

GUJARAT AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	
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ADVANCE RULING NO. GUJ/GAAR/R/2023/10
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2022/AR/50)

Date: - 09.03.2023

Name and address of the applicant	:	Manishaben Vipulbhai Sorathiya, [Trade name : Autotech] A-14/8, Ground floor, Road Mp/ 7, Udhyognagar, Udhna, Surat- 394 210.
GSTIN of the applicant	:	24HHZPS8418D1ZL
Date of application	:	20.10.2022
Clause(s) of Section 97(2) of CGST / GGST Act, 2017, under which the question(s) raised.	:	(a)
Date of Personal Hearing	:	22.12.2022
Present for the applicant	:	Shri Nishant C Shukla, Advocate

Brief facts:

M/s. Manishaben Vipulbhai Sorathiya, [Trade name : Autotech], A-14/8, Ground floor, Road Mp/ 7, Udhyognagar, Udhna, Surat- 394 210 [for short – ‘applicant’] is registered under GST and their GSTIN is 24HHZPS8418D1ZL.

2. The applicant, a proprietary concern is engaged in the business of manufacture & supply of floor mats for four wheel motor vehicles [cars]. The floor mats are essentially made of PVC [poly vinyl chloride] material.

3. The PVC floor mat as per the applicant is made of the following raw materials viz:

- [a] PVC leather commonly known as artificial leather;
- [b] PU Foam also known as polyurethane foam;
- [c] XLPE foam known as cross linked polyethylene foam;
- [d] PVC mat, commercially known as Heel pad.

4. According to the applicant, the details of the aforementioned raw materials are as under:

- 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%.
- PU Foam also known as polyurethane foam;
 - It is classified under HSN 39211390 and leviable to GST @ 18%.
- 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%.
- 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. Further, the applicant has explained the manufacturing process of PVC floor mat as under:

- PVC leather and PU foam are laminated with each other;
- this laminated material undergoes embroidery & is further bonded with XLPE foam;
- consequent to the above, 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 applicant's contention is that the product would merit classification under CTH 3918, as the product in question is a floor covering of plastic.

7. The applicant has relied upon the case of M/s. Soft Turf [2021 55 GSTL 52 (AAAR)] & National Plastic Industries Ltd [2018(16)GSTL 287(AAAR Maha)]. The applicant has further in his application stated that floor mats are alternatively also classified under 390410 as held by the Authority for Advance Ruling in the case of M/s. Stinzo Automotive (P) Ltd [2021(47) GSTL 311 (AAR-Haryana)].

8. In view of the foregoing, the applicant is before us raising the following question for advance ruling viz

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

9. Personal hearing was granted on 22.12.2022 wherein Shri Nishant C Shukla, Advocate appeared and reiterated the facts as stated in the application.



Discussion and findings

10. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

11. We have considered the submissions made by the Applicant in their application for advance ruling as well as the submissions made during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

12. We find that the applicant has requested a ruling about the appropriate classification of the floor mats made up of PVC manufactured by him and used in motor cars.

13. Under the GST regime, classification of goods shall be done using the General Rules of interpretation of the first schedule of the Customs Tariff Act, 1975 including the section & chapter notes and the General Explanatory Notes to the HSN of the first schedule of CTA, 1975 in terms of explanation 1 to notification No. 1/2017-Central Tax (Rate), which reads 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

14. Ongoing through the manufacturing process which is mentioned in detail *supra*, we find that the applicant's product, is an admixture of PVC leather, PU Foam [polyurethane foam], XLPE foam [known as cross linked polyethylene foam]. Cotton thread and adhesive is used to bind all the above materials and then Heel pad is affixed on the PVC mat.



