M/s. Ginni Filaments Ltd., Plot No. 205-207, GIDC Industrial Estate, Panoli, Ankleshwar, Distt. Bharuch – 394 116 (GSTIN 24AABCG0942K1ZT)

Authority for Advance Ruling — Gujarat

Advance Ruling No. GUJ/GAAR/R/2018/19 (in Application No. Advance R… Dated **10.10.2018**

Q Questions Before the Authority

- What is the correct HSN classification and GST rate for Wet Baby Wipes, which the applicant says may fall under HSN 3307, 3401 30, 3402, 4818, 5603 or 9619 because of overlapping entries in the Rate Notifications?
- What is the correct HSN classification and GST rate for Wet Face Wipes, which the applicant says may fall under HSN 3307, 3401 30, 3402, 4818 or 5603?
- What is the correct classification and GST rate for Bed and Bath Towels, given the same overlap as for Wet Face Wipes?
- What is the correct classification and GST rate for Shampoo Towels, given the same overlap and the additional HSN 3305 entry?

F Facts

The applicant, a Gujarat manufacturer, supplies wet baby wipes, wet face wipes, bed and bath towels and shampoo towels made from non-woven spun-lace fabric, sized 150 x 200 mm for the wipes and 300 x 240 mm for the towels. Each product is impregnated with a lotion formula, and the manufacturing licence under the Drugs and Cosmetics Act, 1940 records the quantity of lotion per wipe, which exceeds the dry fabric weight. The applicant sought a ruling because the Rate Notifications list overlapping HSN entries for these goods.

H Ruling

Wet Baby Wipes, Wet Face Wipes, Bed and Bath Towels and Shampoo Towels: HSN classification	****Heading 3307 if impregnated with perfumes or cosmetics; heading 3401 if coated with soap or detergent****	The ruling leaves the choice between 3307 and 3401 to the constituents of each product. It does not itself pick one heading for each product. Headings 3402, 4818, 5603 and 9619 were not accepted for these goods.
GST rate for the four products	**Rate prescribed for the applicable HS code (the ruling does not state a percentage)**	Paragraph 8.6 of the reasoning states that both HS 3307 and HS 3401 would attract 18% GST. That statement is in the reasoning, not the operative ruling. The ruling also does not expressly confirm that the product is impregnated with cosmetics rather than soap.

The authority held that all four products are appropriately classifiable under heading 3307 or 3401, depending on their constituents. Where the non-woven is impregnated with perfumes or cosmetics the product falls under HS 3307, and where it is coated with soap or detergent it falls under HS 3401. The GST rate prescribed for the

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

applicable HS code is to be charged under the CGST and GGST Acts and the notifications issued under them.

R Reasoning

The authority relied on the Explanation to the Central Tax (Rate) notification, which applies the First Schedule to the Customs Tariff Act, 1975 and its Chapter and Section Notes, together with the HSN Explanatory Notes, following L.M.L. Ltd. v. Commissioner of Customs. It read Chapter 33 Note 4 and the HSN notes as placing non-woven fabric impregnated with perfume or cosmetics in 3307, and fabric impregnated with soap or detergent in 3401. It applied the Chapter 56 Note 1(a) carrying-medium exclusion, finding that the lotion, which weighs more than the dry fabric, makes the non-woven a carrier and not the essential character. It distinguished the Central Excise AAR ruling AAR/CE/01/2018 on those facts, and it applied the Government circular 52/26/2018-GST dated 09.08.2018 and GRI 3(b).

P Provisions Relied On

- Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, Explanation (iii) and (iv)
- Notification No. 1/2017-State Tax (Rate) dated 30.06.2017 (named in the question, not analysed)
- First Schedule to the Customs Tariff Act, 1975, Chapter 33 Note 4, Chapter 56 Note 1(a), headings 3307, 3401, 4818, 5603 a…
- General Rules for Interpretation 3(b) of the First Schedule to the Customs Tariff Act, 1975
- HSN Explanatory Notes
- Circular No. 52/26/2018-GST dated 09.08.2018
- Drugs and Cosmetics Act, 1940 (manufacturing licence relied on as evidence of composition)
- L.M.L. Ltd. v. Commissioner of Customs, 2010 (258) ELT 321 (SC)
- Ruling No. AAR/CE/01/2018 dated 16.03.2018 (Central Excise AAR), distinguished

! For the Practitioner

A practitioner advising a wet-wipes or towel maker with a cosmetic or lotion formula can use this ruling as support for placing such products in HS 3307 rather than 5603 or 9619. It also gives a reasoned basis for the carrying-medium argument where the lotion weighs more than the fabric. The ruling does not fix a single heading or rate for any product and does not state the percentage in its operative part, so the constituents and the notification in force at the relevant time must be checked. It is also a ruling for this applicant only, and it is not a binding precedent for other suppliers.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> guj.19-2018-19_dt_10.10.18-ginni_fl.pdf

Prepared 25-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com