

**THE AUTHORITY FOR ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU – 560 009**

Advance Ruling No. KAR ADRG 43/2022

Date : 29-11-2022

Present:

1. Dr. M.P. Ravi Prasad

Additional Commissioner of Commercial Taxes Member (State)

2. Sri. Kiran Reddy T

Additional Commissioner of Customs & Indirect Taxes Member (Central)

1.	Name and address of the applicant	M/s. MEAN LIGHT CO., # 72, Ward No.10, I Floor, 2 nd Stage of Industrial Suburb, Yeshwanthpur, Bengaluru – 560 022.
2.	GSTIN or User ID	29AALPL2232J1ZK
3.	Date of filing of Form GST ARA-01	10-08-2022
4.	Represented by	Mrs. Shobha L, Cost Accountant & Authorised Representative
5.	Jurisdictional Authority – Centre	The Commissioner of Central Tax, Bangalore North West Commissionerate, Bengaluru. (Range-DNWD1)
6.	Jurisdictional Authority – State	ACCT, LGSTO-140, Bengaluru.
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act & Rs.5,000/- under KGST Act through debit from Electronic Cash Ledger vide reference No.DC2906220037327 dated 10.06.2022.

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s. Mean Light Co., (herein after referred to as 'Applicant'), # 72, Ward No.10, I Floor, 2nd Stage of Industrial Suburb, Yeshwanthpur, Bengaluru – 560 022, having GSTIN 29AALPL2232J1ZK, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017,



Mean Light Co.

in FORM GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The applicant stated in their application that he is a proprietary concern, registered under GST and is dealing in the products that are used in Garments Industries for making textile garment wash care labels; they procure and sell the label rolls that are not printed. Further some of their vendors classified the said product under HSN 5806, which attracts GST rate of 5% and some others under HSN 5807 that attracts GST rate of 12%.

3. In view of the above, the applicant has sought advance ruling in respect of the classification of the products "Satin Rolls" and "Taffeta Rolls" with sizes between 19mm to 40mm.

4. **Admissibility of the application:** The question is about the "classification of products "Satin Rolls" and "Taffeta Rolls" with sizes between 19mm to 40mm., which is covered under "classification of any goods or services or both" and hence is admissible under Section 97(2)(a).

5. **BRIEF FACTS OF THE CASE:** The applicant did not furnish any information/facts relevant to the issue, in the application. However, vide e-mail dated 10.08.2022, they furnished write up of their products, which is as under:

Satin Rolls : Made with 100% polyester, the rolls are available having a width between 10mm to 810mm. We majorly deal with sizes between 19mm to 40mm. Same will be sold to printers for printing purpose. The ultimate customers of the products are the companies engaged in manufacturing of readymade garments. The products will be ultimately used for the purposes of printing wash care instructions & fabric contents (to capture instructions).

Taffeta Rolls : Made with 100% Nylon and dip quoted sizes available in the market from 10mm to 810mm. We majorly deal with sizes between 19mm to 40mm. Same will be sold to printers for printing purpose. The ultimate customers of the products are the companies engaged in manufacturing of readymade garments. The products will be ultimately used for the purposes of printing wash care instructions & fabric contents (to capture instructions).

6. **Applicant's Interpretation of Law:** The applicant has not furnished any interpretation of law with regard to the question.

The Assistant Commissioner (Legal Cell), Office of the Commissioner of Central Tax, Bengaluru North West Commissionerate, BMTC Bus Stand Complex, Shivajinagar, Bengaluru-560051, vide their letter dated 02.09.2022, furnished the comments with regard to the question on which the Advance Ruling has been sought for by the applicant, on the basis of the sample and write up of the product furnished by the applicant, which are as under:



6.1 Chapter 58 covers "Special Woven fabrics; tuffed textile fabrics, lace; tapestries, trimmings, embroidery." Further, as per the HSN classification heading 5806 covers "Narrow woven fabrics other than goods of heading 5807; narrow fabrics consisting of warp without west assembled by means of an adhesive (bolducs)." The rate of tax as per Schedule I, Sl.No.219 is 5%. It is noticed, on observation of the samples provided, that they are not assembled by means of any adhesive and thus we can't classify under this CTH 5806.

