M/s. Mount Fab Packaging LLP

Authority for Advance Ruling — Gujarat

Advance Ruling No. GUJ/GAAR/R/01/2020 (in Application No. Advance R… Dated **11.03.2020**

Q Questions Before the Authority

- Whether BOPP (Biaxially Oriented Polypropylene) laminated PP woven sacks, made from polypropylene tapes and fabric, are classifiable under Chapter 6305 (HSN 6305 3300, sacks and bags of polyethylene or polypropylene strip), as the applicant contended, or under another chapter.

F Facts

The applicant, an LLP, manufactures BOPP laminated PP woven sacks used in the packaging industry. The process runs from polypropylene resin through extrusion into tapes, weaving into fabric, extrusion coating with PP or LDPE, printing, cutting and stitching, to jumbo bags. The applicant argued that the goods are technical textiles under Chapter 63 and sought confirmation of HSN 6305 3300.

H Ruling

Classification of BOPP laminated PP woven sacks (applicant sought Chapter 6305, HSN 6305 3300)	**Classifiable under Chapter 39 of the GST Tariff (HS 3923 per the circular cited); not under Chapter 6305**	The order contains no separate RULING section; this row reflects the single classification holding in paragraph 10. The 18% rate appears only as a quotation from the circular in paragraph 8.2, not as a separate ruling.

The authority held that the goods are classifiable under Chapter 39 of the GST Tariff and not under heading 6305. It relied on Circular No. 80/54/2018-GST, which treats PP woven bags laminated with BOPP as plastic bags under HS 3923, and on a High Court of Madhya Pradesh decision holding that woven plastic sacks are articles of plastic. The order does not itself state a rate; the circular it cites refers to 18% GST.

R Reasoning

The authority read Circular 80/54/2018-GST, which in turn relies on the HSN explanatory notes to heading 39.23 and the Chapter 39 note defining plastics. It treated PP woven bags laminated with BOPP as plastic articles under HS 3923. It also followed AAR Madhya Pradesh in Nagrani Warehousing, which relied on the Madhya Pradesh High Court in Raj Packwell and the CEGAT decision in Gujarat Raffia Industries. Those authorities hold that woven plastic sacks are articles of plastic and not textiles or man-made fibre goods. The applicant's reliance on the specific-over-general rule and the ICAI guidance was not separately discussed in the holding.

P Provisions Relied On

Section 97(2)(5) of the CGST/GGST Act, 2017 (question on determination of liability to pay tax)

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

Circular No. 80/54/2018-GST dated 31.12.2018 (F. No. 354/432/2018-TRU), paragraphs 7.3 to 7.5 and 8.2

HSN explanatory notes to heading 39.23

Chapter note to Chapter 39 (definition of plastics)

Rule 3(a) of the General Rules for Interpretation (as raised by the applicant)

AAR Madhya Pradesh Order No. 21/2018 dated 14.12.2018 (Nagrani Warehousing P Ltd)

Madhya Pradesh High Court in M/s Raj Packwell Ltd v UOI (1990 (50) ELT 201)

CEGAT in M/s Gujrat Raffia Industries Ltd v Commissioner of Central Excise (2003 (153) ELT 336)

! For the Practitioner

A practitioner advising on BOPP laminated or PP woven sacks can rely on this order and the circular it cites to place such goods under Chapter 39 rather than 6305. The order is an advance ruling binding only on the applicant, though its reasoning follows the circular and the Madhya Pradesh ruling. It does not decide the rate separately, nor does it address non-laminated woven bags beyond the circular's general statement, nor the specific-over-general argument in any depth.

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_aar_01_2020_11.03.2020_mfpllp.pdf

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