15. Before moving on to decide the issue, it would be prudent to reproduce the competing entries, chapter notes, HSN notes, etc., viz

➤ **(A)**

3904	POLYMERS OF VINYL CHLORIDE OR OF OTHER HALOGENATED OLEFINS, IN PRIMARY FORMS
3904 10	- Poly (vinyl chloride), not mixed with any other substances:
3904 10 10	--- Emulsion grade PVC resin / PVC Paste resin/ PVC dispersion resin
3904 10 20	--- Suspension grade PVC resin
3904 10 90	--- Other
	- Other poly (vinyl chloride), mixed with other substances:
3904 21 00	-- Non-plasticised
3904 22 00	-- Plasticised
3904 30	- Vinyl chloride-vinyl acetate copolymers
3904 30 10	--- Poly (vinyl derivatives)
3904 30 90	--- Other
3904 40 00	- Other vinyl chloride copolymers
3904 50	- Vinylidene chloride polymers
3904 50 10	- - - Copolymer of vinylidene chloride with a crylonitrite, in the form of expansible beads of a diameter of 4 micrometers or more but not more than 20 micrometers
3904 50 90	--- Other
	- Fluro-polymers
3904 61 00	-- Polytetrafluroethylene
	-- Other
3904 69 10	Poly (vinyl fluoroide), in one of the forms mentioned in Note 6(b) to this Chapter
3904 69 90	--- Other
3904 90	- Other
3904 90 10	--- Chlorinated poly vinyl chloride (CPVC) resin
3904 90 90	--- Other

➤ **(B)**

3918	FLOOR COVERINGS OF PLASTICS, WHETHER OR NOT SELF-ADHESIVE, IN ROLLS OR IN THE FORM OF TILES; WALL OR CEILING COVERINGS OF PLASTICS, AS DEFINED IN NOTE 9 TO THIS CHAPTER
3918 10	- Of polymers of vinyl chloride
3918 10 10	--- Wall or ceiling coverings combined with knitted or woven fabrics, nonwovens or felts
3918 10 90	--- Other
3918 90	- Of other plastics
3918 90 10	--- Floor coverings of linoxylene
3918 90 20	--- Wall or ceiling coverings combined with knitted or woven fabrics, nonwovens or felts
3918 90 90	--- Other

➤ **(C)**

- **Note 1 to chapter 39, 'Plastics and articles thereof', states as follows:**

1. Throughout this Schedule, the expression "plastics" means those materials of headings 3901 to 3914 which are or have been capable, either at the moment of polymerisation or at some subsequent stage, of being formed under external influence (usually heat and pressure, if necessary with a solvent or plasticiser) by moulding, casting, extruding, rolling or other process into shapes which are retained on the removal of the external influence.



Throughout this Schedule any reference to "plastics" also includes vulcanised fibre. The expression, however, does not apply to materials regarded as textile materials of Section XI.

- **Note 2 to chapter 39, 'Plastics and articles thereof', states as follows:**

2. This Chapter does not cover:

(a) to (n);

(p) goods of Section XI (textiles and textile articles);

- **Note 9 to chapter 39, 'Plastics and articles thereof', states as follows:**

9. For the purposes of heading 3918, the expression "wall or ceiling coverings of plastics" applies to products in rolls, of a width not less than 45 cm, suitable for wall or ceiling decoration, consisting of plastics fixed permanently on a backing of any material other than paper, the layer of plastics (on the face side) being grained, embossed, coloured, design-printed or otherwise decorated

➤ **(D)**

5703	CARPETS AND OTHER TEXTILE FLOOR COVERINGS, TUFTED, WHETHER OR NOT MADE UP
5703 10	- Of wool or fine animal hair
5703 10 10	--- Carpets
5703 10 20	--- Mats and matting
5703 10 90	--- Other
5703 20	- Of nylon or other polyamides
5703 20 10	--- Carpets, carpeting and rugs
5703 20 20	--- 100% polyamide tufted velour, cut pile loop pile carpet mats with jute, metre, whichever rubber latex is higher or PU foam backing
5703 20 90	--- Other
5703 30	- Of other man-made textile materials
5703 30 10	--- Carpets, carpeting and rugs
5703 30 20	--- 100% polypropylene carpet mats with jute, rubber, latex or PU foam backing
5703 30 90	--- Other
5703 90	- Of other textile materials
5703 90 10	--- Carpets and other floor coverings, of cotton, other than durries
5703 90 20	--- Carpets and floor coverings of Coir
57039090	--- Other

- **Note 1 to chapter 57, 'Carpets and other textile floor coverings', states as follows:**

1. For the purposes of this Chapter, the term "carpets and other textile floor coverings" means floor coverings in which textile materials serve as the exposed surface of the article when in use and includes articles having the characteristics of textile floor coverings but intended for use for other purposes.

