GUJARAT AUTHORITY FOR ADVANCE RULING, GOODS AND SERVICES TAX, D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	

ADVANCE RULING NO. GUJ/GAAR/R/87/2020
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2020/AR/09)
Date: 17.09.2020

Name and address of the applicant	:	M/s. Gujarat Raffia Industries limited, C-401, Titanium Square, Near BMW showroom, S.G.Highway, Thaltej, Ahmedabad-380054.
GSTIN of the applicant	:	24AAACG5530A1ZD
Date of application	:	15.02.2020.
Clause(s) of Section 97(2) of CGST/ GGST Act, 2017, under which the question(s) raised.	:	(a)Classification of goods and/or services or both.
Date of Personal Hearing	:	17.08.2020(through video conferencing)
Present for the applicant	:	Shri Dhaval Patel, C.S.

B R I E F FA C T S

The applicant M/s. Gujarat Raffia Industries limited located at C-401, Titanium Square, Near BMW showroom, S.G.Highway, Thaltej, Ahmedabad-380054 are manufacturers and suppliers of HDPE Tarpaulin, PE laminated fabrics, PP ropes, pondliner, vermibed, weed mat, wagon cover, fumigation cover, azolla beds, grow bags, agro shade nets, HDPE woven laminated fabrics and PP/HDPE woven fabrics. The applicant has stated that he wants to get certainty in tax liability in advance in relation to activity of manufacturing of goods as specified below undertaken by the company and that classification of goods determined by the Department will help them to be confident about the HSN code and tax rate at which their products will be charged and will also reduce the possibility of litigation and assessments in this regard.

2. The applicant has submitted that the company is currently engaged in manufacturing of below mentioned products for which they are proposing HSN code as mentioned against the respective products:

Sr.No.	**Name of the product**	**Proposed HSN code**	**Proposed rate of tax**
01.	HDPE Tarpaulin/PE laminated fabric	59039090	12
02.	PP Ropes	56074900	12
03.	Pondliner	54072090	5
04.	Vermibed	54072090	5
05.	Weed mat	54072090	5
06.	Wagon cover	59039090	12
07.	Fumigation cover	59039090	12
08.	Azolla Bed	54072090	5
09.	Grow bags	54072090	5
10.	Agro shade net	54072090	5
11.	HDPE woven laminated fabrics	59039090	12
12.	PP/HDPE woven fabric	59039090	12

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3. The applicant has submitted the details of the raw materials involved and the process involved in the manufacturing of goods, as under:

(a) Raw materials consumed: One or more of the following raw materials or combination thereof in different proportion is used depending upon the nature and use of the products such as HDPE/PP Granules, LLDPE and LDPE.

(b) Process involved: Following process is involved in the manufacture of goods for which advance ruling is filed:

(i) Raw material storage: The applicant is procuring the raw materials used in production like HDPE Granules, LDPE Granules, color masterbatch titanium dioxide, U.V. Stabilizer, Aluminium eyelet from supplier.

(ii) Tape: First process of manufacturing is to prepare tape out from HDPE granules.

(iii) Fabric: Second process of manufacturing is to prepare fabric by weaving tape.

(iv) Lamination: Third process is to laminate the fabric on lamination plant by mixing raw material like LDPE Granules, Colour masterbatch, titanium dioxide, U.V. Stabilizer.

(v) Cutting: Next step of manufacturing is cutting of laminated fabric depending upon the requirement of the buyer.

(vi) Stitching/Sealing: Further, Laminated fabric pieces are stitched on stitching machine.

(vii) Printing: Next step of manufacturing process is the printing on laminated fabric pieces as per buyer requirement and thereafter Aluminium eyelet fitted depending on the requirements of the buyer.

(viii) Packing/Final checking for Inspection/Store stuffing loading shipment: After above all process, finished products is ready for dispatch and after inspection of all parameters, the laminated plastic sheeting is ready for dispatch.

4. The applicant has stated that the above mentioned process can be presented as follows:

Raw material storage → Tape manufacturing →Weaving on looms →Lamination →Heat sealing/PP bag stitching → cutting →eyelit fixing →packing →Final checking for measurement → Store stuffing →Loading for shipments.

5. The applicant has submitted that the uses of the products manufactured by them for which they are applying for advance ruling under Section 97(2) of the SGST Act, 2017 are as follows which might help the advance ruling authorities to determine the proper classification of goods in which company is engaged in adequate and transparent manner:

Sr.No.	**Name of the product**	**Use of product**
01.	HDPE Tarpaulin/PE laminated fabric	Agriculture
02.	PP Ropes	Industrial
03.	Pondliner	Agriculture
04.	Vermibed	Agriculture
05.	Weed mat	Agriculture
06.	Wagon cover	Industrial
07.	Fumigation cover	Industrial/Agriculture
08.	Azolla Bed	Agriculture
09.	Grow bags	Agriculture
10.	Agro shade net	Agriculture
11.	HDPE woven laminated fabrics	Agriculture
12.	PP/HDPE woven fabric	Industrial/Agriculture

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6. The applicant has stated that they are of the opinion that based on process and raw material consumed for the production of goods in which their company is engaged, their products should be charged at the rate proposed as at para-2; that as few of their products are used for farming, agriculture and support activity for the farming, lower rate of GST will ultimately help farmers as they are ultimately bearing the GST being the ultimate user of the goods; that they are enclosing bills for the products of PP woven fabrics and HDPE woven fabrics laminated of another company cum competitor namely Agriplast Tech India pvt.ltd. who have been charging GST at the same rate as they have proposed for their company under this application of advance ruling and that for the said company, order determining classification of goods under said HSN code has already been issued by the Advance Ruling authority. The applicant has also stated that it is undoubtedly clear that their product should be charged at the rate as specified in para-2 above as order for the same product has been passed by the Advance Ruling Authority.

7. The applicant has made some additional submission which was received through email on 19.08.2020. They have submitted a chart showing some of the commodities manufactured by them, the HSN code under which they are clearing these goods presently and the proposed HSN code under which they wish to clear the goods. The chart is as under:

Product	Currently clearing			Proposed			Competitor's name
	Chapter	HSN code	Sub-code	Chapter	HSN code	Sub-code	
1.PP/HDPE Woven laminated fabric	39 (Plastics and Articles thereof)	3926 (other articles of plastics and articles of other materials of heading 3901to 3914)	39269090 (others)	59(Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use)	5903(Textile Fabrics, Impregnated, coated, covered or laminated with plastics, other than those of heading 5902)	59039090 (others)	Shakti Polyweave pvt.ltd.
2.Woven fabric ground cover obtained from strip of plastic less than 5 mm.	39 (Plastics and Articles thereof)	3923(Articles for the conveyance or packing of goods of plastics;stoppers, lids, caps and other closures, of plastics)	39232990 (others)	54(Man-made filaments; strip and the like of man-made textile materials)	Heading 5407(Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404)	54072090 (others)	Agriplast Tech India pvt.ltd.
1.Weed mat.							