6.2 As per the HSN classification heading 5807 covers "Labels, badges and similar articles, of textile materials, in the piece, in strips or cut to shape or size, not embroidered". The rate of tax as per Schedule II, Sl.No.153 is 12%.

5807 10	- Woven
5807 10 10	--- Woven
5807 10 20	--- Of man-made fibre
5807 10 90	--- Other
5807 90	- Other
5807 90 10	--- Felt or non-woven
5807 90 90	--- Other

6.3 As per the sample and technical specification submitted by the tax payer, vide e-mail dated 24.08.2022, (i) the products are made of manmade fibres textile fabrics; (ii) the products are not embroidered and (iii) there is no adhesive in the product.

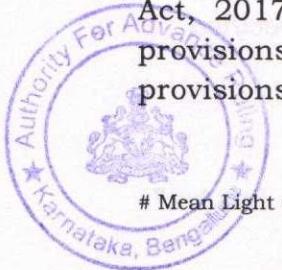
6.4 It is observed that the product is textile material in the form of strips, also can be cut to shape or size, which is not embroidered or printed. As per the technical write up of the product it appears to be made of man-made textile material and which is also in accordance with the classification under CTH 5807. On the basis of the above it can be rightly classifiable under CTH 5807 attracting 12%.

PERSONAL HEARING PROCEEDINGS HELD ON 18.08.2022

7. Mrs. Shobha L, Cost Accountant & Authorised Representative of the applicant appeared for personal hearing proceedings, reiterated the facts narrated in the write up referred above and submitted that some of their vendors classify the said products under HSN 5806 which attracts 5% GST and some others classify under HSN 5807 that attracts 12% GST; that the said products are appropriately classifiable under HSN 5807.

FINDINGS & DISCUSSION

8. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matters and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar



provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

9. We have considered the submissions made by the applicant in their application for advance ruling. We also considered the issues involved on which advance ruling is sought by the applicant and relevant facts along with the arguments made by the applicant & the submissions made by their learned representative during the time of hearing.

10. The applicant, a proprietary concern registered under GST, are the dealers of the products i.e. Satin Rolls and Taffeta Rolls which are not printed and are useful as label rolls for the purposes of printing wash care instructions & fabric contents (to capture instructions). Some of their vendors classified the said product under HSN 5806, which attracts GST rate of 5% and some others under HSN 5807 that attracts GST rate of 12%. In view of the foregoing, the applicant has sought advance ruling in respect of the *classification of the products "Satin Rolls" and "Taffeta Rolls" with sizes between 19mm to 40mm.*

11. The applicant, vide their letter dated 12.10.2022, furnished additional information in respect of their products, inter alia stating as under:

11.1 **Taffeta Rolls** : The standard manufacturing size of the fabric is 60 inches/ 1524 mm wide fabric, made up of polyester yarn. Acrylic coating is made on the fabric for better printing quality and also to protect from raveling or fraying, then will be cut in different sizes and shapes as normal scissor cut.

11.2 **Polyester Satin Ribbons** : Fabric is made from polyester yarn, standard manufacturing size is 60 inches / 1524mm wide. Either optical or non-optical coating is made on the fabric for brightening and to remove impurities. Optical brighter coating will give shiny and bright finishing and non-optical dull finishing. It has plain selvedges on both the sides of the fabric. Hot blades are used to cut into different shapes and sizes which arrest the fabric from fraying.

12. The applicant also furnished the copies of invoices raised on them by their suppliers. It is observed on examination of the said invoices that one of the suppliers classified the products under tariff heading 5806 3200 whereas the other supplier under tariff heading 5807 1020. Thus the issue before us to decide is the classification of the products Satin Rolls and Taffeta Rolls.

13. We proceed to examine the classification of the impugned products. In this regard we invite reference to Explanations (iii) and (iv) appended to the Notification No. 01/2017- Central Tax (Rate), dated 28.06.2017, which are relevant to determination of Classification of a product & are as under:

(iii) "Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).



(iv) 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.

Accordingly we make a reference to the Section Notes and Chapter Notes of the relevant Chapters of the Customs Tariff and also the corresponding Harmonised Commodity Description and Coding System Explanatory Notes of World Customs Organisation (WCO).