➤ **(E)**

8708	PARTS AND ACCESSORIES OF THE MOTOR VEHICLES OF HEADINGS 8701 TO 8705
8708 10	- Bumpers and parts thereof
8708 10 10	--- For tractors
8708 10 90	--- Other
	- Other parts and accessories of bodies (including cabs)



8708 21 00	-- Safety seat belts
8708 29 00	-- Other
8708 30 00	- Brakes and servo-brakes; parts thereof
8708 40 00	- Gear boxes and parts thereof
8708 50 00	- Drive-axles with differential whether or not provided with other transmission components, non-driving axles; parts thereof
8708 70 00	- Road wheels and parts and accessories thereof
8708 80 00	- Suspension systems and parts thereof (including shock absorbers)
	- Other parts and accessories
8708 91 00	-- Radiators and parts thereof
8708 92 00	-- Silencers (mufflers) and exhaust pipes; parts thereof
8708 93 00	-- Clutches and parts thereof
8708 94 00	-- Steering wheels, steering columns and steering boxes; parts thereof
8708 95 00	-- Safety airbags with inflater system; parts thereof
8708 99 00	-- Other

- **Note 2 of Section XVII of the HSN states as follows :**

2. The expressions "parts" and "parts and accessories" do not apply to the following articles, whether or not they are identifiable as for the goods of this Section:

- (a) joints, washers or the like of any material (classified according to their constituent material or in heading 8484) or other articles of vulcanised rubber other than hard rubber (heading 4016);
- (b) parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of plastics (Chapter 39);
- (c) articles of Chapter 82 (tools);
- (d) articles of heading 8306;
- (e) machines and apparatus of headings 8401 to 8479, or parts thereof, other than the radiators for the articles of this Section, articles of heading 8481 or 8482 or, provided they constitute integral parts of engines and motors, articles of heading 8483;
- (f) electrical machinery or equipment (Chapter 85);
- (g) articles of Chapter 90;
- (h) articles of Chapter 91;
- (ij) arms (Chapter 93);
- (k) lamps or lighting fittings of heading 9405; or
- (l) brushes of a kind used as parts of vehicles (heading 9603).

- **Note 3 of Section XVII states as follows :**

3. References in Chapters 86 to 88 to "parts" or "accessories" do not apply to parts or accessories which are not suitable for use solely or principally with the articles of those Chapters. A part or accessory which answers to a description in two or more of the headings of those Chapters is to be classified under that heading which corresponds to the principal use of that part or accessory

➤ **(F)**

- **Relevant notes of HSN :**

87.08 PARTS AND ACCESSORIES OF THE MOTOR VEHICLES OF HEADINGS

87.01 TO 87.05.

8708.10 - Bumpers and parts thereof

- Other parts and accessories of bodies (including cabs):



8708.21 -- Safety seat belts
 8708.29 -- Other
 - Brakes and servo-brakes and parts thereof:
 8708.31 -- Mounted brake linings
 8708.39 -- Other
 8708.40 - Gearboxes
 8708.50 - Drive-axles with differential, whether or not provided with other transmission components
 8708.60 - Non-driving axles and parts thereof
 8708.70 - Road wheels and parts and accessories thereof
 8708.80 - Suspension shock-absorbers
 - Other parts and accessories :
 8708.91 -- Radiators
 8708.92 -- Silencers and exhaust pipes
 8708.93 -- Clutches and parts thereof
 8708.94 -- Steering wheels, steering columns and steering boxes
 8708.99 -- Other

This heading covers parts and accessories of the motor vehicles of headings 87.01 to 87.05, provided the parts & accessories fulfill both the following conditions :

- (i) They must be identifiable as being suitable for use solely or principally with the above-mentioned vehicles; and*
- (ii) They must not be excluded by the provisions of the Notes to Section XVII (see the corresponding General Explanatory Note).*

Parts and accessories of this heading include :

(A)

(B) Parts of bodies and associated accessories, for example, floor boards, sides, front or rear panels, luggage compartments, etc.; doors and parts thereof; bonnets (hoods); framed windows, windows equipped with heating resistors and electrical connectors, window frames; running-boards; wings (fenders); mudguards; dashboards; radiator cowlings; number-plate brackets; bumpers and over-riders; steering column brackets; exterior luggage racks; visors; non-electric heating and defrosting appliances which use the heat produced by the engine of the vehicle; safety seat belts designed to be permanently fixed into motor vehicles for the protection of persons; floor mats (other than of textile material or unhardened vulcanized rubber), etc. Assemblies (including unit construction chassis-bodies) not yet having the character of incomplete bodies, e.g., not yet fitted with doors, wings (fenders), bonnets (hoods); and rear compartment covers, etc., are classified in this heading and not in heading 87.07.