8. The applicant have submitted that they are manufacturing and supplying HDPE woven fabrics falling under Chapter 39(Plastics and articles thereof) and Tariff items 3926 (other articles of plastics and articles of other materials of heading 3901 to 3914) and sub tariff items is 39269099; that the manufacturing process involves manufacturing of HDPE tapes, which are weaved into a piece of fabric; that the HDPE granules which are mixed with additives and passed through an HDPE tape line plant to obtain HDPE tapes conforming to IS:6192:1994 (mono-axially oriented HDPE tapes); that the HDPE tapes wound into spools, are passed through power looms for weaving HDPE woven fabric, conforming to IS:6899:1997; that it is laminated/covered on both sides with Plastics (low-density polyethene (LDPE)), hemmed and stitched and fixed with eyelets to make the final product, namely tarpaulin made from HDPE woven fabric, conforming to IS:7903:2017; that with the supporting evidence under Chapter 59 of the GST, they propose to re-classify their product from Chapter 39 to 59 and have submitted the following points for reclassification under the Act:

> <u>Chapter 59(Impregnated, coated, covered or laminated textile fabrics;textile articles of a kind suitable for industrial use).</u>
>
> Heading 5903 applies to: (a)Textile fabrics, impregnated, coated, covered or laminated with plastics, whatever the weight per square metre and

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whatever the nature of the plastic material(compact or cellular), other than:

1. Fabrics in which the impregnation, coating or covering cannot be seen with the naked eye(usually Chapters 50 to 55, Chapter 58 or 60); for the purpose of this provision, no account should be taken of any resulting change of colour;
2. 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).

8.1 The applicant has submitted that heading 5903 covers Textile fabrics, impregnated, coated, covered or laminated with plastics, other than those of heading 5902 and the sub tariff item is classified as 59039090. They have also submitted a copy of the invoice bill of their competitor who is clearing the same goods under Chapter 59; that Tarpaulins made from HDPE woven fabric, are different from plastic tarpaulins and the former is derived by weaving method using power looms after textile processing(HDPE woven fabric), and the latter are hotpressed plastic sheets, cut to shapes and stitched(Tarpaulin).

8.2 The applicant has submitted that they are manufacturers of Weed mat (herein after PP woven fabrics W/B 130 GSM 4.2m x 100m ground cover obtained from strip of plastic less than 5mm product) under Chapter 39(Plastics and articles thereof) and Tariff items 3923(Articles for the conveyance or packing of goods of plastics, stoppers, lids, caps and other closures, of plastics) and sub-tariff items is 3923 2990(others); that with the supporting evidence under Chapter 54 of the GST, they propose to re-classify their product from Chapter 39 to 54 and the reclassification is to be done under the following heads:

(a) Heading 5407(Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404), specific sub-heading 54072090(others).

(b) Heading 5404(Synthetic monofilament of 67 decitex or more and of which no cross sectional dimension exceeds 1 mm, strips and the like (for example, artificial straw) of synthetic textile of an apparent width not exceeding 5 mm)

(c) The applicant has provided an invoice bill of their competitor who is clearing the same goods under Chapter 54 and have stated that they propose to clear PP woven fabrics W/B 130 GSM 4.2m x 100m ground cover obtained from strip of plastic less than 5 mm under the Chapter 54.

8.3 The applicant has asked the following question seeking Advance Ruling on the same:

"The company is currently engaged in manufacturing of below mentioned products for which HSN code proposed is as mentioned against the respective products:

Sr.No.	***Name of the product***	***Proposed HSN code***	***Proposed rate of tax***
01.	*HDPE Tarpaulin/PE laminated fabric*	*59039090*	*12*
02.	*PP Ropes*	*56074900*	*12*
03.	*Pondliner*	*54072090*	*5*
04.	*Vermibed*	*54072090*	*5*
05.	*Weed mat*	*54072090*	*5*
06.	*Wagon cover*	*59039090*	*12*
07.	*Fumigation cover*	*59039090*	*12*
08.	*Azolla Bed*	*54072090*	*5*
09.	*Grow bags*	*54072090*	*5*

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10.	*Agro shade net*	*54072090*	*5*
11.	*HDPE woven laminated fabrics*	*59039090*	*12*
12.	*PP/HDPE woven fabric*	*59039090*	*12*

Please determine the proper classification and rate of GST of above products."

DISCUSSION & FINDINGS:

9. We have considered the submissions made by the applicant in their application for advance ruling as well as the arguments/discussions made by their representative Shri Dhaval Patel, C.S. at the time of personal hearing. We have also considered the issues involved on which Advance Ruling is sought by the applicant.

10. At the outset, we would like to state that the provisions of both the Central Goods and Services Tax Act, 2017 and the Gujarat Goods and Services Tax Act, 2017 are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to similar provisions of the GGST Act.

11. Based on the submission of the applicant as well as the arguments/discussions made by the representative of the applicant during the course of personal hearing, we find that the main issue to be decided is the classification of the products (mentioned at para 8.3 above) manufactured by the applicant and the GST liability of the said products. In order to determine the tax liability on said goods, we will be required to refer to the Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 containing the headings, sub-headings as well as the rates of Central Tax GST applicable to various goods which are covered under 6 schedules as under:

(i) 2.5 per cent. in respect of goods specified in Schedule I,
(ii) 6 per cent. in respect of goods specified in Schedule II,
(iii) 9 per cent. in respect of goods specified in Schedule III,
(iv) 14 per cent. in respect of goods specified in Schedule IV,
(v) 1.5 per cent. in respect of goods specified in Schedule V, and
(vi) 0.125 per cent. in respect of goods specified in Schedule VI

Further, Explanation (iii) and (iv) of the said Notification reads, as under:

(iii) "Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(iv) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

11.1 We will therefore, be required to refer to the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) in order to find out the correct classification of the said products. The applicant has proposed to classify the products namely pondliner, vermibed, weed mat, azolla bed, grow bags and agro shade net under sub-heading 54072090. Heading 5407 falls under Chapter 54 (Man-made filaments; strip and the like of man-made textile materials). Relevant portion of the Heading 5407 reads as under:

5407 WOVEN FABRICS OF SYNTHETIC FILAMENT YARN,INCLUDING WOVEN FABRICS OBTAINED FROM MATERIALS OF HEADING 5404

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5407 10 - Woven fabrics obtained from high tenacity yarn of nylon or other polyamides or of polyesters ***:***

--- Unbleached ***:***

5407 10 11 ---- Parachute fabrics
5407 10 12 ---- Tent fabrics
5407 10 13 ---- Nylon furnishing fabrics
5407 10 14 ---- Umbrella cloth panel fabrics
5407 10 15 ---- Other nylon and polyamide fabrics (filament)
5407 10 16 ---- Polyester suitings
5407 10 19 ---- Other polyester fabrics

--- Bleached ***:***

5407 10 21 ---- Parachute fabrics
5407 10 22 ---- Tent fabrics
5407 10 23 ---- Nylon furnishing fabrics
5407 10 24 ---- Umbrella cloth panel fabrics
5407 10 25 ---- Other nylon and polyamide fabrics of filament yarn
5407 10 26 ---- Polyester suitings
5407 10 29 ---- Other

--- Dyed ***:***
5407 10 31 ---- Parachute fabric
5407 10 32 ---- Tent fabrics
5407 10 33 ---- Nylon furnishing fabrics
5407 10 34 ---- Umbrella cloth panel fabrics
5407 10 35 ---- Other nylon and polyamide fabrics (filament)
5407 10 36 ---- Polyester suitings
5407 10 39 ---- Other

--- Printed ***:***
5407 10 41 ---- Parachute fabrics
5407 10 42 ---- Tent fabrics
5407 10 43 ---- Nylon furnishing fabrics
5407 10 44 ---- Umbrella cloth panel fabrics
5407 10 45 ---- Other nylon and polyamide fabrics(filament)
5407 10 46 ---- Polyester suitings
5407 10 49 ---- Other

--- Other :
5407 10 91 ---- Parachute fabrics
5407 10 92 ---- Tent fabrics
5407 10 93 ---- Nylon furnishing fabrics
5407 10 94 ---- Umbrella cloth panel fabrics
5407 10 95 ---- Other nylon and polyamide fabrics of filament yarn
5407 10 96 ---- Polyester suitings
5407 10 99 ---- Other