14. Chapter 5806 of the first schedule to the Customs Tariff Act, 1975 covers **NARROW WOVEN FABRICS OTHER THAN GOODS OF HEADING 5807; NARROW FABRICS CONSISTING OF WARP WITHOUT WEFT ASSEMBLED BY MEANS OF AN ADHESIVE (BOLDUCS)**. In this regard we invite reference to the Chapter Note 5 of Chapter 58, which is as under:

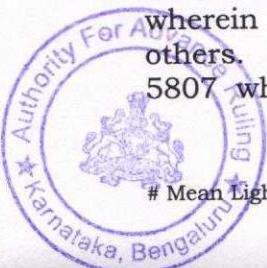
5. For the purposes of heading 5806, the expression "narrow woven fabrics" means:

- (a) woven fabrics of a width not exceeding 30 cm, whether woven as such or cut from wider pieces, provided with selvedges (woven, gummed or otherwise made) on both edges;
- (b) tubular woven fabrics of a flattened width not exceeding 30 cm; and
- (c) bias binding with folded edges, of a width when unfolded not exceeding 30 cm.

15. In the instant case, the impugned products, as per the applicant, are woven fabrics having width less than 30 cm; Taffeta rolls made up of polyester yarn with acrylic coating to protect from raveling or fraying and also to have better printing quality; Satin rolls made up of polyester yarn, with optical or non-optical coating for brightening and to remove impurities, having plain selvedges on both sides of the fabric; cut with hot blades to arrest fabric fraying. Thus the impugned products qualify to get covered under "Narrow Woven Fabrics".

16. Now we proceed to examine whether the impugned products get covered under tariff heading 5806 or 5807. The tariff heading 5806 covers the woven fabrics that are not covered under heading 5807 consisting of warp without weft assembled by means of an adhesive (Bolducs). It is an admitted fact that the impugned products are woven products consisting of warp and weft and are not assembled by means of an adhesive. Thus the impugned products are not covered under tariff heading 5806.

17. Further tariff heading 5807 covers **Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered**. Further tariff heading 5807 is divided broadly into two categories wherein tariff heading 5807.10 covers woven and tariff heading 5807.90 covers others. In this regard we invite reference to Explanatory Notes to tariff heading 5807 wherein it is specified that this heading covers (i) **Labels of any textile**



material (including knitted) and (ii) Badges and similar articles of any textile material (including knitted), subject to the following conditions:

a) *They must not be embroidery. The inscriptions or motifs on the articles classified here are generally produced by weaving (usually broche work) or by printing.*

b) *They must be in the piece, in strips (as is usually the case) or in separate limits obtained by cutting to size or shape but must not be otherwise made up.*

Chapter Note 6 to chapter 58 specifies that the expression "embroidery" means, *inter alia*, embroidery with metal or glass thread on a visible ground of textile fabric, and sewn appliquéd work of sequins, beads or ornamental motifs of textile or other materials.

18. In the instant case, the impugned products are not embroidery and fulfill the aforesaid conditions. Now we proceed to examine the sub-headings under heading 5807, which are as under:

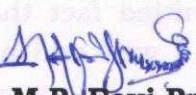
5807 10	- Woven
5807 10 10	--- Woven
5807 10 20	--- Of man-made fibre
5807 10 90	--- Other
5807 90	- Other
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5807 90 90	--- Other

The impugned products are narrow woven fabrics, made up of manmade fibres i.e. Polyester yarn and thus are squarely covered under tariff heading 5807 10 20. Therefore the impugned products merit classification under tariff heading 5807 10 20.

19. In view of the foregoing, we pass the following

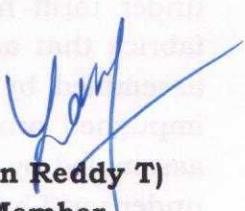
R U L I N G

The products "Satin Rolls" and "Taffeta Rolls" with sizes between 19mm to 40mm. are classifiable under tariff heading 5807 10 20.


(Dr. M.P. Ravi Prasad)

Member
MEMBER

Place : Bengaluru,
Date : 29-11-2022


(Kiran Reddy T)

Member

MEMBER
Karnataka Advance Ruling Authority
Bengaluru - 560 009



The Applicant

Mean Light Co.

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bangalore North West Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-140, Bengaluru.
5. Office Folder.



Mean Light Co.