National Plastic Industries Limited

Appellate Authority for Advance Ruling — Maharashtra

ORDER NO. MAH/AAAR/SS-RJ/06/2018-19 Dated **21.08.2018**

Q Questions Before the Authority

- Correct classification and rate of GST applicable for PVC carpet mats / floor coverings manufactured by the appellant.

F Facts

The appellant manufactures floor mats and coverings made of PVC, known as PVC Carpet Mats or floor coverings. The manufacturing process involves two stages: stage 1 extrudes PVC monofilament yarn to form a non-woven web/carpet pile, and stage 2 impregnates and laminates this web with a layer of liquid PVC which solidifies under heat to form a backing. The appellant contended that the product is a non-woven textile floor covering classifiable under Chapter Heading 5705 attracting 12% GST, whereas the AAR classified it under Heading 3918 attracting 18% GST.

H Ruling

Classification and GST rate for PVC floor mats / floor coverings	**CTH 3918, 18% GST (9% CGST + 9% SGST)**	Restricted to the specific types and manufacturing process of PVC floor coverings/mats submitted by the appellant.

The Appellate Authority for Advance Ruling upheld the AAR order, holding that the PVC floor mats are classifiable under **Customs Tariff Heading 3918** as floor coverings of plastics. The applicable rate of GST is **18%** (9% CGST + 9% SGST). The ruling is restricted to the specific types of PVC floor coverings/mats manufactured as per the process and sample submitted by the appellant.

R Reasoning

The AAAR observed that the exposed surface of the mat is a web made from 100% PVC formed through extrusion and moulding, without any identifiable textile fibres, filaments, or yarns. Under **Note 1(h) to Section XI** of the Customs Tariff, non-wovens impregnated, coated, covered, or laminated with plastics are excluded from Section XI (textiles). Further, **Note 1 to Chapter 57** provides that Chapter 57 covers only those floor coverings where textile material serves as the exposed surface. Applying **Rule 1 of the General Rules for Interpretation** , the product specifically falls under Heading 3918 as floor coverings of plastics.

P Provisions Relied On

Section 97 of CGST Act, 2017	Section 100 of CGST Act, 2017

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Section 101 of CGST Act, 2017	
Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017	
Customs Tariff Act, 1975	Heading 3918
Heading 5705	Note 1 to Chapter 39
Note 1(h) to Section XI	Note 1 to Chapter 57
Rule 1 of General Rules for Interpretation	

! For the Practitioner

This ruling establishes that floor mats manufactured entirely from extruded PVC and liquid PVC coating cannot be treated as textile floor coverings under Chapter 57. Tax practitioners should note that **Note 1(h) to Section XI** excludes plastic-impregnated or coated non-wovens from textile chapters, requiring 100% plastic floor coverings to be classified under **Heading 3918 at 18% GST** .

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> mah aaar 06 2018-19 npil.pdf

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