

WEST BENGAL AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
14, Beliaghata Road, Kolkata – 700 015
(Constituted under section 96 of the West Bengal Goods and Services Tax Act, 2017)

Members present:

Shafeeq S, Joint Commissioner, CGST & CX Jaydip Kumar Chakrabarti, Senior Joint
Commissioner, SGST

Preamble

A person within the ambit of Section 100 (1) of the Central Goods and Services Tax Act, 2017 or West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively called 'the GST Act'), if aggrieved by this Ruling, may appeal against it before the West Bengal Appellate Authority for Advance Ruling, constituted under Section 99 of the West Bengal Goods and Services Tax Act, 2017, within a period of thirty days from the date of communication of this Ruling, or within such further time as mentioned in the proviso to Section 100 (2) of the GST Act.

Every such appeal shall be filed in accordance with Section 100 (3) of the GST Act and the Rules prescribed there under, and the Regulations prescribed by the West Bengal Authority for Advance Ruling Regulations, 2018.

Name of the applicant	WATERPROOF PRODUCTS MANUFACTURERS & TRADERS WELFARE ASSOCIATION
Address	Room No. M, 1 st Floor, White Tower 115, College Street, Kolkata-700 012
GSTIN	192400001760ART
Case Number	WBAAR 26 of 2024
ARN	AD191124020300U
Date of application	December 05, 2024
Order number and date	10/WBAAR/2025-26 dated 22.08.2025
Applicant's representative heard	Ms. Shubhangi Lata, Authorized Representative Mr. Vikram Khaitan, FCA

1.1 At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax

Act, 2017 (the WBGST Act, for short) have the same provisions in like matter except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the WBGST Act. Further to the earlier, henceforth for the purposes of these proceedings, the expression "GST Act" would mean the CGST Act and the WBGST Act both.

1.2 Ms. Waterproof Products Manufacturers & Traders Welfare Association, the applicant, is a Registered Association, bearing Registration No. SOO12038 of 2020-2021, consisting of members who are engaged in manufacturing and trading of various Waterproof Products. The registered office of the Applicant is 115, College Street, White Tower, 1st Floor, Room No. M, Kolkata 700 012.

1.3 The applicant has made this application under sub section (1) of section 97 of the GST Act and the rules made there under seeking an advance ruling in respect of following question: Classification of Raincoat made of PVC Sheetings, which is worn by people during rain. The applicant has sought for an advance ruling on the HSN Code as well as GST Rate of Raincoat made of PVC Sheetings.

1.4 During the course of hearing, the authorized representative was sought to provide a written explanation on how the captioned Application for Advance Ruling is acceptable in terms with Section 95(a) of CGST Act, 2017 and the corresponding provisions of WBGST Act, 2017. The applicant stated as under:

*"advance ruling" means a decision provided by the Authority or the Appellate Authority or the National Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100 or of Section 101C, in relation to the supply of goods or services or both **being undertaken** or **proposed to be undertaken by the applicant**"*
Since, the applicant was not undertaking the activity of supply of raincoat made of PVC Sheetings, evidence was sought to substantiate that such activity was 'proposed to be undertaken by the Applicant' in terms with Section 95(a) of CGST Act, 2017 as applicable to WBGST Act, 2017.

In this regard, we are enclosing herewith a Certified Copy of an extract from the Minutes of a Meeting of the Association held on 19-10-2024, wherein it was decided by the applicant Association to deal in waterproof products, which includes Raincoat made of PVC Sheetings

In view of aforesaid submission, since, the applicant Association intent to undertake business

of supply of waterproof products, which includes Raincoat made of PVC Sheetings, hence, the captioned Advance Ruling filed seeking ruling on the HSN Code as well as GST Rate of Raincoat made of PVC Sheetings under Central Goods & Services Tax Act, 2017 and Rules made there under is squarely covered under Section 95(a) of CGST Act, 2017 as applicable to WBGST Act, 2017.

1.5 A certified copy of the extract from the minutes of a meeting of the applicant on 19.10.2024 has been placed on records. It transpires from the extract that the applicant being a trade body is likely to procure the excessive stock of waterproof products from its constituent members and supply them to other members as well as to other business entities at a minimal profit. Under this circumstance the applicant has filed an application for advance ruling on classification and rate of tax of 'Rain coat made of PVC sheetings'.

1.6 The aforesaid questions on which the advance ruling is sought for are found to be covered under clause (a) of sub-section (2) of section 97 of the GST Act.