16. We find that in the citations relied upon by the applicant, in the case M/s. Soft Turf [2021(55 GSTL 52 (AAAR)] & National Plastic Industries Ltd [2018(16)GSTL 287(AAAR Maha)], the Appellate Advance Ruling authority [for short 'AAAR' has classified the PVC carpet mats under CTH 3918, while the Advance Ruling Authority [for short 'AAR'] of Haryana in the case of M/s. Stinzo Automotive (P) Ltd [2021(47)GSTL311(AAR-Haryana)] has held that the PVC floor mats, used for motor vehicles would fall within the ambit of 390410. The applicant has relied on these cases while seeking the advance ruling. Since the competing entries in these two rulings are 3904 and 3918, we will first examine



whether the impugned product would fall within the ambit of 3904, as held by AAR, Haryana.

17. The Advance Ruling Authority of Haryana in the case of M/s. Stinzo Automotive (P) Ltd [2021(47)GSTL311(AAR-Haryana)] has classified the PVC floor mats under 390410, on the reasoning that:

- *Heading 5705 includes other carpets and other textile floor coverings, whether or not made up [such as Mats and matings including Bath Mats, where cotton predominates by weight, of Handloom, Cotton Rugs of handloom]; that heading 5705 talks about carpets and textile floor covering where cotton predominates by weight or made of handlooms or cotton rugs of handloom;*
- *no sub-heading of Chapter 57 covers carpets made of PVC yarn;*
- *Chapter 39 covers plastics and articles thereof; likewise, heading 3904 covers Polymers of Vinyl Chloride or of other Halogenated Olefins, in primary forms;*
- *that in terms of manufacturing process, the car foot mats are made of PVC fibres, which are bounded to each other by way of liquid PVC coating;*
- *as per Chapter 39, note 2, clause (p), goods of Section XI (Textiles and Textile Articles) are excluded from chapter 39. The article manufactured and supplied by the applicant is neither covered under Chapter 57 nor any other chapter of Section XI;*
- *the foot mats are made entirely of PVC and thus is clearly covered under the sub-heading 4904 10 [sic] which covers Poly Vinyl Chloride, not mixed with any other substances, taxable at 18%.*

18. Now, CTH 390410 clearly provides that it covers items by the description of Poly vinyl chloride, **not mixed with any other substances**. This not being the case in the goods manufactured by the applicant the question of the PVC mat of the applicant falling within the ambit of 390410, does not arise.

19. Even otherwise, ongoing through the description of the goods in chapter 39 under the Customs Tariff, we find the description as under:

3901	I. Primary Forms <i>Polymers of Ethylene, In Primary Forms</i>
3902	<i>Polymers of Propylene or of other olefins, In Primary Forms</i>
3903	<i>Polymers of Styrene, In Primary Forms</i>
3904	<i>Polymers of Vinyl Chloride or of Other Halogenated Olefins, In Primary Forms</i>
3905	<i>Polymers of Vinyl Acetate or Of Other Vinyl Esters, In Primary Forms; Other Vinyl Polymers In Primary Forms</i>
3906	<i>Acrylic Polymers In Primary Forms</i>
3907	<i>Polyacetals, Other Polyethers & Epoxide Resins, In Primary Forms; Polycarbonates, Alkyd Resins, Polyallylesters & Other Polyesters, In Primary Forms</i>
3908	<i>Polyamides In Primary Forms</i>
3909	<i>Amino-Resins, Phenolic Resins And Polyurethanes, In Primary Forms</i>
3910	<i>Silicones In Primary Forms</i>
3911	<i>Petroleum Resins, Coumarone-Indene Resins, Polyterpenes, Polysulphides, Polysulphones And Other Products Specified In Note 3 To This Chapter, Not Elsewhere Specified Or Included, In Primary Forms</i>
3912	<i>Cellulose And Its Chemical Derivatives, Not Elsewhere Specified Or</i>