5407 20 - Woven fabrics obtained from strip or the like ***:***
5407 20 10 --- Unbleached
5407 20 20 --- Bleached
5407 20 30 --- Dyed
5407 20 40 --- Printed
5407 20 90 --- Other

11.2 Chapter Notes to Chapter 54 reads as under:

1. Throughout this Schedule, the term ' man made fibres' means staple fibres and filaments of organic polymers produced by manufacturing processes either:
(a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or by chemical modification of polymers produced by this process (for example, poly(vinyl alcohol)prepared by the hydrolysis of poly(vinyl acetate)); or

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(b) by dissolution or chemical treatment of natural organic polymers (for example, cellulose) to produce polymers such as cuprammonium rayon (cupro) or viscose rayon, or by chemical modification of natural organic polymers (for example, cellulose, casein and other proteins, or alginic acid), to produce polymers such as cellulose acetate or alginates.
The terms "synthetic" and "artificial", used in relation to fibres, mean: synthetic: fibres as defined at (a); artificial : fibres as defined at (b). Strip and the like of heading 5404 or 5405 are not considered to be man-made fibres.
The terms "man-made", "synthetic" and "artificial" shall have the same meaning when used in relation to "textile materials".";

11.3 The applicant has proposed to classify the product PP ropes under the sub-heading 56074900. Heading 5607 falls under Chapter 56 (Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof). Relevant portion of the Heading 5607 reads as under:

5607 TWINE, CORDAGE, ROPES AND CABLES, WHETHER OR NOT PLAITED OR BRAIDED AND WHETHER OR NOT IMPREGNATED, COATED, COVERED OR SHEATHED WITH RUBBER OR PLASTICS

- Of sisal or other textile fibres of the genus Agave :

5607 21 00 -- Binder or baler twine
5607 29 00 -- Other

- Of polyethylene or polypropylene:
5607 41 00 -- Binder or baler
5607 49 00 -- Other

5607 50 - Of other synthetic fibres :
5607 50 10 --- Nylon fish net twine
5607 50 20 --- Nylon tyre cord
5607 50 30 --- Viscose tyre cord
5607 50 40 --- Nylon rope
5607 50 90 --- Other

5607 90 - Other :
5607 90 10 --- Coir, cordage and ropes, other than of cotton
5607 90 20 --- Cordage, cable, ropes and twine, of cotton
5607 90 90 --- Other

11.4 Chapter Notes of Chapter 56 read as under:

1. This Chapter does not cover:
(a) wadding, felt or nonwovens, impregnated, coated or covered with substances or preparations (e.g., perfumes or cosmetics of Chapter 33, soaps or detergents of heading 3401, polishes, creams or similar preparations of heading 3405, fabric softeners of heading 3809) where the textile material is present merely as a carrying medium;
(b) textile products of heading 5811;
(c) natural or artificial abrasive powder or grain, on a backing of felt or nonwovens (heading 6805);
(d) agglomerated or reconstituted mica, on a backing of felt or nonwovens (heading 6814);
(e) metal foil on a backing of felt or nonwovens (generally Section XIV or XV).;
(f) Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles of heading 9619.
2. The term "felt" includes needleloom felt and fabrics consisting of a web of textile fibres the cohesion of which has been enhanced by a stitch-bonding process using fibres from the web itself.
3. Headings 5602 and 5603 cover respectively felt and nonwovens, impregnated, coated, covered or laminated with plastics or rubber whatever the nature of these materials (compact or cellular).

Heading 5603 also includes nonwovens in which plastics or rubber forms the bonding substance.
Headings 5602 and 5603 do not, however, cover:

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(a) felt impregnated, coated, covered or laminated with plastics or rubber, containing 50 per cent. or less by weight of textile material or felt completely embedded in plastics or rubber (Chapter 39 or 40);
(b) nonwovens, either completely embedded in plastics or rubber, or entirely coated or covered on both sides with such materials, 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 or 40); or
(c) plates, sheets or strip of cellular plastics or cellular rubber combined with felt or nonwovens, where the textile material is present merely for reinforcing purposes (Chapter 39 or 40).
4. Heading 5604 does not cover textile yarn, or strip or the like of heading 5404 or 5405, in which the impregnation, coating or covering cannot be seen with the naked eye (usually Chapters 50 to 55); for the purpose of this provision, no account should be taken of any resulting change of colour.

11.5 The applicant has proposed to classify the products namely HDPE Tarpaulin, PE laminated fabric, wagon cover, fumigation cover, HDPE woven laminated fabrics and PP/HDPE woven fabric under sub-heading 59039090. Heading 5903 falls under Chapter 59 (Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use). Relevant portion of the Heading 5903 reads as under:

5903 TEXTILE FABRICS, IMPREGNATED, COATED,COVERED OR LAMINATED WITH PLASTICS, OTHER THAN THOSE OF HEADING 5902

5903 10 - With polyvinyl chloride :
5903 10 10 --- Imitation leather fabrics of cotton
5903 10 90 --- Other
5903 20 - With polyurethane :
5903 20 10 --- Imitation leather fabrics, of cotton
5903 20 90 --- Other

5903 90 - Other:
5903 90 10 --- Of cotton
5903 90 20 --- Polyethylene laminated jute fabrics
5903 90 90 --- Other

11.6 Chapter notes of Chapter 59 read as under:

1. Except where the context otherwise requires, for the purposes of this Chapter, the expression "textile fabrics" applies only to the woven fabrics of Chapters 50 to 55 and headings 5803 and 5806, the braids and ornamental trimmings in the piece of heading 5808 and the knitted or crocheted fabrics of headings 6002 to 6006.

2. Heading 5903 applies to:
(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:
(1) 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;
(2) products which cannot, without fracturing, be bent manually around a cylinder of a diameter of 7 mm, at a temperature between 15oC and 30oC (usually Chapter 39);
(3) 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);
(4) fabrics partially coated or partially covered with plastics and bearing designs resulting from these treatments (usually Chapters 50 to 55, 58 or 60);
(5) plates, sheets or strip of cellular plastics, combined with textile fabric, where the textile fabric is present merely for reinforcing purposes (Chapter 39); or
(6) textile products of heading 5811;
(b) fabrics made from yarn, strip or the like, impregnated, coated, covered or sheathed with plastics, of heading 5604.

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3. For the purposes of heading 5905, the expression "textile wall coverings" applies to products in rolls, of a width of not less than 45 cm, suitable for wall or ceiling decoration, consisting of a textile surface which has been fixed on a backing or has been treated on the back (impregnated or coated to permit pasting).

This heading does not, however, apply to wall coverings consisting of textile flock or dust fixed directly on a backing of paper (heading 4814) or on a textile backing (generally heading 5907).

4. For the purposes of heading 5906, the expression "rubberised textile fabrics" means:
(a) textile fabrics impregnated, coated, covered or laminated with rubber:
(i) weighing not more than 1,500 g/m2; or
(ii) weighing more than 1,500 g/m2 and containing more than 50% by weight of textile material;
(b) fabrics made from yarn, strip or the like, impregnated, coated, covered or sheathed with rubber, of heading 5604; and
(c) fabrics composed of parallel textile yarns agglomerated with rubber, irrespective of their weight per square metre.
This heading does not, however, apply to plates, sheets or strip of cellular rubber combined with textile
fabric, where the textile fabric is present merely for reinforcing purposes (Chapter 40), or textile products of heading 5811.

