R K INDUSTRIES

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-140/2018-19/B-54, Mumbai, dt. 15/5/2019 (handwritten date… Dated **15.05.2019**

Q Questions Before the Authority

- Whether Steel Mugs with a plastic outer body supplied by the applicant would be classified under Sl. No. 184 of Schedule II of Notification No. 1/2017-Central Tax (Rate) dated 28th June, 2017 (as amended)?

F Facts

The applicant manufactures steel mugs with a plastic outer body by bonding a stainless steel mug inside a pre-moulded polypropylene outer shell, a process that is permanent. It states that steel makes up about 75% of the cost and composition, with plastic and other materials the balance. The applicant first classified the mugs under heading 3924 at 9% CGST, then sought a ruling on whether heading 7323 at 6% CGST applies, after noting that competitors were classifying similar mugs under 7323.

H Ruling

Steel mugs with plastic outer body: classification under Sl. No. 184, Schedule II, Notification 1/2017-CT(Rate)	**Answered in the affirmative: classified under Sl. No. 184, Schedule II (heading 7323), CGST 6%**	Based on the steel being the essential character (about 75% of value and composition). The order does not state that the goods are wholly iron or steel; it finds them covered through GIR 3(b).

The Authority answered the question in the affirmative, holding that the steel mugs with plastic outer body fall under Sl. No. 184 of Schedule II, which covers heading 7323 at 6% CGST. It found that the goods are a composite of steel and plastic classifiable under two headings, and that **steel gives the goods their essential character** , so they fall under 7323.

R Reasoning

The Authority applied the Explanation (iv) to the rate notification, which imports the Customs GIRs and Chapter Notes. It held that the goods are a composite of iron/steel and plastic under GIR 2(b), so GIR 3 governs. It found that headings 7323 and 3924 are equally specific under GIR 3(a), since the goods could be household articles under either heading. It then applied **GIR 3(b) and held that steel gives the goods their essential character** , relying on the 75% steel share and on the goods being advertised and sold as steel mugs. The Authority noted that the plastic is largely decorative and insulating and that hot liquids are not preferred in plastic containers. The applicant's common-parlance and 'utensil' case law was discussed but the ruling rests on the GIR 3 analysis.

P Provisions Relied On

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

Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, Schedule II, Sl. No. 184 (heading 7323, 6%)

Notification No. 1/2017-Central Tax (Rate), Schedule III, Sl. No. 109 (heading 3924, 9%), considered

Explanation (iv) to the rate notification (applying Customs Tariff GIRs and Chapter Notes)

General Rules for Interpretation of the Import Tariff, GIR 1, 2(b), 3(a), 3(b)

Section 97 and Section 98 of the CGST Act, 2017 and MGST Act, 2017 (procedure)

! For the Practitioner

This ruling helps manufacturers of steel-bodied composite kitchenware with plastic outer covers, who can rely on heading 7323 at 6% where steel is the dominant component and the product is sold as steel. It settles the GIR 3(b) approach for this product. It does not decide cases where plastic is the predominant material, does not rule on other composite goods, and binds only the applicant under section 98.

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 -> maharashtra_aar_140_2018-19_r_k_ind._15.05.19.pdf

Prepared 03-11-2026.

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