central Tax & Central Excise, Thiruvananthapuram.*

2. *N. Thulaseedharan Pillai.*  
*Joint Commissioner (General),*  
*Office of the Commissioner of State Taxes, Thiruvananthapuram*

Sub:- GST Act, 2017 - Advance Ruling U/s 98 - classification and rate of tax on carry bags which are made of non-woven fabrics - Orders issued.

Read:- 1. Application dated 13.01.2018 from M/s. JJ Fabrics, Ernakulam  
2. e-challan dtd. 24.03.2018

**ORDER No. CT/5492/18-C3 DATED 29/05/2018**

1. M/s. JJ Fabrics, Ernakulam, manufacturer of carry bags made of polypropylene non-woven fabrics, has preferred an application for Advance Ruling on the rate of tax of the same.

2. The applicant has submitted that the primary raw materials for polypropylene sheets are polypropylene granules, color master batches and filler content (calcium carbonate). These raw materials are sucked through vacuum, heated, passed through extruder and melted. The material thus obtained is filtered and passed through the spinning unit to obtain continuous single filament which is called polypropylene filament. The filament are lapped on each other on a lapper and then subjected to thermal bonding to form the polypropylene sheet.

3. The applicant has asserted that the said bags are used by industrial units, big retail outlets and textile shops for packing their commodities and that he has been granted registration by Office of Textile Commissioner for manufacturing of textile based products. Various authorities under Textile Ministry had examined the products and certified that the fabrics manufactured by applicants are technical textile fabrics.

4. The applicant has submitted a copy of the test report from Centre for Biopolymer Science & Technology wherein it is certified that non woven carry bags made by the applicant is a polypropylene product with filler content 42.29%.

5. The applicant further asserted that as per the clarification issued by the Commissioner of CGST and Central Excise, Madurai the said non-woven bags comes under HSN 6305 90 00 with 2.5% CGST & 2.5% SGST if sale value does not exceed Rs. 1,000/- per piece.

6. The applicant has also referred to the clarification order C3/17556/09 dated 29.09.2009, wherein it was clarified that packing bags, textile bags, and carry bags made out of non-woven fabrics of polypropylene is covered by the HSN code 6305.33.00 of the Customs Tariff Act.

7. The authorised representative of the applicant was heard in the matter and the contentions raised were examined. On the basis of the facts disclosed in the application and the submissions made at the time of personal hearing, it was decided to admit the application.

8. The Test Report of the Centre for Biopolymer Science & Technology reveals that the product of the applicant i.e., non woven carry bag is made of polypropylene. In Customs Tariff Act, sacks and bags made of polypropylene strip or the like is classified under Chapter 63 of the Act. The relevant portion is extracted below:

6305		<b>SACKS AND BAGS, OF A KIND USED FOR THE PACKING OF GOODS</b>
	-	<i>Of man-made textile materials :</i>
6305 33 00	-	Other, of polyethylene or polypropylene strip or the like

9. The above HSN code appears both in Schedule I and Schedule II of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017 and State Notification 360/2017 dated 30.06.2017 based on the sale value of the product. The entry reads as under:

<b>SCHEDULE 1</b>		
224	63 [other than 6309]	other made up textile articles, sets, of sale value not exceeding Rs. 1000/- per piece

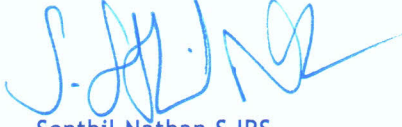
<b>SCHEDULE 2</b>		
171	63 [Other than 6309]	Other made up textile articles, sets of sale value exceeding Rs. 1,000/- per piece [other than Worn clothing and other worn articles; rags]

10. In the present case, since the sale value of non-woven carry bags made of polypropylene is less than Rs. 1,000/- per piece, it will attract tax @ 5% vide entry No. 224 of schedule 1 of both CGST and SGST notification.

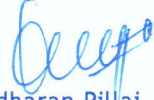
11. In the light of the above, we rule as under.

**RULING**

Carry bags made of polypropylene non-woven fabrics is classified under entry 224 of Schedule 1 of the Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017 and State Notification 360/2017 dated 30.06.2017, and hence taxable @ 5% [SGST - 2.5%; CGST - 2.5%].



Senthil Nathan S, IRS  
Member, CGST



N. Thulaseedharan Pillai  
Member, SGST

To

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