5. Heading 5907 does not apply to:
(a) fabrics in which 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;
(b) fabrics painted with designs (other than painted canvas being theatrical scenery, studio backcloths
or the like);
(c) fabrics partially covered with flock, dust, powdered cork or the like and bearing designs resulting from these treatments; however, imitation pile fabrics remain classified in this heading;
(d) fabrics finished with normal dressings having a basis of amylaceous or similar substances;
(e) wood veneered on a backing of textile fabrics (heading 4408);
(f) natural or artificial abrasive powder or grain, on a backing of textile fabrics (heading 6805);
(g) agglomerated or reconstituted mica, on a backing of textile fabrics (heading 6814); or
(h) metal foil on a backing of textile fabrics (generally Section XIV or XV).

6. Heading 5910 does not apply to:
(a) transmission or conveyor belting, of textile material, of a thickness of less than 3 mm; or
(b) transmission or conveyor belts or belting of textile fabric impregnated, coated, covered or laminated with rubber or made from textile yarn or cord impregnated, coated, covered or sheathed with rubber (heading 4010).

7. Heading 5911 applies to the following goods, which do not fall in any other heading 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) 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;

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(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].

12. As per the submission of the applicant, they are manufacturing and supplying HDPE woven fabrics falling under Chapter 39(Plastics and articles thereof) and Tariff items 3926 (other articles of plastics and articles of other materials of heading 3901 to 3914) and sub tariff item 39269099; that the manufacturing process involves manufacturing of HDPE tapes, which are weaved into a piece of fabric and the HDPE granules are mixed with additives and passed through an HDPE tape line plant to obtain HDPE tapes(mono-axially oriented HDPE tapes); that the HDPE tapes wound into spools, are passed through power looms for weaving HDPE woven fabric. The applicant has also submitted the step-wise process of manufacture as under:

(i) Raw material storage: The applicant is procuring the raw materials used in production like HDPE Granules, LDPE Granules, color masterbatch titanium dioxide, U.V.Stabilizer, Aluminium eyelet from supplier.
(ii) Tape: First process of manufacturing is to prepare tape out from HDPE granules.
(iii) Fabric: Second process of manufacturing is to prepare fabric by weaving tape.
(iv) Lamination: Third process is to laminate the fabric on lamination plant by mixing raw material like LDPE Granules, Colour masterbatch, titanium dioxide, U.V.Stabilizer.
(v) Cutting: Next step of manufacturing is cutting of laminated fabric depending upon the requirement of the buyer.
(vi) Stitching/Sealing: Further, Laminated fabric pieces are stitched on stitching machine.
(vii) Printing: Next step of manufacturing process is the printing on laminated fabric pieces as per buyer requirement and thereafter Aluminium eyelet fitted depending on the requirements of the buyer.
(viii) Packing/Final checking for Inspection/Store stuffing loading shipment: After above all process, finished products is ready for dispatch and after inspection of all parameters, the laminated plastic sheeting is ready for dispatch.

12.1 The applicant has submitted that they propose to re-classify their products namely: (i) pondliner, vermibed, weed mat, azolla bed, grow bags and agro shade net from Chapter 39 to sub-heading 54072090. (ii) PP ropes from Chapter 39 to the sub-heading 56074900. (iii) HDPE Tarpaulin, PE laminated fabric, wagon cover, fumigation cover, HDPE woven laminated fabrics and PP/HDPE woven fabric from Chapter 39 to sub-heading 59039090 and claim that they have supporting evidence for the same. However, on going through the submission, we do not find any supporting evidence having been submitted by them. HDPE fabrics manufactured by the applicant are made by weaving the HDPE tapes into a fabric. These HDPE tapes are manufactured from HDPE Granules which are mixed with additives and passed through an HDPE tape line plant to obtain HDPE tapes. The HDPE granules i.e. High Density Polyethelene(HDPE) granules or High Density Polyethelene (HDPE) tapes are actually plastics and are covered under the Chapter 39 of the First Schedule of the Customs Tariff Act, 1975 (51 of 1975). Further, Chapters 50 to 63 of the said schedule covers Textile and Textile articles only. So for the products manufactured by the applicant, to be included under the sub-headings 5407, 5607 or 5903 as proposed by them, they need to be textile material. In this context, we would like to refer a judgement of the Hon'ble High Court of Madhya Pradesh wherein a similar issue with regard to the classification of PP/HDPE Bags or sacks, made of HDPE tapes and fabrics, has been dealt with

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at length by the Hon'ble High Court of Madhya Pradesh in case of M/s. Raj Packwell Ltd. v. UOI [1990 (50) E.L.T. 201 (M.P.)]. The petitioners in this petition are manufacturing HDPE woven sacks and for that purpose they have installed HOPE tape plants for manufacture of oriented tape (plastic tape). The petitioners made representations to the Assistant Collector, Central Excise, Indore Division, to the effect that the HDPE woven sacks are articles of plastic and are thus classifiable under Chapter 39 of the Central Excise Tariff Act, 1985. The contention of the petitioners was not accepted by the Assistant Collector, Central Excise, Division Indore and he passed an order dated 11-1-1988 wherein it was held that the HDPE strips of an apparent width of 5 mm are classifiable under sub-head No.5406.11, of Polypropylene under Chapter sub-head 5406.90 and fabrics thereof under Chapter heading 5408.00. Relevant portions of the said judgement of the Hon'ble High Court are reproduced hereunder:

"16. Similarly the CEGAT Special Bench in the case of Shree Radhe Industries, Kalol v. Collector of Customs and Central Excise, Ahmedabad (1983 ELT 379) has held that since the HDPE tapes are neither man-made filament yarn nor cellulosic spun yarn, therefore, they do not fit into any category of Item 18 of CET. HDPE is a well known plastic raw material, therefore, tapes made from this material would be covered as articles made. of plastics. This decision of the CEGAT was taken to the Supreme Court by the Union of India, but the appeal was dismissed on merits in C.A. No. 8369 of 83 dated 21-10-1983. Thereafter the Government of India issued Circular 32/85 - A.U. dated 20th November, 1985. In the Circular it was said that the Board had decided that HDPE woven sacks should be considered as articles of plastic and that the Tribunal's decision in Shellya Industries v. Collector, Central Excise (supra) can be accepted. This circular further said that in view of the dismissal of Government's appeal against CEGAT's order dated 30-12-1982 in M/s. Shree Radhe Industries v. Collector of Customs and Central Excise (supra) wherein the CEGAT has held that the HDPE tape is a plastic material, the tape shall fall in Tariff Item 15A(2) and not under Tariff Item No. 18. Therefore, in view of the aforesaid decisions on facts by the two Tribunals as confirmed by the Supreme Court and accepted by the Department there is no dispute that the HDPE woven sacks are articles of plastic. The learned Assistant Collector Central Excise, and the Collector Appeals have not given any reason as to why the articles of plastic should be treated as articles made of textile material or that the HDPE tapes are textile material. They have simply refused to go into the aforesaid decisions in view of the fact that under the new Tariff Act there is different classification and it has got a synthetic basis after research.

19. *Now, textile material has not been defined in the Tariff Act. However, in the Textiles Committee Act, 1963 (Act 41 of 63) the word "fibre" has been defined in Section 2(a) as under :-*

"fibre" means man-made fibre including regenerated cellulose rayon, nylon and the like."

"Textiles" has been defined in Section 2(g) as under :- "Textiles" means any fabric or cloth, or yarn or garment or any other articles made wholly or in part of –

(i) Cotton; or
(ii) Wool; or
(iii) Silk; or
(iv) Artificial silk or other fibre, and includes fibre".