1.7 The application is, therefore, admitted.

2.Submission of the applicant

2.1 The captioned advance ruling is being filed for obtaining clarity on applicability of HSN and GST Rates on Raincoats made of PVC Sheetings. A PVC raincoat is a waterproof outer jacket made from polyvinyl chloride (PVC). The PVC raincoats are made from PVC rolls/sheets, wherein such sheets undergoes panel cutting process, wherein the rolls/sheets are cut into smaller sheets for front and back portion, sleeves, pockets, etc. The PVC seams are welded with heat. Once all the material are permanently bounded the stitching of front zipper (made from polyester tape/ plastic teeth), draw cord (made from polyester), button (made from plastic or metal) or stopper (made from plastic) is carried out. The finished product is then sent for packing and the final product is ready to be transferred to the warehouse for dispatching the same to various distributors, retailers, wholesaler, etc.

2.2 The Raincoats made up of PVC Sheeting would fall under Chapter 62 [Schedule – I] of Notification no. 1/2017 dated – Central Tax (Rate), dated 28th June, 2017 taxable at GST of 5%, if the sales price is less than INR 1000/- per piece and 12%, if the sales price exceeds INR 1000/- per piece. However, our members are evasive of the fact that the Department may raise a dispute in the near future and endeavor to classify the Raincoats made up of PVC Sheeting. under some other head, probably, under HSN Code 392690, wherein GST is applicable at 18%.

2.3 It is worthwhile to note that the **Notification No.1/2017-Central Tax (Rate) New Delhi, the 28th June, 2017** prescribing the rate of GST clearly states that “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) and **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 i.e. GST Rate Notification.**

2.4 The raincoat made out of PVC Sheeting is 100% Waterproof. It is widely used in manufacture of raincoats. It prevents and protect from any water seepage and also easy to wash and clean. We are of view that the PVC raincoats should be classified under chapter 62 of Customs Tariff Act (HSN code 6201) as the same specifically provides a specific tariff item for raincoats. The confusion prevailing in the industry is whether such PVC Raincoats would be classified under **CHAPTER 62 being “ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED” OR CHAPTER 39 being “PLASTICS AND ARTICLES THEREOF”.** **In our humble view, PVC Raincoats should be classified under Chapter 62014010 (for Men's or boys' raincoats) and Chapter 62024010 (for Women's or girls' raincoats) for the reasons stated here-in-below –**

Rationale I – Man-Made fibres include fibres which are based on polyvinyl chloride i.e. PVC, hence PVC Raincoats would be classifiable under Chapter 62014010 (for Men's or boys' raincoats) or Chapter 62024010 (for Women's or girls' raincoats)

At the outset, we would like to elucidate relevant extract of Chapter 6201 for your kind perusal –

6201		Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 6203
6201 20	-	Of wool or fine animal hair:
6201 20 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 30	-	Of cotton:
6201 30 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 40	-	Of man-made fibres
6201 40 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 90	-	Of other textile materials
6201 90 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles

Similar classification is applicable for Chapter 6202 being applicable to Women's or girls'

overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles.

2.5 From the aforesaid, it is evident that Chapter 6201 includes raincoats made of (a) wool or fine animal hair; (b) cotton; (c) man-made fibres; and (d) other textile materials. Please note that Chapter 62 pertains to Articles Of Apparel And Clothing Accessories, Not Knitted Or Crocheted and Note 1 to Chapter 62 states that this Chapter applies only to **made up articles of any textile fabric other than wadding, excluding knitted or crocheted.**

2.6 Textile materials are produced from fibres (finite lengths) and filaments (continuous lengths) by a variety of processes to form woven, knitted and nonwoven (felt-like) fabrics. In the case of woven and knitted fabrics, the fibres and filaments are formed into intermediate continuous length structures known as yarns, which are then either interlaced by weaving or interlaced by knitting into planar flexible sheet like structures known as fabrics. Nonwoven fabrics are formed directly from fibres and filaments by chemically or physically bonding or interlocking fibres that have been arranged in a planar configuration.

