

**GUJARAT APPELLATE AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,
AHMEDABAD – 380 009.**



**ADVANCE RULING (APPEAL) NO. GUJ/GAAAR/APPEAL/2025 /10
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2023/AR/06)**

Date: 28.2.2025

Name and address of the appellant	: Manishaben Vipulbhai Sorathiya, [Trade name : Autotech] A-14/8, Ground floor, Road Mp/ 7, Udhyognagar, Udhna, Surat- 394 210.
GSTIN of the appellant	: 24HHZPS8418D1ZL
Jurisdiction Office	: Center Commissionerate – Surat Division – II- Surat Range -I
Advance Ruling No. and Date	: GUJ/GAAR/R/2023/10 dated 9.9.2023
Date of appeal	: 17.04.2023
Date of Personal Hearing	: 21.1.2025
Present for the appellant	: Shri Chintan Kotadiya, CA and Shri Dharmesh Kotadiya

At the outset we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 and Gujarat Goods and Services Tax Act, 2017 (hereinafter referred to as the 'CGST Act, 2017' and the 'GGST Act, 2017') are *pari materia* and have the same provisions in like matter 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, 2017 would also mean reference to the corresponding similar provisions in the GGST Act, 2017.

2. The present appeal is filed under section 100 of the CGST Act, 2017 and the GGST Act, 2017 by M/s. Manishaben Vipulbhai Sorathiya (for short – 'Appellant') against the Advance Ruling No. GUJ/GAAR/R/2023/10 dated 9.3.2023.



3. Briefly, the facts are that the appellant is engaged in the manufacture & supply of floor mats for four wheel motor vehicles [cars], which are essentially made of PVC [poly vinyl chloride] material.

4. As per the appellant, the PVC floor mat is made of the following four raw materials viz:

[i] PVC leather commonly known as artificial leather

- It gives the impression of leather;
- It is derived by laminating PVC and fabric;
- It is cheaper than leather;
- It is classified under HSN 59031090 and leviable to GST @ 12%.

[ii] PU Foam also known as polyurethane foam

- It is classified under HSN 39211390 and leviable to GST @ 18%.

[iii] XLPE foam known as cross linked polyethylene foam

- It's a cross linked closed cell foam with compact feel;
- Its resistant to water;
- It is classified under HSN 39211390 and leviable to GST @ 18%.

[iv] PVC mat, commercially known as Heel pad

- The heel pad is nothing but additional foot support for the driver of the vehicle;
- It is classified under HSN 39211390 and leviable to GST @ 18%.

5. The manufacturing process of the said floor mat is stated to be as follows:

- PVC leather and PU foam are laminated with each other;
- this laminated material undergoes embroidery & is further bonded with XLPE foam;
- thereafter cotton thread and adhesive is used to put all the above materials together to make a complete floor mat;
- the floor mat is then cut as per the customized vehicle floor pattern adding stitches & piping wherever required;
- after the process, Velcro is attached at the bottom/base surface at the appropriate places to form a firm grip;
- finally Heel pad made up of PVC is affixed/attached on the exposed surface [upper surface] of one floor mat which is for the vehicle driver's side.

6. The appellant before the GAAR therefore, contended that the floor mat for four wheel motor vehicles [cars] would merit classification under CTH 3918, as the product in question is a floor covering of plastic.

7. In view of the foregoing facts, the appellant sought Advance Ruling on the following questions, viz:

What is the appropriate classification & rate of GST applicable on supply of PVC floor mats [Cars] under CGST and GGST?