Therefore, according to the above definition, any fabric or cloth or yarn or garment if made wholly or in part of cotton, wool, silk, artificial silk or other fibre shall be called textiles**. The definition of 'fibre' includes the regenerated cellulose, rayon, nylon and the like. **Nowhere in the aforesaid definition of 'fibre' or 'textiles' plastic has been mentioned as a commodity to be included in the definition of 'fibre' or 'textiles'**. Now in Shree Radhe Industries case (supra) and the Shellya Industries case (supra) irrespective of the entries in the tariff as prevailing then, it has been held that the HDPE sacks are articles made of plastic; they are made of high density polyethylene which is a plastic raw material and it has further been held that they are not man-made, filament yarn but are articles of plastic. **The circular of the Central Board of Direct Taxes dated 20-1-1985 also clearly says that the Board

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has decided that so long as the finished articles of plastic is made out of plastic material falling under Tariff No. 15A(i), even if at the intermediate stage articles classifiable under Item No. 15A(ii) if any tariff item emerges, the said product would be considered to have been produced out of plastic material falling under Tariff Item No. 15A(i) and, therefore, the HDPE woven sacks should be considered as articles of plastic and that the Tribunal's decision be accepted. *In common parlance also the HDPE woven sacks are known as plastic woven sacks industry as is apparent from the annexures filed with the petition and the authenticity of which has not been disputed. The Dy. Director of the Ministry of Textile, Office of Textile Commissioner has, vide letter dated 2-3-1989 informed one of the petitioners that the HDPE/PP weaving activity on regular looms as well as circular looms manufacturing fall under the purview of DGTD and no installation permission or registration of circular looms is required under Textile (Control) Order, 1986.* ***Therefore, the petitioner was advised to approach DGTD. The D.G.T.D. certificate is Annexure P-18 which has registered the Company of one of the petitioners for weaving HDPE woven sacks. As such the woven sacks are not treated as an item of textile by the Commissioner of Textiles and the DGTD (Plastic and Polymer Directorates) has registered it as an Industry producing HDPE woven sacks. The raw material used for the production of the HDPE strips is covered under Chapter 39 and in absence of anything on the record to show that the HDPE strips are synthetic textile material the only fact that their width is less than 5 mm would not automatically put that item under entry No. 54.06 of Chapter 54 of the Central Excise Tariff of India. What the learned Asst. Collector, C. Excise and the Collector Appeals, Central Excise have done is that they have considered only the width of the strip and have come to the conclusion that since the strip is of less than 5 mm, therefore, it falls within 54.06 ignoring the fact that in addition to this there should be something to arrive at a conclusion that the aforesaid strip is of synthetic textile material. If the strip is a strip of plastic only and not a synthetic textile material and is also known in the common parlance as a commodity of plastic, and the finished goods i.e. the HDPE woven sacks are also known in the common parlance as plastic woven sacks, then it cannot be held that the strips with which such bags are woven are the strips of synthetic textile material.***

20. Thus, the view of the Textile Commissioner as discussed above, the registration by the DGTD of the factory of the petitioner, the definition of 'textile' and 'fibre' as discussed above, the process of the manufacture of the HDPE tapes, the earlier judgments of the CEGAT approved by the Supreme Court and accepted by the Department, all clearly go to show that the HDPE bags are the bags woven by the plastic strips and they, therefore, are goods of plastic and the material used for weaving those bags being the strips of plastic made from plastic granules, the strips of plastic used for weaving the aforesaid HDPE woven sacks has to be classified as an Item under entry 39.20 of Chapter 39 and not under entry 54.06 of Chapter 54. Accordingly the entries of the finished goods have also to be made under the proper Chapter of the Tariff Act treating them as the finished goods made of plastic strips.

In the result we hold that HDPE strips or tapes fall under the Heading 3920, Sub-heading 3920.32 of the Central Excise Tariff Act and not under heading 5406, sub-heading 5406.90. Similarly HDPE Sacks fall into Heading 3923, Sub-heading 3923.90....”

12.2 In the above decision Hon’ble High Court of Madhya Pradesh has discussed what is textile according to Section 2(g) of *Textiles Committee Act, 1963 (Act 41 of 63) and* ***according to the above definition, any fabric or cloth or yarn or garment if made wholly or in part of cotton, wool, silk, artificial silk or other fibre shall be called textiles***, ***Nowhere in the aforesaid definition of ‘fibre’ or ‘textiles’ plastic has been mentioned as a commodity to be included in the definition of ‘fibre’ or ‘textiles’***. Further the Hon’ble High Court has also mentioned that the Central excise authorities had erred in concluding that since the strip is of less than 5 mm, therefore, it falls within 54.06 ignoring the fact that in addition to this there should be something to arrive at a conclusion that the aforesaid strip is of synthetic textile material, that if the strip is a strip of plastic only and not a synthetic textile material and is also known in the common parlance as a commodity of plastic, and the finished goods i.e. the HDPE woven sacks are also known in the common parlance as plastic woven

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sacks, then it cannot be held that the strips with which such bags are woven are the strips of synthetic textile material. Therefore it can be concluded that HDPE fabrics manufactured by the weaving of High Density Polyethelene (HDPE) tapes cannot be considered as "textile" material irrespective of the fact as to whether it is obtained by weaving method using power looms or hot pressed or is made from HDPE strip of width less than or more than 5 mm. Chapters No.54, 56 and 59 of the First Schedule to the Customs Tariff Act, 1975(51 of 1975) **covers textile and textile articles** only, whereas applicant's products/goods are not manufactured from textile material as discussed above but from HDPE tapes which are plastic material. Hence applicant's proposed claim that their products cover under Chapter Headings No.5407 or 5607 or 5903 does not hold water as their products manufactured from HDPE tapes are articles of plastic only and are therefore undoubtedly classifiable under Chapter 39 of the First Schedule to the Customs Tariff Act, 1975(51 of 1975) only.

13. Now, since it has been concluded that the products manufactured by the applicant are articles of plastic which fall under Chapter 39 only, we find it necessary to go through the details of the products as well as their uses (available online) in order to decide about the classification of these products: The same are as under:

(1) HDPE Tarpaulin: High density polyethylene (HDPE) tarpaulin is a product with multiple end uses. HDPE fabric is laminated with LDPE, LLDPE or a blend of the two. Tarpaulins are used in many ways to protect persons and things from wind, rain, and sunlight. They are used during construction or after disasters to protect partially built or damaged structures, to prevent mess during painting and similar activities, and to contain and collect debris.

(2) PE laminated fabric: It is a woven polyester fabric laminated to transparent PE Membrane. This composite is 100% waterproof and can withstand 10,000 mm H20 head under static & dynamic conditions (which signifies the composite is absolutely water proof) It has it's utility for soft-luggage industry and also for shoe-industry.

(3) PP ropes: Most commonly used synthetic fiber ropes. Polypropylene Ropes are made from high quality polypropylene (PP) and are a perfect choice for numerous applications. Polypropylene rope is incredibly strong and durable. It is rot-proof and resistant to moisture. It can also be easily tied into knots and it does not react with any chemicals or solvents.

(4) A pond liner is an impermeable geomembrane used for retention of liquids, including the lining of reservoirs, retention basins, hazardous and nonhazardous surface impoundments, garden ponds and artificial streams in parks and gardens.

(5) Vermibed is used for producing vermicompost, vermiwash used to reduce the farmers expenses on chemical fertilizers and provide an organic healthy crop.