	<i>Included, In Primary Forms</i>
3913	<i>Natural Polymers (For Example, Alginic Acid) And Modified Natural Polymers (For Example, Hardened Proteins, Chemical Derivatives Of Natural Rubber), Not Elsewhere Specified Or Included, In Primary Forms</i>
3914	<i>Ion-Exchangers Based On Polymers Of Headings 3901 To 3913, In Primary Forms</i>
3915	II. -Waste, Parings & Scrap; Semi-Manufactures; Articles

As is evident, for the goods to fall within the ambit of 3901 to 3914, it has to be in **Primary form**. The goods viz waste, parings, & scrap, semi manufactured and articles would appropriately have to be classified from CTH 3915 onwards. Hence, on this count also, the goods manufactured by the applicant ie PVC floor mat for motor vehicles would not fall within the ambit of CTH 3904. Hence, the applicants alternate reliance on the case of M/s. Stinzo Automotives P Ltd [2021 (47) GSTL 311(AAR-Haryana)], is not legally tenable.

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.

21. CTH 3918 covers within its ambit, floor coverings of plastics, whether or not self adhesive in rolls or in the form of tiles; wall or ceiling coverings of plastics as defined in note 9 to chapter 39. The note is reproduced *supra*. It is not disputed that the applicant's goods are used as floor mats for motor vehicles. Further, the manufactured goods, is an admixture of PVC leather, PU Foam, XLPE foam which is bound together by using a cotton thread and adhesive, consequent to which a Heel pad is affixed.

22. A conjoint reading of notes 1 & 2 of the chapter 39, clearly depicts that "**plastic**" in terms of chapter 39, will not cover any material which is classified as textile material under section XI of the CTH. Relevant notes to section XI of Textiles and Textile articles, states as follows:

"1. This section does not cover. 1

(a).....

(h) Woven, knitted or crocheted fabrics, felt or non-wovens, impregnated, coated, covered or laminated /with plastics, or articles thereof, of Chapter 39"



23. Thus, classification needs to be finalized after deciding the nature of the material used to manufacture PVC floor mats used in motor vehicles. Only the goods made up of textile articles, would get covered under section XI [Textiles & Textiles articles]. However, going by the constituents/ingredients present in the applicants impugned product, the same would get excluded from section XI, by virtue of section note 1(h), *supra*.

24. Thus the question now which remains to be answered is whether the goods supplied by the applicant would merit classification under CTH 3918 or 8708. The concerned tariff item and its description is mentioned *supra*.

25. Going by the tariff heading, section notes, chapter notes, HSN notes, which we have already reproduced above, we are of the opinion that the goods merit classification under CTH 8708 owing to the following reasons *viz*

- the HSN note under 8708 covers *parts and accessories of the motor vehicles* falling under 8701 to 8705 subject to two conditions. The first condition 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. The floor mats for four wheel vehicles [cars] made of poly vinyl chloride [PVC], supplied by the applicant, 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 notes to Section XVII. As is evident from note 2 of section XVII of the HSN, PVC floor mats for four wheel motor vehicles does not fall in the exclusion.
- As per section note 2 of section XVII of HSN, parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV), **or similar goods of plastics (Chapter 39) are excluded**. Note 2 of section XV of Customs Tariff Act, 1975, states as follows *viz*:

2. Throughout this Schedule, the expression "parts of general use" means :
 (a) articles of headings 7307, 7312, 7315, 7317 or 7318 and similar articles of other base metal;



(b) springs and leaves for springs, of base metal, other than clock or watch springs (heading 9114); and

(c) articles of headings 8301, 8302, 8308, 8310 and frames and mirrors, of base metal, of heading 8306.

In Chapters 73 to 76 and 78 to 82 (but not in heading 7315) references to parts of goods do not include references to parts of general use as defined above.

Subject to the preceding paragraph and to Note 1 to Chapter 83, the articles of Chapter 82 or 83 are excluded from Chapters 72 to 76 and 78 to 81.

