



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



ADVANCE RULING NO.HAR/HAAR/R/2018-19/21

(In Application No.:21/2018-19, dated 26.07.2018)

Name & Address of the Applicant	: M/s Manas Geo Tech India Pvt. Ltd, Plot No.189, Sector-3, Phase-II, IMT, Bawal – 123501, Rewari.
GSTIN of the Applicant	: 06AACCK0434D1Z6
Date of Application	: 26.07.2018
Clause(s) of Section 97(2) of CGST/HGST Act, 2017, under which the question(s) raised.	: (i) Classification of goods and/or services or both
Date of Personal Hearing	: 09.10.2018
Present for the Applicant	: Sh. Manoj Gupta, CA (POA)

1. M/s Manas Geo Tech India Pvt. Ltd. Plot No.189, Sector-3, Phase-II, IMT, Bawal – 123501 [hereinafter referred to as the "applicant"] is manufacturer of man-made textile material Non-Woven Geo Textile Bags from Polyester & Polypropylene used in Coastal Protection, Geo Bags are manufactured from Geo Textile stitched form three sides and is open from one side. It is designed to be filled with soil and is installed in the construction of marine and hydraulic structures. The geo bag or Non-woven Geo-textile bag is a geo-synthetic product that is made out of polyester or polypropylene and is used for the protection of hydraulic structures and river banks from severe erosion and scouring.

2. The geo bag structures are widely chosen because;

* World wide it has been seen that erosion protection work using Geo bags requires less installation and maintenance cost light weight equipment, less space for construction works, transportation cost, less energy requirement.

* The construction materials like sand of geo bag are locally available and cost-effective compared to using boulders.

* The manufacturing of geo bags and quality control of the bags are easy compared to the C. C. Blocks and boulders.

That the said bags are used by Departments/Contractors for Riverbank Protection from Severe Erosion & Scouring & Protection of Hydraulic Structures.

3. The applicant raised the following question for advance ruling:

Whether this man-made textile Non-Woven Geo bags from Polypropylene are classified under heading – 6305 having description

SACKS & BAGS OF TEXTILE MATERIAL FOR PACKING GOODS

- of Man-made textile materials;

-- 63053300- Other, of polypropylene strip or the like

4. In support of their contentions, the applicant submitted that the above HSN code appears both in Schedule 1 & 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 sales value of the product. The entry reads as under;

(5% IGST/2.5% CGST/2.5% SGST or UTGST: 6305: Other made up textile articles, sets of sale value not exceeding Rs. 1000/- per Piece)

(12% IGST/6% CGST/6% SGST or UTGST: 6305: Other made up textile articles, sets of sale value exceeding Rs. 1000/- per Piece)

5. 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.1000/- per piece.

- Reliance also placed on recent AAR, Kerala JJ Fabrics, In Re SENTHIL NATHAN S AND N. THULASEEDHARAN PILLAI, MEMBER ADVANCE RULING ORDER NO. CT/5492/18-C3 MAY 29, 2018, where it held that carry bags of Polypropylene non-woven fabrics is classified under entry 224 of schedule 1 of the Notification No. 01/2017 Central Excise (Rate) dated 28.06.2017 and State Notification 360/2017 dated 30.06.2017, and hence taxable @5% (SGST-2.5%, CGST-2.5%)

- The referred also given to the clarification order C3/17556/09 dated 29.09.2009, wherein it was clarified that packing 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.

6. On perusal of the tariff of various statutes, the product " Man-made textile materials Non-Woven Geo Textile Bags form Polyester & Polypropylene" primarily appears to fall under the following chapters headings;

Sr. No.	The Relevant Act	Chapter Heading	Description of the Products
1	The Customs Tariff Act, 1975	6305	Man-made textile materials Non-Woven Geo Textile Bags form Polyester & Polypropylene.
2	The Central Excise Tariff Act, 1985	6305	Man-made textile materials Non-Woven Geo Textile Bags form Polyester & Polypropylene.
3	The Integrated Goods & Service Tax Act, 2017	6305 -63053300	Man-made textile materials Non-Woven Geo Textile Bags form Polyester & Polypropylene.

7. That based on above factual matrix, the applicant is of the view that the product Man-made textile materials Non-Woven Geo Textile Bags form Polyester & Polypropylene will qualify to be classified under heading 65 having the description; that in applicant's case the sale value of Man-made textile materials Non-Woven Geo Textile Bags form Polyester & Polypropylene is less than 1000/- per piece. It will attract @5% vide entry No. 224 of Schedule 1 of the both CGST & SGST notification.

RECORDS OF PERSONAL HEARING – 2ND PROVISIO TO SECTION 98(2) OF CGST/HGST ACT, 2017

8. Personal hearing in the instant case was held on 09.10.2018, which was attended by Sh. Manoj Gupta, Chartered Accountant. He placed reliance on the ARA Kerala in the

case of M/s J. J. Fabrics, Ernakulam and Clarification dt.29.09.2009 issued by Central Excise Department.

DISCUSSIONS AND FINDINGS OF THE AUTHORITY

9. We have carefully gone through the facts and records of the case. CHAPTER 63 of the first schedule to the Customs Tariff Act, 1975, covers "Other made up textile articles; sets; worn clothing and worn textile articles; rags" and heading 6305 provides for SACKS AND BAGS, OF A KIND USED FOR THE PACKING OF GOODS. Further, sub-heading 6305 33 00 covers sacks and bags of polyethylene or polypropylene or the like.

10. Sr.No. 224 of schedule I of Notification No.01/2017-Central Tax (Rate) dt.28.06.2017, provides for CGST @2.5%, on goods of chapter 63 provided the said goods are of value not exceeding Rs.1000/- per piece. Whereas, S.No.171 of Schedule II of Notification No.01/2017-Central Tax (Rate) dt.28.06.2017, provides for CGST @6% on goods of chapter 63 provided the said goods are sets of sale value exceeding Rs.1000/- per piece.

ADVANCE RULING UNDER SECTION 98 OF THE CGST/HGST ACT, 2017

11. Thus, in the instant case, the sacks and bags (of a kind used for packing of goods), are covered by chapter 63 and the same are liable to GST as under:

11.1 - 5% IGST OR 2.5% CGST + 2.5% SGST, [S.No. 224 of schedule I of Notification No.01/2017-Central Tax (Rate) dt.28.06.2017 refers], where the goods are of value not exceeding Rs. 1000/- per piece.

11.2 - 12% IGST OR 6% CGST + 6% SGST, [S.No.171 of Schedule II of Notification No.01/2017-Central Tax (Rate) dt.28.06.2017 refers] where the goods are sets of value exceeding Rs. 1000/- per Piece.

Ordered accordingly.

To be communicated.

Dated: 25.10.2018

Panchkula.

Sangeeta
(Sangeeta Karmakar)
Member CGST

(Vijay Kumar Singh)
Member SGST

Certified true copy



Regd. AD/Speed Post

M/s Manas Geo Tech India Pvt. Ltd.
Plot No.189, Sector-3, Phase-II,
Rewari.

Copy to:

- 1) The Commissioner, CGST Faridabad Commissionerate, GST Bhavan, New CGO Complex, N.H.4, Faridabad
- 2) The Deputy Excise and Taxation Commissioner (ST), Rewari
- 3) The Assistant/Deputy Commissioner, Central Tax Division, Rewari, CGST Faridabad Commissionerate, GST Bhavan, New CGO Complex, N.H.4, Faridabad.