(6) Weed mats prevents weed seeds buried in the soil beneath from sprouting ·

(7) Wagon covers: These are normally used for temporary structures where protection from sun and rain is required, usually for a shorter length of time, like Monsoon Sheds, Wedding Mandaps, etc.

(8) Fumigation covers: To protect the food grains and cereals, superior quality of polythene sheets are used in a cover form shape and for the same, fumigation is done to kill the pest. Fumigation cover is used to provide safety to the wide gamut of agricultural products from rain, water, dust, heat and insecticides.

(9) A growbag is a large plastic bag filled with a growing medium and used for growing plants, usually tomatoes or other salad crops.

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The growing medium is usually based on a soilless organic material such as peat, coir, composted green waste, composted bark or composted wood chips, or a mixture of these.

(10) Agro shade nets: These nets are classified by the amount of sunlight that can pass through it. These products are mainly used in applications related to crop protection and agriculture.

(11) Azolla beds: Durable and easy to install, these Bags are suitable for Azolla cultivation and has multi uses like duck pond, fish pond. Quality of this product is 450 GSM and the size is 9ft X 6ft X 1ft.

(12) HDPE woven laminated fabrics: Paper Laminated HDPE / PP woven fabric is Excellent Product to make Heavy Duty HDPE Corrugated Boxes. Corrugated Boxes made with Kraft Paper Laminated PP fabrics are Strong, Durable, Water Proof, easy to print.

(13) HDPE woven fabrics: HDPE woven fabrics offer strong, durable and economical packaging for varied range industrial & commercial applications, goods and commodities. It is light-weight and best suited for packing corrugated or wooden boxes, cloth bales, machinery and many other finished goods for 100% external safety.

(14) PP woven fabric is also known as Polypropylene Woven fabric. ... PP Woven fabric is available in laminated and unlaminated form. These fabrics are used in different industrial segments like Bag manufacture, Fertilizers, Cement, Polymers, Chemicals, Textiles, Machinery and Food grain packing.

13.1 We have gone through the entire Chapter 39 of the First Schedule to the Customs Tariff Act, 1975(51 of 1975) including the chapter notes as well as the above details and find that none of the aforementioned products (except 'grow bags' appearing at Sr.No.9 above) is covered under the Headings 3901 to 3925 of Chapter 39 as there is no specific mention of any of these products under any of the aforementioned headings. Since heading 3926 reads as *'Other articles of plastics and articles of other materials of headings 3901 to 3914',* it implies that articles of plastics or articles of other materials not covered in any of the headings from 3901 to 3925 would be covered under heading 3926 which is a residuary entry. As per the explanatory notes to HSN with regard to heading 3926, the heading 3926 covers articles, not elsewhere specified or included, of plastics or of other materials of headings 39.01 to 39.14. We, therefore, reach the conclusion that the products namely HDPE Tarpaulin, PE laminated fabric PP ropes, pondliner, vermibed, weed mat, wagon cover, fumigation cover, azolla bed, agro shade net, HDPE woven laminated fabrics and PP/HDPE woven fabric would invariably be covered under heading 3926 of the First Schedule to the Customs Tariff Act, 1975(51 of 1975). Further, looking to the use of 'Grow bags', we find that they would be rightly classifiable under Heading 3923. Heading 3923 and heading 3926 as appearing in the First Schedule to the Customs Tariff Act, 1975 reads as under:

3923 ARTICLES FOR THE CONVEYANCE OR PACKING OF GOODS, OF PLASTICS; STOPPERS, LIDS, CAPS AND OTHER CLOSURES, OF PLASTICS

3923 10 - Boxes, cases, crates and similar articles:
3923 10 10--- Plastic containers for audio or videocassettes, cassette tapes, floppy disk and similar articles

3923 10 20--- Watch-box, jewellery box and similarcontainers of plastics
3923 10 30 --- Insulated ware
3923 10 40 --- Packing for accommodating connectors
3923 10 90 --- Other

- Sacks and bags (including cones):

3923 21 00-- Of polymers of ethylene
3923 29 -- Of other plastics:
3923 29 10--- Of poly (vinyl chloride)

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3923 29 90 --- Other

3923 30 - Carboys, bottles, flasks and similar articles:
3923 30 10 --- Insulated ware
3923 30 90 --- Other
3923 40 00 - Spools, cops, bobbins and similar supports

3923 50 - Stoppers, lids, caps and other closures :
3923 50 10 --- Caps and closures for bottles kg. 10% -
3923 50 90 --- Other kg. 10% -

3923 90 - Other :
3923 90 10--- Insulated ware
3923 90 20 --- Aseptic bags
3923 90 90--- Other

3926 OTHER ARTICLES OF PLASTICS AND ARTICLES OF OTHER MATERIALS OF HEADINGS 3901 TO 3914

3926 10 - Office or school supplies :

--- Office supplies of a kind classified as stationery other than pins, clips, and writing instruments :
3926 10 11 ---- Of polyurethane foam
3926 10 19 ---- Other

--- Other :
3926 10 91 ---- Of polyurethane foam
3926 10 99 ---- Other

3926 20 - Articles of apparel and clothing accessories(including gloves, mittens and mitts) :

--- Gloves :
3926 20 11 ---- Disposable
3926 20 19 ---- Non-disposable

í--- Aprons :
3926 20 21 ---- Of polyurethane foam
3926 20 29 ---- Other

--- Plastic stickers for garments :
3926 20 31 ---- Of polyurethane foam
3926 20 39 ---- Other

--- Collar stays, patties, butterfly, shoulder-padsand other stays :
3926 20 41 ---- Of polyurethane foam
3926 20 49 ----
--- Other :
3926 20 91 ---- Of polyurethane foam
3926 20 99 ---- Other

3926 30 - Fittings for furniture, coach work or the like :
3926 30 10--- Of polyurethane foam
3926 30 90 --- Other

3926 40 - Statuettes and other ornamental articles :
--- Bangles :
3926 40 11 ---- Of polyurethane foam
3926 40 19 ---- Other

--- Beads :
3926 40 21 ---- Of polyurethane foam
3926 40 29 ---- Other kg. 10% -

--- Statuettes :

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3926 40 31 ---- Of polyurethane foam
3926 40 39 ---- Other
--- Table and other household articles (including hotel and restaurant) for decoration :
3926 40 41 ---- Of polyurethane foam
3926 40 49 ---- Other

--- Decorative sheets :
3926 40 51 ---- Of polyurethane foam
3926 40 59 ---- Other
3926 40 60--- Sequine

--- Other :
3926 40 91 ---- Of polyurethane foam
3926 40 99 ---- Other
3926 90 - Other :
3926 90 10--- PVC belt conveyor

--- Couplers, packing rings, O rings and the like:
3926 90 21 ---- Of polyurethane foam
3926 90 29 ---- Other

--- Lasts, with or without steel hinges ; EVA and grape sheets for soles and heels; welts:
3926 90 31 ---- Of polyurethane foam
3926 90 39 ---- Other kg.

--- Rings, buckles, tacks, washers and other decorative fittings made of plastic used as trimmings and embellishments for leather products; patterns for leather foot wear, leather garments and leather goods :
3926 90 41 ---- Of polyurethane foam
3926 90 49 ---- Other
--- Retroreflective sheeting of other than of heading 3920 :
3926 90 51 ---- Of polyurethane foam
3926 90 59 ---- Other
--- Hangers :
3926 90 61 ---- Of polyurethane foam
3926 90 69 ---- Other

--- Plastic or nylon tipped hammers; insulating linerof nylon , HDPE :
3926 90 71 ---- Of polyurethane foam
3926 90 79 ---- Other
3926 90 80 ---- Polypropylene articles, not elsewhere specified or included
--- Other:
3926 90 91 ---- Of polyurethane foam
3926 90 99 ---- Other

13.2 Chapter notes to Chapter 39 read as under:

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

Throughout this Schedule any reference to "plastics" also includes vulcanised fibre. The expression, however, does not apply to materials regarded as textile materials of Section XI.

