

WEST BENGAL AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX

14 Beliaghata Road, Kolkata–700015

(Constituted under section 96 of the West Bengal Goods and Services Tax Act, 2017)

Members present:

Dr Tanisha Dutta, Joint Commissioner, CGST & CX Joyjit Banik, Additional Commissioner, SGST

Preamble

A person within the ambit of Section 100 (1) of the Central Goods and Services Tax Act, 2017 or West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively called “the GST Act”), if aggrieved by this Ruling, may appeal against it before the West Bengal Appellate Authority for Advance Ruling, constituted under Section 99 of the West Bengal Goods and Services Tax Act, 2017, within a period of thirty days from the date of communication of this Ruling, or within such further time as mentioned in the proviso to Section 100 (2) of the GST Act.

Every such appeal shall be filed in accordance with Section 100 (3) of the GST Act and the Rules prescribed there under, and the Regulations prescribed by the West Bengal Authority for Advance Ruling Regulations, 2018.

Name of the applicant	BUTT BABY ENTERPRISE PRIVATE LIMITED
Address	B/30, First Floor, Mukundapur, Ganga Nagar, Kolkata, South 24 Parganas, West Bengal - 700099
GSTIN	19AALCB2754N1Z3
Case Number	WBAAR 13 of 2024
ARN	AD190624015342A
Date of application	June 27, 2024
Jurisdictional Authority (State)	Baruipur Charge
Jurisdictional Authority (Central)	Tollygunge Division, Kolkata South Commissionerate
Order number and date	10/WBAAR/2024-25 dated 10.09.2024
Applicant's representative heard	CA Mr. Anuj Lohia, Authorized Representative

1.1 At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax Act, 2017 (the WBGST Act, for short) have the same provisions in like matter except for certain provisions. Therefore, unless a mention is made specifically to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding

similar provisions in the WBGST Act. Further to the earlier, henceforth for the purposes of these proceedings, the expression 'GST Act' would mean the CGST Act and the WBGST Act both.

1.2 The applicant submits that it is a company registered under the Companies Act, 2013 vide CIN: U36999WB2022PTC258893 having its head office at First floor, B/30, Mukundapur, Ganga Nagar, Kolkata, South 24 PGS, West Bengal, Pin-700099. The company is engaged in the business of manufacturing and trading of "Baby Carriers with Hip Seat".

1.3 The applicant has made this application under sub section (1) of section 97 of the GST Act and the rules made there under raising following questions vide serial number 14 of the application in FORM GST ARA-01:

Q.1: Whether the Products "Baby Carriers with Hip seat" covered by HSN code 63079099 (Other made-up articles, including dress patterns – Other)?

Q.2: If it is not so classified in HSN 63079099 then what would be the correct classification of "baby carriers with hip seat" under the HSN code for GST purposes?

1.4 An applicant desirous of obtaining an advance ruling is required to file an application on the common portal in FORM GST ARA-01 in respect of subject matter as specified in sub-section (2) of section 97 of the GST Act. The questions on which the advance ruling is sought for is found to be covered under clause (a) of sub-section (2) of section 97 of the GST Act.

1.5 The applicant states that the questions as raised in the application have neither been decided nor are pending before any authority under any provision of the GST Act.

1.6 The officer concerned from the revenue has raised no objection to the admission of the application.

1.7 The application is, therefore, admitted.

2. Submission of the Applicant

2.1 The applicant submits that it is engaged in the business of manufacturing of "BABY CARRIERS WITH HIP SEAT". The applicant further provides a product description of baby carriers with hip seats, featuring an inbuilt mini diaper bag and convertible sling carry bag with five storage pockets, designed to carry infants and toddlers. The product is ergonomically designed to provide support in carrying the baby up to 18 Kgs in weight and is typically made from fabric materials combined with other supportive structures.

2.2 The applicant submits that the manufacturing process involves multiple steps, which includes inter alia as follows:

- Step 1: Designing and Pattern Making
- Step 2: Cutting the Fabric
- Step 3: Preparing the Foam and Padding
- Step 4: Assembly of Hip Seat
- Step 5: Constructing the Main Body
- Step 6: Adding Straps and Buckles
- Step 7: Assembling the Carrier
- Step 8: Quality Control
- Step 9: Packaging & Labelling

2.3 The applicant manufactures Baby Carriers with hip seat belt as described above and currently charging 18% GST (18% IGST or 9% CGST & SGST each) under HSN Code 8715.

HSN	Description of product	Unit	CGST	SGST	IGST/UTGST
871500	Baby carriages and parts thereof				
87150010	Baby Carriages	u	9%	9%	18%
87150020	parts	kg	9%	9%	18%

However, the applicant has been informed in recent times by a few number of e-commerce operators that Chapter Heading 87 specifically relates to “Vehicles other than railway or tramway rolling-stock and parts and accessories thereof” and therefore the applicant is wrongly classifying the goods under HSN 8715.

Since, the product manufactured by the applicant is without wheels and it is not a vehicle therefore, the applicant understood the e-commerce operators point and started identifying the correct classification for its product.

Furthermore, the applicant stated that Chapter 87 does not cover any type of normal fabric or Narrow woven fabric or any type of foam or mold, which are dominating raw materials use in its product. So, as per applicant’s detailed observation, their product Baby carriers does not come under above mentioned HSN i.e. 8715.

After knowing this, the applicant has also observed that most of the suppliers engaged in

similar products are classifying the items under HSN code 6307 which is taxable @ 12% on value above INR 1,000/- and @ 5% GST on the value not exceeding INR 1,000/-.