2.7 It can be noted that the raincoats made out of PVC do not involve any weaving of the PVC filaments extruded from the granules. It is important to understand the meaning of the term 'fibre', to conclude that the PVC raincoat is produced of textile material or not. The term 'fibre', yet again, is not statutorily defined. However, from the extract of "Encyclopaedia" of Textile Fibres and non-woven fabrics" reproduced above, **it is evident that textile fibres may be classified into two main categories i.e. naturally occurring fibres and manmade fibres. It can be seen that man-made fibres includes fibres which are based on polyvinyl chloride i.e. PVC.** The "Textile Terms and Definitions Tenth Edition" published by the textile institute has an entire flow chart of classification of textile fibres given. From the Flow chart, it is evident that textile fibres can be classified mainly into natural or manmade fibres. Further, **manmade fibres include fibres made from synthetic polymer which further includes polyvinyl derivatives.** Further, **polyvinyl derivatives include chloro-fibre, which are manufactured from PVC. Therefore, textile fibres includes fibres of PVC.**

2.8 Reliance is placed on the judgment of Hon'ble Supreme Court in case of **Porrits & Spencer (Asia) Ltd. - 1983 (13) E.L.T. 1607 (S.C.)**. In that case, the Apex Court held that the word "textiles" was derived from the Latin "texere" which meant "to weave", and it meant any woven fabrics. It is further held that when yarn of any material and description was woven into fabrics, what came out into being was a "textile" and it was known as such. **Phenomenal advancement in science and technology resulting in a large variety of fabrics manufactured from materials till then unknown or un-thought of and new techniques**

invented for making fabric out of yarn have also been taken into consideration by the Hon'ble Supreme Court while laying down the law that any woven fabrics were "textiles" irrespective of the materials used, technique of weaving adopted and the end-use of the product. further, it was held that, Plastic is a well-known textile material and various varieties of yarns and fabrics are produced out of plastic materials, namely, terelene, polyester, nylon, acrylic, texturized yarns, silicon yarns, etc.

2.9 PVC raincoats are made of PVC material. PVC material normally consists of strong synthetic plastic polymer, thus, on perusal of the characteristics of the product, it is safe to infer that PVC raincoat is made of textile material.

2.10 Further, it is submitted that PVC Sheeting, commonly known as vinyl Sheeting, is shiny Sheeting made of the plastic polyvinyl chloride (PVC). The PVC is also called vinyl. Please note that in the case of **India Waterproofing & Dyeing Works. v. Collector of Central Excise, Calcutta**[1983 (13) E.L.T. 1144 (C.E.G.A.T.)][As approved by Supreme Court], the Hon'ble Tribunal held that raincoats are made from **duty paid products/fabrics** and are cut, tailored and stitched like any other garment to meet the requirement of ready-made wear and are available in the market in different sizes so that they can be made use of according to specific requirement of the buyer without any further changes. **Accordingly, the Raincoats would fall within the definition of the word "ready to wear garments"**, which is further substantiated by taking reference to Customs Cooperation Council Nomenclature (Explanatory Notes) wherein under the heading "garments" (Volume II), both with reference to men and boys wear as well as women and girls that raincoats have been enumerated, inter alia, as items constituting garments. **The Supreme Court held that a reasonable approach has been adopted by the Tribunal in classifying raincoats and caps as articles of ready to wear apparel (known commercially as ready-made garments) and no interference with the classification is called for.**

2.11 Further, the Hon'ble CESTAT in the case of **CCE, Kolkata-II v. Trimurti Water Proof (P) Ltd.** had held that the goods i.e. "Raincoats" are made up of rubberized fabrics and are meant for wearing, and the same are nothing but articles of apparel. The Hon'ble West Bengal Commercial Taxes Appellate and Revisional Board in the case of **Ambica Processing Industries v. A.C.C.T., Dharamtola Circle** [Revision Case No. 186 of 1991-92] has held that a raincoat, which is a clothing through in many cases made of rubberized cloth, which covers the outer part of the body. It is, therefore, a garment. There is no dispute that raincoats are ready made articles and that the same are available in readymade form and are purchased as such off the peg and across the counter.

2.12 From the aforesaid settled position of law, it is apparently clear that PVC Raincoats are ready to wear garments and would squarely fall within the ambit of articles of apparel as elucidated in Chapter 62 of the Customs Tariff.

2.13 Rationale II – Chapter 6201 and Chapter 6202 specifically covers raincoats, and it is as settled position of law that in terms with Rule 3(a) of General Rules of Interpretation of the Custom Tariff Act, 1975, that the heading which provides the most specific description shall be preferred to headings providing a more general interpretation

2.14 It is most humbly submitted that Chapter 6201 and Chapter 6202 specifically covers raincoats within its ambit. Please note that Rule 3(a) of General Rules for the Interpretation of The Harmonized System [here-in-after referred to as 'GIR'], would be applicable in the interest case, which is elucidated here-in-below for ease of reference –

“The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.”

