

12% GST payable PVC tufted coir carpet/Mat: The AAAR, Kerala

Fact of the Case

The appellant, Eco Wood Private Limited is proposing to get engaged in the manufacture and export of Coir Mats or flooring with Vinyl (PVC) backing.

The appellant had sought for advance ruling in order to get clarity regarding the impugned product. The Advance ruling was sought in respect of the issue whether the process of manufacture (embedding cog yarn into vinyl (PVC) Compound and curing by heating/cooling is “Tutting” Or a process “other than those processes mentioned In Headings 5701 to 5704 of the Customs Tariff and the HSN Explanatory Notes to Chapter 57; whether “coir mats / matting floor covering with Vinyl (PVC) backing” manufactured by the process of embedding cog yarn into vinyl (PVC) compound and curing by heating / cooling , rightly covered under the description (cod mats. mattings and floor covering; whether ‘coir mats / mailings 7 poor cover’ g with vinyl (PVC) backing’ manufactured by the process of embedding cod yarn into vinyl (PVC) compound and curing by heating /cooling, would merit classification under the Heading 5705 more specifically under CTH 5705 00 49) of Chapter 57 of the 1st Schedule to the Customs Tariff.

Decision of the Case

The Authority for Advance Ruling Kerala ruled that manufacture of PVC Tufted Clair 5039 / M process of embedding cow yarn into PVC ca floor coverings by the process of embedding coir PVC cannot be considered as textile floor coverings of coir covered under HSN 5702, 5703 or 5705. The process undertaken is a tufting process and If any materials are tufted on the textile of coir. which Is used as floor mats or matting.

It will come under the Customs Tariff Head 5703 90 90 and is liable to GST at the rate of 12% as per Entry a SI No, 144 of Schedule II of Notification No. 01/2017-Central Tax (Rate) dated June 28, 2017. PVC Tufted Coir Mats and Matting and matting cannot be considered as coir mats, mattings and floor coverings covered under HSN 5702 or 5705 arid is appropriately classifiable under HSN 5703 90 0 as tufted mats / matting / floor coverings of cow. The PVC Lulled Coir mats/ mattings nor coverings are classifiable under Customs Tariff Heading 5703 90 90 and attract GST at the rate of 12%.

The Coram ruled that PVC tufted coir carpet/Mat is classified under Tariff Heading 5703 90 90 and is liable to GST at the rate of 12% as per SI No. 144 of Schedule II of Notification No. 01/2017-Central Tax (Rate) dated 28-06-2017 as amended.

The Kerala Appellate Authority of Advance Ruling (AAAR) ruled that 12% GST payable PVC tufted coir carpet or Mat.