8. Consequent to hearing the applicant, the GAAR¹, recorded the following findings viz:

- appellant's product is an admixture of PVC leather, PU Foam [polyurethane foam], XLPE foam; that cotton thread and adhesive is used to bind the materials and then Heel pad is affixed on the PVC mat;
- CTH 390410 covers items by the description of PVC, not mixed with any other substances & this not being the case in the disputed goods the PVC mat would **not fall** under 390410;
- that for the goods to merit classification under 3901 to 3914, it has to be in primary form; that the PVC floor mat for motor vehicles would not fall within the ambit of CTH 3904;
- that only the goods made up of textile articles, would get covered under section XI [Textiles & Textiles articles]; that going by the constituents/ingredients present it would get excluded from section XI, by virtue of section note 1(h) & thus would not fall under 5703;
- that PVC floor mats will not fall under 3918 but under 8708 because:
 - the HSN note 8708 covers parts and accessories of the motor vehicles falling under 8701 to 8705 subject to two conditions first being that the goods in question must be identifiable as being suitable for use solely or principally with the vehicles mentioned from 87.01 to 87.05 which stands satisfied as the floor mats made of PVC, is suitable for use principally with the motor vehicles for which it is being manufactured, it being a tailor made product;
 - The second condition is that these goods must not be excluded by the provisions of the note 2 of Section XVII; that PVC floor mats for four wheel motor vehicles does not fall in the exclusion;
 - under section note 3 of HSN, parts and accessories which are not suitable for use solely or principally with the articles of Chapters 86 to 88 are excluded; that in the present case, the floor mats used for four wheel motor vehicles [cars] supplied by the applicant, is principally for use in motor vehicles;
 - the parts and accessories of chapter 87 include floor mats; that it is not the applicant's case that his product falls within this exception mentioned in the HSN.
- that appellants reliance on the case of Uni Products India Ltd. [2020 (116) taxmann.com 401(SC)] is not tenable owing to the aforementioned facts and also nowhere it is claimed that the production process in respect of their product was similar to the once mentioned in the said judgement.

9. The GAAR, thereafter, vide the impugned ruling dated 30.5.2024, held as follows:

that the impugned goods i.e. PVC floor mats for use in cars supplied by the applicant is classifiable under CTH 8708 & applicable rate of GST would be 28% [14% each of CGST and SGST].

10. Aggrieved, the appellant is before us, raising the following contentions, viz

- that their product falls under Sr. No. 146 of notification No. 1/2017-CT (Rate) & is classifiable under CTH 5705;
- that the word 'such as' used in Sr. no. 146 of the notification *ibid*, is to illustrate the inclusion & not exclusion; that it only excludes goods mentioned in serial no. 219 of Schedule I of the notification;
- that the heading 5705 covers other carpets & other textile floor coverings, which stands defined in note 1 to chapter 57;
- that all floor coverings in which textile materials serve as the exposed surface of the article when in use as carpets & other textile floor coverings; that the PVC leather

¹ Gujarat Authority for Advance Ruling

commonly known as artificial leather falling under 59031090 is the major input in the manufacture of floor mats;

- o that since AAR has stated that the goods do not fall under 39, the exclusion of clause 1(h) would not apply;
- o that the floor mats are made of textile materials and not merely plastic & hence exclusion of 1(h) cannot apply;
- o that if for any reason the floor mats are classifiable under 5705 & 8708, then in terms of 3(a) of GRI, 5705 is applicable since it is the most specific description;
- o that floor mats in question have been excluded from 8708 via explanatory notes.

11. Personal hearing in the matter was held on 21.01.2025 wherein Shri Chintan Kotadiya, CA and Shri Dharmesh Kotadiya appeared and reiterated the submissions made in the appeal. The submitted additional submissions during the course of personal hearing, reiterating the grounds already mentioned. They also relied upon the case of M/s. Uni Products India Ltd².

FINDINGS :-

12. We have carefully gone through and considered the appeal papers, written submissions filed by the appellant, submissions made at the time of personal hearing, the impugned Advance Ruling and other materials available on record.