2.15 On perusal of relevant extract of Chapter 6201, as cited here-in-above in Para No. 4.1, it is evident that **raincoats are categorically included in Chapter 6201 and Chapter 6202, whereas Chapter 39 does not includes raincoats within its ambit**. Hence, in our humble view that PVC Raincoats would be classifiable under Chapter 62014010 (for Men's or boys' raincoats) or Chapter 62024010 (for Women's or girls' raincoats).

2.16 Rationale III – On Plain Reading of HSN Explanatory Notes, it is evident that Chapter 6201 and Chapter 6202 includes garments for men/boys or women/girls, characteristics by the fact that they are generally worn over all other clothing for protection against the weather, which would include PVC Raincoats by virtue of functionality test in terms with settled position of law

2.17 From perusal of items classified under Chapter 6201 and Chapter 6202, it is evident that items such as Overcoats, raincoats, car-coats, capes, cloaks and similar articles are generally worn over all other clothing for protection against the weather. Kindly note that by virtue of functionality test, **it is a settled position of that the functional utility and predominant usage of the commodity must be taken into account apart from the understanding in**

common parlance to determine the correct classification of the product. Reliance is placed on the judgment of Hon'ble Supreme Court passed in the case of **Commissioner of Central Excise v. Wockhardt Life Sciences Ltd. reported in 2012 (277) E.L.T. 299 (SC)** in this regard.

2.18 The Common Parlance Test is the most common test used for classification of goods for levy of tax, which has been commonly referred to by the Courts in their judgements. While analysing classification of goods for the purpose of levy of tax, some of the questions and factors which come into the mind are as follows: a) Common Man's perception about the Commodity; b) Functions or use for which the goods are being put to use; c) Test most commonly used for the classification of goods; d) Functional Test Vs Common Parlance Test; e) Dictionary Meaning or f) Technical or Scientific Meaning.

2.19 The Hon'ble Apex Court in the matter of **Porritts & Spencer (Asia) Ltd. A vs State Of Haryana on 6 September, 1978 Equivalent citations: 1979 AIR 300, 1979 SCR (1) 545** summarized the situation as follows:

"Where a word has a scientific or technical meaning and also an ordinary meaning according to common parlance, it is in the latter sense that in a taxing statute the word must be held to have been used, unless contrary intention is clearly expressed by the Legislature. The reason is that as pointed out by Story, J., in 200 Chest. (of Tea (supra), the Legislature does "not suppose our merchants to be naturalists, or geologists, or botanists"

2.20 The judgement of the Hon'ble Apex Court provides that legislature also understands that the classification of the goods has to be made by a common man and not by a scientist, botanist or a geologist. The Hon'ble Apex Court in the matter of **Atul Glass Industries (Pvt) Ltd. vs Collector Of Central Excise, Etc on 10 July, 1986 Equivalent citations: 1986 AIR 1730, 1986 SCR (3) 126** has held that **it is a matter of common experience that the identity of an article is associated with its primary function. It is only logical that it should be so. When a consumer buys an article, he buys it because it performs a specific function for him. There is a mental association in the mind of the consumer between the article and the need it supplies in his life. It is the functional character of the article which identified it in his mind.**

2.21 In view of the principle of Common Parlance Test as well as functionality test as laid by Apex Court in various judicial pronouncements, PVC Raincoats would be classified under Chapter 6201 and Chapter 6202 as the same is the nature of articles, which are worn over all other clothing for protection against the weather.

2.22 Rationale IV – The PVC Raincoats cannot fall under Chapter 39 (Plastic and Articles Thereof) in as much as PVC Raincoats being in the nature of Textile and Textile Articles thereof is squarely covered under specific Chapter 62

2.23 We are sceptical that the department may seek to classify PVC Raincoats under Chapter 39 being “PLASTICS AND ARTICLES THEREOF” leviable to GST at 18% instead of Chapter 62. In this regard, it is most humbly submitted that PVC Raincoats cannot fall under Chapter 39 (Plastic and Articles Thereof) for the reasons stated here-in-below for ease of reference.

2.24 In terms with submission made in Para 4.0 here-in-above, **it can be observed that the PVC Raincoats would fall within Section XI (textiles and textile articles), whereas Note 2 of the Chapter Notes to Chapter 39 does not cover “goods of Section XI (textiles and textiles articles)”**. It is most humbly submitted that the fact that the raincoat is made of PVC does not render it to be considered as article of plastic and thus classifying PVC raincoat under Chapter 39 is not appropriate.