The raw materials used and the final product characteristics suggests that there is dominating quantity of normal fabrics, narrow woven fabric, foam & mold use in applicant's product. So, it might be more appropriately classified in the Customs Tariff Act, 1975 in Chapter 63 under the headings "OTHER MADE UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS".

Sch.	Chapter	Heading/	Sub	Description of Goods	Rate of Tax (CGST)
II	6307			Other made up articles, including dress patterns	2.5 % / 6%.

3. Submission of the Revenue

3.1 The officer concerned from the revenue has not expressed any view in this regard.

4. Observations & Findings of the Authority

4.1 We have gone through the records of the issue as well as submissions made by the authorized representative of the applicant during the course of personal hearing.

4.2 As per the submission of the applicant, they are engaged in the manufacture and supply of baby carriers with hip seat falling under Chapter 63. In this process, the applicant procures the raw materials like normal fabrics, narrow woven fabric, foam & mold for outward supply of finished goods. The applicant submits that the main material used to manufacture 'Baby Carriage with hip seat' is the textile / fabric.

4.3 In order to determine the classification of the product 'Baby Carriage with hip seat' and to determine applicable rate of tax, we first refer to the Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 containing the headings, sub-headings as well as the rates of Central Tax. GST is applicable to various goods, which are covered under total 6 schedules as under:

- (i) 2.5 per cent. in respect of goods specified in Schedule I,
- (ii) 6 per cent. in respect of goods specified in Schedule II,
- (iii) -----
- (iv) -----

(v) -----

vi) -----

4.4 The applicant is of the view that the goods manufactured by him is covered under HSN 63079099. To accept this proposition, it is necessary to see the description of the goods that fall under Chapter 63 with particular reference to the relevant Tariff Items there under. Chapter 63 covers goods, described as "Other made up textile articles; sets; worn clothing and worn textile articles; rags". Tariff item under 6307 broadly covers following description of goods:

6307 : OTHER MADE UP ARTICLES, INCLUDING DRESS PATTERNS

6307 – Other made up articles, including dress pattern

630710 – Floor-cloths, dish-clots, dusters and similar cleaning cloths

630720 – life jackets and life – belts

630790 – Other

63079099- Other

4.5 We have gone through the above explanatory notes with respect to Chapter 63, which contains an illustrative list of the items listed therein covered under the Sub-Heading No.6307 but could not find any specific mention of 'Baby Carriage with hip seat" in the said list. However, from a bare reading of the Chapter Heading 6307, it can be derived that "other made up articles, including dress pattern" is wide enough to cover the articles like Baby carriage with hip seat. We are therefore of the opinion that above mentioned item, subject to relevant conditions, would be covered under the Sub-Heading 63079099 under the Heading 6307.

4.6 It is found that following goods under Chapter 63 is covered under entry no. 224 of Schedule-I and entry no. 171 Of Schedule II of Notification No: 01/2017-Central Tax (Rate) dated 28.06.2017 attracting GST at the rate of 5% and 12% respectively:

S.No.	Chapter / Heading/ Subheading/ Tariff item	Description of Goods
Schedule-I		
224	63	Other made up textile articles, sets, worn clothing and worn textile articles and rags, of sale value not exceeding Rs. 1000 per piece
Schedule-II		

171	63	Other made up textile articles, sets, worn clothing and worn textile articles and rags, of sale value exceeding Rs. 1000 per piece
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4.7 In Commissioner of Customs, Acc vs Ruby Impex Ltd [2000(118) E.L.T. 514 (Tribunal), the appellant imported car covers, made of polyester which were used to cover a car when it was parked for long periods; e.g., overnight to protect its surface from the elements. The importer was of the view that goods so imported would be classified under Heading 8708.99 being parts and accessories of motor vehicle. The department did not accept this classification and took a view that the goods were more appropriately classifiable as made up articles of textiles under Heading 6307.90. The Hon'ble Tribunal held that car covers are not part of motor vehicles and are classifiable as made up articles of textiles under sub-heading 6307.90 of Customs Tariff Act, 1975.

4.8 Similar view may be taken for the instant case and the item baby carrier with seats, made of textile fabric, may be classified under sub-heading 6307.90.

In view of the above discussions, we rule as under:

RULING

Supply of Baby Carrier with hip seat as manufactured by the applicant shall be covered under HSN 6307 90 and would attract tax @ 5% when sale value does not exceed Rs. 1,000/- per piece and @12% when sale value exceeds Rs. 1,000/- per piece.

(Dr. TANISHA DUTTA)

Member

West Bengal Authority for Advance Ruling

(JOYJIT BANIK)

Member

West Bengal Authority for Advance Ruling

Place: Kolkata

Date: 10th September, 2024

To,

The Butt Baby Enterprise Private Limited

B/30, First Floor, Mukundapur,

Ganga Nagar, Kolkata, South 24 Parganas,

West Bengal - 700099

Copy to:

- (1) The Principal Chief Commissioner, CGST & CX, 180, Shantipally, R.B.Connector, Kolkata-700107
- (2) The Commissioner of State Tax, West Bengal, 14, Beliaghata Road, Kolkata-700015
- (3) The Charge Officer, Baruipur Charge, Baruipur Kachharibazar, South 324 pgs, Pincode-700144
- (4) The Commissioner, South Commissionerate, Tollygunge Division, 180, Shantipally, R.B.Connector, Kolkata-700107
- (5) Office Folder