Now headings mentioned *supra* is in respect of the following

7307	Tube or pipe fittings (For example, Couplings, Elbows, Sleeves), of Iron or Steel
7312	Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated
7315	Chain and parts thereof, of iron or steel
7317	Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles, of iron or steel, whether or not with heads of other material, but excluding such articles with heads of copper
7318	Screws, bolts, nuts, coach-screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of iron or steel

What is therefore excluded is similar goods as mentioned above of plastics falling under Chapter 39. As is evident, PVC floor mats, for four wheel motor vehicles, does not fall in the exclusion. Para (A) of the HSN notes further gives the details of the parts and accessories excluded via note 2 to Section XVII, which states as follows [relevant extract]

(2) Parts of general use as defined in Note 2 to Section XV, for example, cable and chain (whether or not cut to length or equipped with end fittings, other than brake cables, accelerator cables and similar cables suitable for use in motor vehicles of Chapter 87), nails, bolts, nuts, washers, cotters and cotterpins, springs (including leaf springs for vehicles (such goods of base metals fall in Chapters 73 to 76 and 78 to 81, and similar goods of plastics fall in Chapter 39), and locks, fittings or mountings for vehicle coachwork (e.g., made up ornamental beading strips, hinges, door handles, grip bars, foot rests, window opening mechanisms), number plates, nationality plates, etc. (such goods of base metals fall in Chapter 83, and similar goods of plastics fall in Chapter 39).



Again it is evident that the floor mats for four wheel vehicles [cars] made of poly vinyl chloride [PVC] supplied by the applicant does not fall within 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. Further, as per Note 3 of the HSN, when a part or accessory can fall in more other one sections as well as in section XVII, the final classification is determined by its sole or **principal use**. 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 (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.
- the PVC floor mats used in motor vehicles supplied by the applicant even otherwise, would get excluded from section XI, by virtue of section note l(h). This view is in-fact supported by the applicant in his application made before us, wherein he has stated that according to him, the floor mats for four wheel vehicles supplied by him would fall within 3918.

26. For the aforementioned reasons, we find that the applicant's claim that his supply would fall under CTH 3918 by relying on the rulings of M/s. Soft Turf [2021(55 GSTL 52 (AAAR)] & National Plastic Industries Ltd [2018(16)GSTL 287(AAAR Maha)], is not legally tenable.

27. In his additional submission, we find that the applicant has also relied upon the case of Uni Products India Ltd. [2020 (116) taxmann.com 401(SC)]. The relevant paragraph, is reproduced below for ease of reference:

These two appeals against the decision of the Customs Excise & Service Tax Appellate Tribunal (CESTAT) rendered on 16th July, 2008 require adjudication on the question as to whether "car matting" would come within Chapter 57 of the First Schedule to the



Central Excise Tariff Act, 1985 under the heading "Carpets and Other Textile Floor Coverings" or they would be classified under Chapter 87 thereof, which relates to "Vehicles other than Railway or Tramway Rolling-Stock and Parts and Accessories Thereof". The appeals are against a common decision and we shall also deal with both these appeals together in this judgment. The respondent-assessee want their goods to be placed under Chapter heading 5703.90.....

24. The core issue in these appeals is as to whether car mats come under chapter-heading 57.03 or not. In the second appeal, the numerical representation of the product, as claimed by the assessee, was different but that difference is not of much significance. Revenue's case is that the goods are manufactured in such a way that these can be used as accessories of cars. The Tribunal found that though in common parlance the products involved may not be considered as carpets, in view of the wordings of the chapter, section notes, chapter notes and explanatory notes, the goods were classifiable under chapter heading 570390.90.

26..... The Tribunal on detailed analysis on various entries, Rules and Notes have found they fit the description of goods under chapter heading 570390.90. We accept this finding of the Tribunal.....

The ratio of the aforementioned judgement is not applicable to the facts of the present application in view of the reasoning recorded *supra*. Further, even otherwise, the applicant has nowhere claimed that the production process in respect of their product and the product under dispute before the Hon'ble Supreme Court was similar.

28. In the light of the foregoing, we rule as under:

RULING

29. We hold 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].

(MILIND KAVATKAR)
MEMBER (SGST)



(AMIT KUMAR MISHRA)
MEMBER (CGST)

Place: Ahmedabad

Date: 09 /03/2023