2.25 It is further most humbly submitted that there is no entry under Chapter 39 (Plastic and Articles Thereof) to classify PVC Raincoats and that the revenue may endeavour to classify the same under Residual Entry. It is a settled position of law that Resort to Residual Entry cannot be opted by the Department without proper legal deliberation and/or interpretation The Hon'ble Supreme Court in the case of **Bharat Forge & Press Industries (P) Ltd. v. Collector of C. Ex. [1990 (45) E.L.T. 525 (S.C.)]** has dealt with the criteria for classification of goods under residuary Entry. The Hon'ble Supreme Court held that –

“The question before us is whether the Department is right in claiming that the items in question are dutiable under tariff entry No. 68. **This, as mentioned already, is the residuary entry and only such goods as cannot be brought under the various specific entries in the tariff should be attempted to be brought under the residuary entry. In other words, unless the department can establish that the goods in question can by no conceivable process of reasoning be brought under any of the tariff items, resort cannot be had to the residuary item.**”

2.26 The said principles was affirmed by the Hon'ble Supreme Court in the following cases as well –

▪Commissioner of C. Ex., Bhubaneswar-I v. Champdany industries Ltd. [2009 (241) E.L.T. 481 (S.C.)]; and

▪State Of Karnataka v. Durga Projects Inc [2018 (10) G.S.T.L. 513 (S.C.)]

2.27 In view of aforesaid submission, it is most humbly submitted that The PVC Raincoats cannot fall under Chapter 39 (Plastic and Articles Thereof) under residual entry in as much as PVC Raincoats being in the nature of Textile and Textile Articles thereof is squarely covered under specific Chapter 62.`

Written Submission being filed pursuant to PH held on 18-02-2025

2.28 A PVC raincoat is a waterproof outer jacket made from **polyvinyl chloride** (PVC). The PVC raincoats are made from PVC rolls/sheets, wherein such sheets undergo panel cutting process, wherein the rolls/sheets are cut into smaller sheets for front and back portion, sleeves, pockets, etc. The PVC seams are welded with heat. Once all the material are permanently bounded the stitching of font zipper (made from polyester tape/ plastic teeth), draw cord (made from polyester), button (made from plastic or metal) or stopper (made from plastic) is carried out. The finished product is then sent for packing, and the final product is ready to be transferred to the ware house for dispatching the same to various distributors, retailers, wholesaler, etc.

2.29 In our view, the Raincoats made up of PVC Sheeting would fall under Chapter 62 [Schedule – I] of Notification no. 1/2017 dated – Central Tax (Rate), dated 28th June, 2017 taxable at GST of 5%, if the sales price is less than INR 1000/- per piece and 12%, if the sales price exceeds INR 1000/- per piece, however, our members are evasive of the fact that the Department may raise a dispute in the near future and endeavor to classify the Raincoats made up of PVC Sheeting under some other head, probably, under Chapter 39, wherein GST is applicable at 18%.

2.30 Chapter 62 being “ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED” specifically Raincoats, hence, Raincoats made up of PVC Sheeting should be specifically covered under Chapter 62 relying on settled law that the heading which provides the most specific description shall be preferred to headings providing a more general interpretation

At the outset, applicant would like to elucidate relevant extract of Chapter 6201 for your kind perusal -

6201		Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 6203
6201 20	-	Of wool or fine animal hair:
6201 20 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 30	-	Of cotton:
6201 30 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 40	-	Of man-made fibres
6201 40 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 90	-	Of other textile materials
6201 90 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles

Similar classification is applicable for Chapter 6202 being applicable to Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles.

2.31 From the aforesaid, it is evident that Chapter 6201 includes raincoats made of (a) wool or fine animal hair; (b) cotton; (c) **man-made fibres**; and (d) **other textile materials**. **Now the only issue under consideration is whether PVC Sheetings would fall under man-made fibres or other textile materials.**

2.32 It is important to understand the meaning of the term 'fibre', to conclude that the PVC raincoat is produced of man-made fibres or other textile materials or not. The term 'fibre', yet again, is not statutorily defined. However, from the extract of "Encyclopedia" of Textile Fibres and non-woven fabrics, reproduced here-in-below, **it is evident that textile fibres may be classified into two main categories i.e. naturally occurring fibres and manmade fibres and that man-made fibres includes fibres which are based on polyvinyl chloride i.e. PVC**

