

WEST BENGAL AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICE TAX
14 Beliaghata Road, Kolkata – 700015

Name of the applicant	East Hooghly Polyplast Pvt Ltd
Address	Super Market, Chinsurah Station Road, Chinsurah, Hooghly, West Bengal - 712102
GSTIN	19AACCE2946G1ZM
Office of the concerned officer	Joint Commissioner of State Tax, Serampore Charge, Hooghly
Case Number / ARN	13 of 2018
Date of application	20 th April, 2018
Order No. & date	12/WBAAR/2018-19 dated 20/07/2018
Applicant's representative heard	Sri Joydeep Dutta, Authorized Representative

- The Applicant is stated to be a manufacturer of tarpaulins made from High Density Polyethylene (hereinafter referred to as "HDPE") a woven fabric seeks a Ruling on whether "HDPE Woven Tarpaulin" will be classified under HSN 6306 of the GST Tariff.

Advance Ruling is admissible on this question under Section 97(2) (a) of the CGST/WBGST Acts, 2017 (hereinafter referred to, collectively, as "the GST Act").

The Applicant further submits that the question raised in the Application is neither decided by nor is pending before any authority under any provisions of the GST Act.

The officer concerned raises no objection to admission of the Application.

The Application is, therefore, admitted.
- The Application states that the Applicant manufactures Tarpaulins made of HDPE Woven Fabrics as well as Plastic tarpaulins. The Applicant also submits that tarpaulins made from HDPE woven fabric are different from plastic tarpaulins. The former is derived by weaving method using power looms after textile processing and the latter is derived from plain plastic sheets by cutting into shapes and stitching thereafter.

The Applicant submits that HDPE Woven Tarpaulins, though made from HDPE, are articles of textile, and, therefore, should be classified under HSN 6306 of the GST Tariff.
- The Applicant has provided a photocopy of Eligibility Cum Registration Certificate under WBIS-2013 for MSMEs in Textile Sector No 21/IV/-1015/2014 dated 13.01.2015 issued by the Office of the Handloom Development Officer, Chinsurah, Handloom, Spinning Mill, Silk Weaving & Handloom based Handicraft Division, Directorate of Textiles, Govt of West Bengal, granting Registration No 191230001 to the Applicant.

In communication dated 25.05.2018 to the Joint Commissioner of State Tax, Serampore, Hooghly, the Applicant has referred to letter no 1(11)/2015/TTC/42 dated 21.12.2015 issued by the Office of the Textile Commissioner, Mumbai, Ministry of Textiles confirming allotment as a Technical Unit with Registration No 20102008.

No copy of the Registration Certificate has been provided with the Application.

It is also seen that the Bureau of Indian Standards, Manic Haven, 9 Abrader Shah Afar Margi, New Delhi-110002, has issued Licence under CML No 5713971 valid up to 15.09.2018 to the Applicant for the product Tarpaulin made from High Density Polyethylene Woven Fabric, Multi Layer.

The License has been issued under IS 7903:2017 [Textiles - Tarpaulins Made From High Density Polyethylene (HDPE) Woven Fabrics – Specification]

4. It, therefore, remains to be seen whether or not the Licenses issued as textiles by the Ministry of Textiles and the Bureau of Indian Standards are in sync with the Tariff Classification under the Goods and Services Tax.
5. Explanatory Notes of Notification No 1/2017-CT (Rate) dated 28.06.2017 (1125 – FT dated 28/06/2017 of State Tax) (hereinafter referred to as the “Rate Notification” of GST states the rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.
6. Note 1(g) to Section XI of the Tariff Act states that the Section of Textile and Textile Articles covering Chapters 50 to 63 *does not* include, “Monofilament of which any cross-sectional dimension exceeds 1 mm or strip or the like (for example, artificial straw) of an apparent width exceeding 5 mm, of plastics (chapter 39), or plaits or fabrics or other basket-ware or wickerwork of such monofilament or strip (chapter 46)”
 Note 1 (h) to Section XI of the Tariff Act states that the Section of Textile and Textile Articles covering Chapters 50 to 63 *does not* include, “Woven, knitted or crocheted fabrics, felt or nonwovens, impregnated, coated, covered or laminated with plastics, or articles thereof, of chapter 39”
 Thus, to be included in Chapter 63, the width of the tapes, manufactured from Plastics or articles thereof of Chapter 39, used to weave the fabric should be less than or equal to 5mm and should not be impregnated, coated, covered or laminated with plastics or articles thereof, of chapter 39.
 Tariff Head 6306 covers “Tarpaulins, awnings and sun blinds; tents; sails for boats, sailboards or land craft; camping goods”
7. Since HDPE falls under Chapter 39, keeping in mind the Section Notes and the Tariff Heading description it is, therefore, important to ascertain, both, the width of the fabric strip that goes into the weaving and whether or not the tapes are impregnated, coated, covered or laminated with plastics or articles thereof, of Chapter 39.
 Nowhere in the Application, nor in the report submitted by the officer concerned are these two conditions, namely, the width of the tape used for weaving and whether or not the tapes are impregnated, coated, covered or laminated with plastics or articles thereof, of chapter 39, stated.
8. Specifications of IS 7903:2017 under which BIS has issued a license to the Applicant have been, therefore, referred to. The laid down specifications for ‘Tarpaulins made from HDPE woven fabrics’. State that the manufacturing should involve *lamination of both sides of the fabric* with low density polyethylene (hereinafter LDPE) or LLDPE film of extrusion coating grade. The tarpaulins are obtained by heat sealing the laminated fabric, cut to pieces of desired dimension, and subjecting it to other suitable processes for jointing and fixing of eyelets.
 The flow chart, as submitted by the Applicant shows manufacturing of HDPE tape from HDPE granules, weaving of the tape into fabrics, and lamination with LDPE sheets/film.
9. Specifications of IS 6899 : 1997 under which BIS lays down specifications for ‘Textiles - High Density Polyethylene (HDPE) Woven Fabrics states that the standard breaking load of the HDPE fabric will be in accordance to a formula *per 5 cm width of the tape*.
10. The officer concerned has made written submission based on a report drawn on inspection of the Applicant’s factory upon direction from this Authority. He confirms that the Applicant manufactures tarpaulins both from plain plastic sheet and from HDPE woven fabric conforming to IS 7903:2017. The submission also states that in the tax invoices issued both before and after GST comes into effect the Applicant has classified such tarpaulins under HSN 3926 90 99.

11. 'Tarpaulins made of HDPE woven fabrics' are, therefore, laminate of two materials – HDPE tapes woven into fabrics and LDPE sheets/film, and therefore, as per Section Note 1(h) of Section XI (Textile and Textile Articles) cannot fall under Chapter 63.

In view of the foregoing we rule as under:

RULING

'Tarpaulins made of HDPE woven fabrics' will not be classified under HSN 6306 of the GST Tariff.

This Ruling is valid subject to the provisions under Section 103 until and unless declared void under Section 104(1) of the GST Act.

Sd-
(VISHWANATH)
Member

West Bengal Authority for Advance Ruling

Sd-
(PARTHASARATHI DEY)
Member

West Bengal Authority for Advance Ruling