



**TELANGANA STATE AUTHORITY FOR ADVANCE RULING**  
**CT Complex, M.J Road, Nampally, Hyderabad-500001.**  
**(Constituted under Section 96(1) of TGST Act, 2017)**

**Present:**

**Sri J. Laxminarayana, Additional Commissioner (State Tax)**

**Sri V. Srinivas, IRS, Joint Commissioner (Central Tax)**

**A.R.Com/1/2017**

**Date. 20-07-2018**

**TSAAR Order No. 8/2018**

Under Section 100(1) of the CGST/TGST Act, 2017, any person aggrieved by this order can prefer an appeal before the Telangana State Appellate Authority for Advance Ruling, Hyderabad, within 30 days from the date of receipt of this Order.

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- I. M/s. Victory Comfort Products, Mahbubnagar, (GSTIN No. 36AAFFV3331C1ZJ) has filed an application under Section 97(1) of TGST Act, 2017 read with Rule 103 of CGST/TGST Rules, 2017 and sought advance ruling on Rate of Tax on “Coir Sheets / Rubberised Coir sheets or Blocks.
- II. The applicant submitted the application in Form GST ARA-01 and Statement containing the applicant’s interpretation of law & relevant facts and requested for advance ruling on classification of “Coir Sheets / Rubberised Coir sheets or Blocks”. They have submitted a copy of Challan evidencing payment of application fee of Rs.5,000/-.
- III. A personal hearing was held in this case and Mr. Deepak P Shah, Partner & Mr. Chandra Shekar, Accountant of M/s. Victory Comfort Products, Mahbubnagar appeared for personal hearing on 27-04-2018 and explained the case, as under:
  1. That their product is a simple coir sheet made out of coir fibre, natural latex rubber & Chemicals wherein coir fibre consists 75%, 20% natural latex and 5% chemicals.
  2. The manufacturing process is :  
Coir Fibre – Uncurling of coir fibre -> Sheet Forming via combing drum Machine -> Natural latex Rubber spray for bonding / gumming of Coir fibre -> Drying in a tunnel dryer -> Results in formation of a Coir Sheet.
  3. This coir sheet is pressed in a Hydraulic Press to attain a solid/uniform shape and thickness @ 100c-120c temperature then vulcanized in a chamber for activation of chemicals and removal of moisture.
  4. Now this sheet is taken for size cutting and side trimming in required sizes as per market requirements. End Use – Carpet underlaying, packaging, mattress layers etc.
  5. Further they have submitted that their product falls under HSN code 9404. It is a pure natural product made out of waste coconut fibre and natural latex, at present they are taxing it @ 12%, under coir products (other than mattresses), but as per new government GST Notification the same falls under 5% tax category.
  6. Therefore, it was requested that, whether they should tax it at 5% or 12% for the above product.

IV. The issue has been examined with reference to the information provided by the applicant and found that the applicant is dealing with products made of coir fibre. In the submissions made by the applicant they have stated that the end use of their products that are being manufactured are in Carpet underlaying, packaging, mattress layers etc.

1. Coir products (except coir mattresses) are chargeable to 6% CGST + 6% SGST as per schedule II to Notification No. 1/2017 Central Tax (Rate), dated 28.6.2017 as amended.
2. Whereas “*Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered [other than coir products (except coir mattresses), products wholly made of quilted textile materials and cotton quilts]*” are chargeable to 9% CGST + 9% SGST as per schedule III to Notification No.1/2017 Central Tax (Rate), dated 28.6.2017 as amended.
3. As the information given by the applicant is not sufficient enough to conclude the rate of tax applicable for the products they are referring to in their application, as “*coir products (except coir mattresses)*” are covered under schedule II and “*coir mattresses whether or not covered*” are covered under schedule III to Notification No.1/2017 2017-Central Tax (Rate), dated 28.6.2017 as amended , and even the mattress layers needs to be classified in the Tariff heading 9404 covered under Schedule III to the Notification referred above, the applicant has been asked during the time of personal hearing to produce copy of the product catalogue to decide the correct rate of tax applicable. If the product is being used in manufacturing Mattresses, then it attracts rate of duty applicable under schedule III of the Notification No.1/2017-Central Tax (Rate), dated 28.6.2017 as amended. As the applicant has not produced the catalogue, a letter dated 09.07.2018 was also issued to the applicant to produce the catalogue. But the applicant has not produced the catalogue or any further information to decide the issue raised in their application.
4. Since the applicant has not produced the required information even after giving enough time, the issues raised in their application cannot be decided for want of information from their end and advance ruling cannot be given in this case.
5. The application filed by M/s Victory Comfort Products, Mahbubnagar, is disposed accordingly.

Sd/- J. LAKSHMINARAYANA  
ADDL. COMMISSIONER(State Tax )

Sd/- V. SRINIVAS  
JOINT COMMISSIONER(Central Tax)

To  
M/s.Victory Comfort Products,  
Survey No. 115/10/AA,  
Kottur Mandal, Tegapur Village,  
Mahabubnagar – 509 325.

Copy to:

- 1.The Joint Commissioner (State Tax), Nalgonda Division.
- 2.The Assistant Commissioner (State Tax), Jadcherla Circle.