2. This Chapter does not cover:
(a) lubricating preparations of heading 2710 or 3403;
(b) waxes of heading 2712 or 3404;
(c) separate chemically defined organic compounds (Chapter 29);
(d) heparin or its salts (heading 3001);
(e) solutions (other than collodions) consisting of any of the products specified in headings 3901to 3913 in volatile organic solvents when the weight of the solvent

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exceeds 50% of the weight of the solution (heading 3208); stamping foils of heading 3212;
(f) organic surface-active agents or preparation of heading 3402;
(g) run gums or ester gums (heading 3806);
(h) prepared additives for mineral oils (including gasoline) or for other liquids used for the same purposes as mineral oils (heading 3811);
(ij) prepared hydraulic fluids based on polyglycols, silicones or other polymers of Chapter 39 (heading 3819);
(k) diagnostic or laboratory reagents on a backing of plastics (heading 3822);
(l) synthetic rubber, as defined for the purpose of Chapter 40, or articles thereof;
(m) saddlery or harness (heading 4201) or trunks, suit-cases, hand-bags or other containers of heading 4202;
(n) plaits, wickerwork or other articles of Chapter 46;
(o) wall coverings of heading 4814;
(p) goods of Section XI (textiles and textile articles);
(q) articles of Section XII (for example, footwear, headgear, umbrellas, sun umbrellas, walking sticks, whips, riding-crops or parts thereof);
(r) imitation jewellery of heading 7117;
(s) articles of Section XVI (machines and mechanical or electrical appliances);
(t) parts of aircraft or vehicles of Section XVII;
(u) articles of Chapter 90 (for example, optical elements, spectacle frames, drawing instruments);
(v) articles of Chapter 91 (for example, clock or watch cases);
(w) articles of Chapter 92 (for example, musical instruments or parts thereof);
(x) articles of Chapter 94 (for example, furniture, lamps and lighting fittings, illuminated signs,prefabricated buildings);
(y) articles of Chapter 95 (for example, toys, games, sports requisites); or
(z) articles of Chapter 96 (for example, brushes, buttons, slide fasteners, combs, mouth-pieces or stems for smoking pipes, cigarette-holders or the like, parts of vacuum flasks or the like, pens, propelling pencils).

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 3000C, 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. The expressions "copolymers" covers all polymers in which no single monomer unit contributes 95% or more by weight to the total polymer content. For the purposes of this Chapter, except where the context otherwise requires, copolymers (including co-polycondensates, co-polyaddition products, block copolymers and graft copolymers) and polymer bends are to be classified in the heading covering polymers of that comonomer unit which predominates by weight over every other single comonomer unit.
For the purposes of this Note, constituent comonomer units of polymers falling in the same heading shall be taken together. If no single comonomer unit predominates, copolymers or polymer blends, as the case may be, are to be classified in the heading which occurs last in numerical order among those which equally merit consideration.

5. Chemically modified polymers, that is those in which only appendages to the main polymer chain have been changed by chemical reaction, are to be classified in the heading appropriate to the unmodified polymer. This provision does not apply to graft copolymers.

6. In headings 3901 to 3914, the expression "primary forms" applies only to the following forms:
(a) liquids and pastes, including dispersions (emulsions and suspensions) and solutions;
(b) blocks of irregular shape, lumps, powders (including moulding powders), granules, flakes and similar bulk forms.

7. Heading 3915 does not apply to waste, parings and scrap of a single thermoplastic material,transformed into primary forms (headings 3901 to 3914).

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8. For the purposes of heading 3917, the expression "tubes, pipes and hoses" means hollow products, whether semi-manufactures or finished products, of a kind generally used for conveying, conducting or distributing gases or liquids (for example, ribbed garden hose, perforated tubes). This expression also includes sausage casings and other lay-flat tubing. However, except for the last-mentioned, those having an internal cross-section other than round, oval, rectangular (in which the length does not exceed 1.5 times the width) or in the shape of a regular polygon are not to be regarded as tubes, pipes and hoses but as profile shapes.

9. For the purposes of heading 3918, the expression "wall or ceiling coverings of plastics" applies to products in rolls, of a width not less than 45 cm, suitable for wall or ceiling decoration, consisting of plastics fixed permanently on a backing of any material other than paper, the layer of plastics (on the face side) being grained, embossed, coloured, design-printed or otherwise decorated.

10. In headings 3920 and 3921, the expression "plates, sheets, film foil and strip" applies only to plates, sheets, film, foil and strip (other than those of Chapter 54) and to blocks of regular geometric shape, whether or not printed or otherwise surface-worked, uncut or cut into rectangles (including squares) but not further worked (even if when so cut they become articles ready for use).

11. Heading 3925 applies only to the following articles, not being products covered by any of the earlier headings of sub-Chapter II:
(a) reservoirs, tanks (including septic tanks), vats and similar containers, of a capacity exceeding 300 l;
(b) structural elements used, for example, in floors, walls or partitions, ceilings or roofs;
(c) gutters and fittings thereof;
(d) doors, windows and their frames and thresholds for doors;
(e) balconies, balustrades, fencing, gates and similar barriers ;
(f) shutters, blinds (including Venetian blinds) and similar articles and parts and fittings thereof;
(g) large scale shelving for assembly and permanent installation, for example, in shops, workshops,warehouses;
(h) ornamental architectural features, for example, flutings, cupolas, dovecotes; and
(ij) fittings and mountings intended for permanent installation in or on doors, windows, staircases, walls or other parts of buildings, for example, knobs, handles, hooks, brackets, towel rails, switchplates and other protective plates.

SUB-HEADING NOTES :
1. Within any one heading of this Chapter, polymers (including copolymers) and chemically modified polymers are to be classified according to the following provisions:

(a) where there is a sub-heading named "Other" in the same series:
(1) the designation in a sub-heading of a polymer by the prefix "poly" (for example polyethylene and polyamide –6,6) means that the constituent monomer unit or monomer units of the named polymer taken together must contribute 95% or more by weight of the total polymer content;
(2) the copolymers named in sub-headings 3901 30, 3903 20, 3903 30 and 3904 30 are to be classified in those sub-headings, provided that the comonomer units of the named copolymers contribute 95% or more by weight of the total polymer content;
(3) chemically modified polymer are to be classified in the sub-heading named "Other", provided that the chemically modified polymers are not more specifically covered by an other sub-heading;
(4) polymers not meeting (1), (2) or (3) above, are to be classified in the sub-heading, among the remaining sub-headings in the series, covering polymers of that monomer unit which predominates by weight over every other single comonomer unit. For this purpose, constituent monomer units of polymers falling in the same sub-heading shall be taken together. Only the constituent comonomer units of the polymers in the series of sub-headings under consideration are to be compared;

(b) where there is no sub-heading named "Other" in the same series:
(1) polymers are to be classified in the sub-heading covering polymers of that monomer unit which predominates by weight over every other single comonomer unit. For this purpose, constituent monomer units of polymers falling in the same sub-heading shall be taken together. Only the constituent comonomer units of the polymers in the series under consideration are to be compared;

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(2) chemically modified polymers are to be classified in the sub-heading appropriate to the unmodified polymer.
Polymer blends are to be classified in the same sub-heading as polymers of the same monomer units in the same proportions.