13. We note that the applicant in his submission before the GAAR had stated that the product is classifiable under 3918 or 3904 and had further relied upon the judgement in the case of M/s. Uni Products India Ltd, *ibid*. This led the GAAR to record the following findings in para 20 of the impugned ruling viz

20. *We find that the applicant in para (5), page 7, of his submission has primarily contended that his PVC floor mats for motor vehicles manufactured and supplied by them is classifiable under CTH 3918. The applicant has further relied upon the judgement of Uni Products India Ltd. [2020 (116) taxmann.com 401(SC)] in his submission. Thus, we now need to examine whether the product would fall under CTH 3918, 5703 or 8708.*

However, before us, the appellant has made the following prayers viz

PRAYER

In view of the foregoing paras, we humbly pray before your Honor to:

- i. Set aside the impugned advance ruling dated 09.03.2023 since it is contrary to the facts as well as applicable provisions of law.
- ii. Classify the floor mats in question under heading 5705.
- iii. Pass such other order as deemed fit in the interest of justice.

² 2020 (372) EL 465 (SC)

The appellant now feels that the product viz PVC floor mats for use in cars would merit classification under HSN 5705, a claim never raised before GAAR. The appellant himself seems unsure as far as the classification of the impugned goods are concerned. Be that as it may, this plea of classifying the product under HSN having been made for the first time before an appellate authority cannot be entertained in terms of the judgement of the Hon'ble Supreme Court in the case of M/s. I.T.C. Ltd⁵

Doubtless the principle of res judicata is a fundamental doctrine of law that there must be an end to litigation. (See Daryao v. The State of U.P., [1962] 1 SCR 574 but the plea of res judicata has to be specifically and expressly raised. (See : Medapati Surayya v. Tondapu Bala Gangadhara Ramakrishna Reddi, AIR 35 (1948) PC 3, 7. This view has been recently reiterated in V. Rajeshwari v. T.C. Saravanabava, (2003) 10 Scale 768, where it is said that the foundation of the plea of res judicata must be laid in the pleadings. If this was not done, no party would be permitted to raise it for the first time at the stage of the appeal. The only exception to this requirement is when the issue of res judicata is in fact argued before the lower Court. In this case not only had the plea not been taken by the Revenue at any stage before any of the authorities, but arguments exactly to the contrary had been put forward by the respondent. We will not permit the plea to be raised now. In the circumstances, it is not necessary to consider the other arguments urged on the appellant to counter the respondent's submission on the applicability of the principles of res judicata.

14. Having said so, it would not be appropriate to entertain the averments made by the appellant seeking classification of the impugned goods under HSN 5705.

15. The other averments raised by the appellant is that that since GAAR has stated that the goods do not fall under 39, the exclusion of clause 1(h) would not apply. The finding given in para 25, based on which the aforementioned averment is made appears to be misconceived. The finding when read holistically, appears to have been given only to point out that the averment of the appellant wherein on one hand he was seeking a classification under chapter 39 and on the other hand was relying on a judgement of the Hon'ble Supreme Court in the case of Uni Products India Ltd, *ibid*, which classified car mats under chapter 570390.90. Even otherwise, this ground was never raised before the GAAR.

⁵ 2004 (171) EL 433 SC



16. The next averment of the appellant that floor mats in question have been excluded from 8708 via explanatory notes already stands answered by GAAR as under:

- *the parts and accessories of chapter 87 include floor mats (other than of textile material or unhardened vulcanized rubber), etc.. It is not the applicant's case that his product falls within this exception mentioned in the HSN.*


Further, the reliance on the judgement of the Hon'ble Supreme Court in the case of Uni Products Ltd, ibid also stands addressed in para 27 of the impugned order.

17. What is not controverted by the appellant is the detailed reasoning given in para 25 of the impugned order, classifying the product under chapter 8708.

18. We find that the GAAR vide its impugned ruling correctly held that the PVC floor mats for use in cars supplied by the applicant is classifiable under CTH 8708 & would be leviable to GST @ 28%.

19. In view of the above, we reject the appeal filed by appellant M/s. Manishaben Vipulbhai Sorathiya, [Trade name : Autotech] against the Advance Ruling No. GUJ/GAAR/R/2023/10 dated 9.3.2023, passed by the Gujarat Authority for Advance Ruling.


(Rajeev Topno)
Member (SGST)


(B V Siva Naga Kumari)
Member (CGST)

Place: Ahmedabad
Date: 24.02.2025

