PONRAJ (Thiru V. Ponraj, Proprietor, M/s PPP Associates), Sivakasi, Virudhunagar

Authority for Advance Ruling — Tamil Nadu

ORDER No. 04/ARA/2020 dated 31.01.2020 (Authority for Advance Rulin… Dated **31.01.2020**

Q Questions Before the Authority

- Whether the category of product "Non-woven PP Rice Bags / Sacs" falls under the classification of HSN 63053300, and whether its applicable rate of tax is 5%?

F Facts

The applicant manufactures sacks and bags from 100% polypropylene non-woven fabric rolls, which it buys in white colour, prints with designs supplied by rice millers, cuts and stitches into bags of 5, 10, 15, 20 and 25 kg capacity, and sells mainly to rice suppliers at a sale value not exceeding Rs. 1,000 per piece. The applicant contended that the product falls under HSN 6305 33 00 and should attract 5%. The Central Tax Officer's comments noted a prior Tamil Nadu AAR order (No. 12/AAR/2018 dated 27.09.2018) on similar bags.

H Ruling

Classification of non-woven PP 'Rice Bags / Sacs'	**HSN 63053300**	Bags are classified under heading 6305 as sacks and bags of a kind used for packing goods. The raw non-woven fabric is under CTH 5603, and the Chapter 39 plastics heading was held not to apply.
Applicable rate of tax (applicant proposed 5%)	**Not 5%. 2.5% CGST and 2.5% SGST up to 30.09.2019; 6% CGST and 6% SGST from 30.09.2019; 9% CGST and 9% SGST from 01.01.2020**	Applies to bags valued not exceeding Rs. 1,000 per piece. The scan of the end date for the 6% period is partly unclear (read as 31.12.2019).

The Authority held that the non-woven fabric 'Rice Bag' falls under HSN 63053300. The rate for bags valued not exceeding Rs. 1,000 per piece was 2.5% CGST and 2.5% SGST up to 30.09.2019, then 6% CGST and 6% SGST up to 31.12.2019, and **9% CGST and 9% SGST from 01.01.2020** . The applicant's proposed 5% rate was therefore not accepted at any point in the period covered.

R Reasoning

The Authority applied the explanations to Notification 1/2017-CT(Rate) that direct use of the First Schedule to the Customs Tariff Act, the Section and Chapter Notes and the HSN Explanatory Notes. It found that the raw material is non-woven fabric under heading 5603 and that the HSN Explanatory Notes to heading 6305 cover textile sacks and bags of a kind used for packing goods, including those for rice. It relied on CBIC Circular 80/54/2018-GST

(para 7), which treats non-laminated woven bags according to their constituting material, and on Chapter 39 Note 1, which excludes textile materials of Section XI from 'plastics'. Rate entries were then traced through the successive amendments: Sl. No. 224 of Schedule I, Sl. No. 80AA of Schedule II (inserted by Notification 14/2019) and Sl. No. 163B of Schedule III (inserted by Notification 27/2019).

P Provisions Relied On

- CGST Act 2017 section 98 (advance ruling)
- Rule 104 of CGST Rules 2017 and SGST Rules 2017 (application fee)
- Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 224 of Schedule I
- Notification No. 14/2019-Central Tax (Rate) dated 30.09.2019, Sl. No. 80AA of Schedule II
- Notification No. 27/2019-Central Tax (Rate) dated 30.12.2019, Sl. No. 163B of Schedule III
- Tamil Nadu G.O. (Ms) No. 62 dated 29.06.2017 (corresponding State entries)
- Explanations (iii) and (iv) to Notification 1/2017-CT(Rate) (Customs Tariff Act 1975 First Schedule interpretation)
- CBIC Circular No. 80/54/2018-GST dated 31.12.2018, para 7
- HSN Explanatory Notes to headings 56.03, 63.05 and 39.23
- Chapter 39 Note 1 (plastics; exclusion of Section XI textile materials)
- Tamil Nadu AAR Order No. 12/AAR/2018 dated 27.09.2018 (cited by the jurisdictional officer)

! For the Practitioner

A practitioner dealing with non-woven PP rice bags can rely on this order for the HSN 63053300 classification and for the rate path across the 2019 to 2020 amendments, which shows the rate moving from 2.5% to 6% and then to 9%. It does not support a 5% rate at any stage, and it does not decide the position for bags above Rs. 1,000 per piece or for laminated bags, which the order does not address. The order is an AAR ruling binding only on the applicant, and its precedential value for others is persuasive at most.

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 -> tn_aar_04_2020_31.01.2020_ponraj.pdf

Prepared 17-11-2026.

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

Patron Accounting LLP