2. For the purposes of sub-heading 3920 43, the term "plasticisers" includes secondary plasticisers.

13.3 On going through the above, we find that 'Grow bags' is classifiable under Sub-heading No.39232990. The other products namely HDPE Tarpaulin, PE laminated fabric, PP ropes, pondliner, vermibed, weed mat, wagon cover, fumigation cover, azolla bed, agro shade net, HDPE woven laminated fabrics and PP/HDPE woven fabric would be classifiable under Sub-heading No.39269099 of Chapter 39 of the First Schedule to the Customs Tariff Act, 1975(51 of 1975) as we do not find the specific mention of any of these products in any of the other sub-headings of Heading 3926. The details of the products and their classification are as mentioned in the table below:

Sr.No.	**Name of the product**	**Sub-Heading/Classification as per the First Schedule to the Customs Tariff Act, 1975(51 of 1975)**
01.	HDPE Tarpaulin	39269099
02.	PE laminated fabric	39269099
03.	PP Ropes	39269099
04.	Pondliner	39269099
05.	Vermibed	39269099
06.	Weed mat	39269099
07.	Wagon cover	39269099
08.	Fumigation cover	39269099
09.	Azolla Bed	39269099
10.	Grow bags	39232990
11.	Agro shade net	39269099
12.	HDPE woven laminated fabrics	39269099
13.	PP/HDPE woven fabric	39269099

14. Now, in order to find out the tax liability of the aforementioned products, we will be required to refer to Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 which contains the headings, sub-headings as well as the rates of Central Tax GST applicable to various goods which are covered under 6 schedules as under:

(i) 2.5 per cent. in respect of goods specified in Schedule I,
(ii) 6 per cent. in respect of goods specified in Schedule II,
(iii) 9 per cent. in respect of goods specified in Schedule III,
(iv) 14 per cent. in respect of goods specified in Schedule IV,
(v) 1.5 per cent. in respect of goods specified in Schedule V, and
(vi) 0.125 per cent. in respect of goods specified in Schedule VI

On going through the aforementioned notification, we find that Sub-headings 3923 and 3926 appear at Entry Nos.108 and 111 respectively in Schedule-III of the said notification (wherein GST rate is 18% (9% SGST + 9% CGST)) and Plastic tarpaulin appears at Entry No.111. The same reads as under:

Sr.No.	***Chapter / Heading / Sub-heading / Tariff item***	***Description of goods***
108.	*3923*	*Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics.*
111.	*3926*	*PVC Belt Conveyor, Plastic Tarpaulin.*

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It is found that there is another entry No.45 in Schedule-IV of the said notification (wherein GST rate is 28%(14% SGST + 14% CGST)) which reads as under:

Sr.No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods
45.	*3926 [other than 3926 40 11, 3926 90 10]*	*Other articles of plastics and articles of other materials of headings 3901 to 3914 [other than bangles of plastic, PVC Belt Conveyor, plastic beads and plastic tarpaulins].*

14.1 Notification No.01/2017-Central Tax(Rate) dated 28.06.2017 has been amended vide Notification No.27/2017-Central Tax(Rate) dated 22.09.2017 wherein the following amendments have been made:

In Schedule-III
(ii) in S. No. 111, in column (3), for the words "Plastic Tarpaulin", the words, "Plastic Tarpaulin, Medical grade sterile disposable gloves, Plastic raincoats", shall be substituted;

In Schedule-IV
(ii) in S. No. 45, in column (3), for the words, " plastic tarpaulins", the words "plastic tarpaulins, medical grade sterile disposable gloves, plastic raincoats", shall be substituted;

14.2 Notification No.01/2017-Central Tax(Rate) dated 28.06.2017 has been further amended vide Notification No.41/2017-Central Tax(Rate) dated 14.11.2017 wherein the following amendments have been made:

In Schedule-III
(xxxvi) in S. No. 111, for the entry in column (3), the entry "Other articles of plastics and articles of other materials of headings 3901 to 3914 [other than bangles of plastic, plastic beads and feeding bottles]" shall be substituted;

In Schedule-IV
(i) S. Nos. 2, 3, 4, 5, 6,7, 8, 9, 11, 16, 17, 19, 23, 25, 26, 27, 28, 29, 30, 31 32, 33, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, ***45*** *and the entries relating thereto, shall be omitted;*

14.3 Notification No.01/2017-Central Tax(Rate) dated 28.06.2017 has been further amended vide Notification No.14/2019-Central Tax(Rate) dated 30.09.2019 wherein the following amendments have been made:

In Schedule-III
(ii). against S. No. 108, in column (3), after the words "other closures, of plastics", the brackets, words, letters and figures "(except the items covered in Sl. No. 80AA in Schedule II]), shall be inserted;

14.4 In view of the above, we conclude that the classification of each of the products manufactured by the applicant as well as the corresponding rates of GST is as mentioned in the table below:

Sr.No.	Name of the product	Classification as per the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)	Rate of tax(GST)
01.	HDPE Tarpaulin	39269099	18%(9% SGST + 9% CGST)

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02.	PE laminated fabric	39269099	(i)28%(14% SGST + 14% CGST) upto 14.11.2017. (ii) 18%(9% SGST + 9% CGST) from 15.11.2017 onwards.
03.	PP Ropes	39269099	
04.	Pondliner	39269099	
05.	Vermibed	39269099	
06.	Weed mat	39269099	
07.	Wagon cover	39269099	
08.	Fumigation cover	39269099	
09.	Azolla Bed	39269099	
10.	Grow bags	39232990	18%(9% SGST + 9% CGST)
11.	Agro shade net	39269099	(i)28%(14% SGST + 14% CGST) upto 14.11.2017. (ii) 18%(9% SGST + 9% CGST) from 15.11.2017 onwards.
12.	HDPE woven laminated fabrics	39269099	
13.	PP/HDPE woven fabric	39269099	

15. In the light of the above, we rule as under :

RULING

The classification of the products manufactured and supplied by the applicant M/s. Gujarat Raffia Industries ltd., Ahmedabad (as per the First Schedule to the Customs Tariff Act, 1975(51 of 1975)) as well as the corresponding rate of GST(as per Notification No.01/2017-Central Tax(Rate) dated 28.06.2017 (as amended from time to time)) is as detailed in the table below:

Sr.No.	**Name of the product**	**Sub-heading/ Classification as per the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)**	**Rate of tax(GST)**
01.	HDPE Tarpaulin	39269099	18%(9% SGST + 9% CGST)
02.	PE laminated fabric	39269099	(i)28%(14% SGST + 14% CGST) upto 14.11.2017. (ii) 18%(9% SGST + 9% CGST) from 15.11.2017 onwards.
03.	PP Ropes	39269099	
04.	Pondliner	39269099	
05.	Vermibed	39269099	
06.	Weed mat	39269099	
07.	Wagon cover	39269099	
08.	Fumigation cover	39269099	
09.	Azolla Bed	39269099	
10.	Grow bags	39232990	18%(9% SGST + 9% CGST)
11.	Agro shade net	39269099	(i)28%(14% SGST + 14% CGST) upto 14.11.2017. (ii) 18%(9% SGST + 9% CGST) from 15.11.2017 onwards.
12.	HDPE woven laminated fabrics	39269099	
13.	PP/HDPE woven fabric	39269099	

(SANJAY SAXENA)

MEMBER

(MOHIT AGRAWAL)

MEMBER

Place: Ahmedabad

Date: 17.09.2020.

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