

	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM	
---	--	---

BEFORE THE AUTHORITY OF: Shri. B.G. Krishnan, IRS &
: Shri. B.S. Thyagarajababu B.Sc, LL.M

Legal Name of the applicant	M/s. Natural Fibre Tuft
GSTIN	32AAKFN5745R1ZL
Address	LI/573(11/820), Kommady-51, Alappuzha 688007
Advance Ruling sought for	• Whether item number (A)(xiii) in Schedule I – 2.5% (which reads as in Sl.No.219, in column (2), for the figure, “5702, 5703, 5705”, shall be substituted), referred to in Notification No.34/2017-Central Tax (Rate) dtd.13-10-2017 is meant to cover PVC Tufted Coir Mats and Matting? • Whether PVC Tufted Coir Mats and Matting attracts low band tax rate of 5% as per the recommendations of the Fitment Committee and approval of the GST Council? • Whether PVC Tufted Coir Mats and Matting can be classified under tariff item 5703 90 20-carpets and floor coverings of coir (inserted vide Sl.No.9 (iii) of Notification No.109/2008-Customs (N.T) dtd.24-09-2008) corresponding to Entry in Sl.No.219 of Schedule I attracting 5% GST? • Whether PVC Tufted Coir Mats and Matting can be classified under tariff item 5703 90 90-of other textile material – other corresponding to entry in Sl.No.144 of Schedule II attracting 12% GST? • Whether PVC Coir Mats & Matting can be classified under tariff item 5705 00 49/5705 00 90-Carpets, carpeting, rugs, mats and matting-Other corresponding to Entry in Sl.No.219 of Schedule I attracting 5% GST?
Date of Personal Hearing	30-09-2019
Authorized Representative	Sri. Sethumadhavan .D

ADVANCE RULING No. KER/65/2019 Dt.12.10.2019

The applicant is manufacturer and supplier of PVC tufted coir mats and mattings. The manufacturing activity is fully mechanized. The coir yarn stacked in creel stand is

automatically fed in to the machine where the yarn is cut into bits of required pile height and tufted over a uniform thickness of PVC by heating and chilling. The PVC matting in rolls are cut in the required sizes and obtained finished products PVC tufted coir mats. The applicant requested advance ruling on the following:

- (i) *Whether or not item number (A)(xiii) in Schedule I – 2.5% (which reads as in Sl.No.219, in column (2), for the figure, “5702, 5703, 5705”, shall be substituted), referred to in Notification No.34/2017-Central Tax (Rate) dtd.13-10-2017 is meant to cover PVC Tufted Coir Mats and Matting?*
- (ii) *Whether or not PVC Tufted Coir Mats and Matting attracts low band tax rate of 5% as per the recommendations of the Fitment Committee and approval of the GST Council?(iii) Whether or not PVC Tufted Coir Mats and Matting can be classified under tariff item 57039020-carpets and floor coverings of coir (inserted vide Sl.No.9(iii) of Notification No.109/2008-Customs (N.T) dtd.24-09-2008) corresponding to Entry Sl.No.219 of Schedule I attracting 5% GST?*
- (iii) *Whether or not PVC Tufted Coir Mats and Matting can be classified under tariff item 57039090 - of other textile material – other corresponding to entry in Sl.No.144 of Schedule II attracting 12% GST?*
- (iv) *Whether or not PVC Coir Mats & Matting can be classified under tariff item 57050049/57050090-Carpets, carpeting, rugs, mats and matting-Other corresponding to Entry in Sl.No.219 of Schedule I attracting 5% GST?*

The authorized representative was heard. It is pointed out that the manufacturing of PVC tufted coir mats and matting is done using technologically advanced machines. The raw materials used for its manufacture are Coir yarn, PVC resin, Dolomite filler, Pigment, etc. The coir as well as PVC, chemicals, fillers etc have equal importance. Hence PVC tufted coir mats and mattings cannot be classified as coir mats and mattings.

Coir mats, mattings and floor coverings covered under HSN 5702, 5703 and 5705 are taxable @ 5% GST vide Notification No.01/2017-CT (Rate) dated 28-06-2017 as amended by Notification No.34/2017- CT (Rate) dated 13-10-2017. This classification covers only the commodities which are manufactured exclusively using coir fiber. If any, PVC or rubber or any other materials are stuffed on the textile of coir, which is used as floor mats or mattings, it will come under Customs Tariff Head 5703 90 90 and it will be taxed @ 12% GST.

The same issue was already examined by this forum in Advance Ruling No. KER/31/2019 dated 01.03.2019. In view of the observations stated above, the following rulings are issued:

- i) *Whether or not item number (A)(xiii) in Schedule I – 2.5% (which reads as in Sl.No.219, in column (2), for the figure, “5702, 5703, 5705”, shall be substituted), referred to in Notification No.34/2017-Central Tax (Rate) dtd.13-10-2017 is meant to cover PVC Tufted Coir Mats and Matting?*

PVC Tufted Coir Mats and Matting cannot be considered as textile of coir and floor coverings covered under HSN 5702, 5703 and 5705. If any, PVC or rubber or any other materials are stuffed on the textile of coir, which is used as floor mats or mattings, it will come under the Customs Tariff Head 5703 90 90 and it will be taxed @ 12% GST as per Entry at Sl No. 144 of Schedule II of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017.

- ii) *Whether or not PVC Tufted Coir Mats and Matting attracts low band tax rate of 5% as per the recommendations of the Fitment Committee and approval of the GST Council?*

PVC Tufted Coir Mats and Matting cannot be considered as textile of coir and floor coverings covered under HSN 5702, 5703 and 5705 and hence taxable @12% vide Customs Tariff Head 5703 90 90.

- (iii) *Whether or not PVC Tufted Coir Mats and Matting can be classified under tariff item 5703 90 20-carpets and floor coverings of coir (inserted vide Sl.No.9 (iii) of Notification No.109/2008-Customs (N.T) dtd.24-09-2008) corresponding to Entry Sl.No.219 of Schedule I attracting 5% GST?*

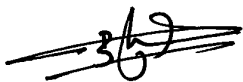
No.

- (iv) *Whether or not PVC Tufted Coir Mats and Matting can be classified under tariff item 5703 90 90-of other textile material – other corresponding to entry in Sl.No.144 of Schedule II attracting 12% GST?*

Yes.

- (V) *PVC Coir Mats & Matting can be classified under tariff item 57050049/57050090-Carpets, carpeting, rugs, mats and matting-Other corresponding to Entry in Sl.No.219 of Schedule I attracting 5% GST?*

The PVC Tufted Coir Mats and Matting are classifiable under Customs Tariff Head 5703 90 90 and attracts GST at the rate of 12% as per Sl No. 144 of Schedule II of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017.



B.G Krishnan, IRS
Joint Commissioner of Central Tax
MEMBER



B.S. Thyagarajababu, B.Sc, LL.M
Joint Commissioner of State Tax
MEMBER

To,

M/s. Natural Fibre Tuft,
LI/573(11/820), Kommady-51,
Alappuzha – 688007.