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Table 1. Classification of Textile Fibres

Naturally occurring fibres vegetable (based on cellulose), cotton, linen, hemp, jute, namianimal (based on proteins), wood, mohair, vicuna, other animal hairs, silk mineral, asbestos Man-made fibres based on natural organic polymers rayon, regenerated cellulose acetate, partially acetylated cellulose derivative azlon, regenerated protein based on synthetic organic polymers acrylic, based on polyacrylonitrile (also modacrylic) aramid, based on aromatic polyamides nylon, based on aliphatic polyamides olefin, based on polyolefins (polypropylene) polyester, based on polyester of an aromatic dicarboxylic and a dihydric alcohol spandex based on segmented polyurethane vinyon based on polyvinyl chloride based on inorganic substances glass metallic ceramic.

Please note that manmade fibres include fibres made from synthetic polymer which further includes polyvinyl derivatives. Further, polyvinyl derivatives include chloro-fibre, which are manufactured from PVC. Therefore, textile fibres include fibres of PVC.

2.33 Reliance is placed on the judgment of Hon'ble Supreme Court in case of Porritls & Spencer (Asia) Ltd. - 1983 (13) E.L.T. 1607 (S.C.). In that case, the Apex Court held that the word "textiles" was derived from the Latin "texere" which meant "to weave", and it meant any woven fabrics. It is further held that when yarn of any material and description was woven into fabrics, what came out into being was a "textile" and it was known as such. Phenomenal advancement in science and technology resulting in a large variety of fabrics manufactured from materials till then unknown or un-thought of and new techniques invented for making fabric out of yarn have also been taken into consideration by the Hon'ble Supreme Court while laying down the law that any woven fabrics were "textiles" irrespective of the materials used, technique of weaving adopted and the end-use of the product. further, it was held that, Plastic is a well-known textile material and various varieties of yarns and fabrics are produced out of plastic materials, namely, terelene, polyester, nylon, acrylic, texturized yarns, silicon yarns, etc.

2.34 Further, it is submitted that PVC Sheeting, commonly known as vinyl Sheeting, is shiny Sheeting made of the plastic polyvinyl chloride (PVC). The PVC is also called vinyl. Please note that in the case of India Waterproofing & Dyeing Works. v. Collector of Central Excise, Calcutta[1983 (13) E.L.T. 1144 (C.E.G.A.T.)][As approved by Supreme Court], the Hon'ble Tribunal held that raincoats are made from duty paid products/fabrics and are cut, tailored and stitched like any other garment to meet the requirement of ready-made wear and are available in the market in different sizes so that they can be made use of according to specific requirement of the buyer without any further changes. Accordingly, the Raincoats would fall within the definition of the word "ready to wear garments", which is further substantiated by

taking reference to Customs Cooperation Council Nomenclature (Explanatory Notes) wherein under the heading “garments” (Volume II), both with reference to men and boys wear as well as women and girls that raincoats have been enumerated, inter alia, as items constituting garments. The Supreme Court held that a reasonable approach has been adopted by the Tribunal in classifying raincoats and caps as articles of ready to wear apparel (known commercially as ready-made garments) and no interference with the classification is called for.

2.35 Further, please note that similar view was held Bengal Waterproof Limited v. Commissioner Of C. Ex., Kolkata-III [2007 (215) E.L.T. 200 (Tri. - Kolkata)]. Further, the Hon'ble CESTAT in the case of CCE, Kolkata-II v. Trimurti Water Proof (P) Ltd. had held that the goods i.e. "Raincoats" are made up of rubberized fabrics and are meant for wearing, and the same are nothing but articles of apparel. The Hon'ble West Bengal Commercial Taxes Appellate and Revisional Board in the case of Ambica Processing Industries v. A.C.C.T., Dharamtola Circle [Revision Case No. 186 of 1991-92] has held that a raincoat, which is a clothing through in many cases made of rubberized cloth, which covers the outer part of the body. It is, therefore, a garment. There is no dispute that raincoats are ready made articles and that the same are available in readymade form and are purchased as such off the peg and across the counter.

2.36 Further, please note that the term ‘man-made fibre’ has been defined in Collins dictionary as “**a type of fibre that is made artificially, such as polyester** or rayon, rather than occurring naturally, like cotton or wool”. Further, the term **polyester** has been defined in the Collins dictionary to mean ‘**a type of artificial cloth used especially to make clothes.**’ Further, another reference to the term man-made fiber or other textile materials can be obtained **from Chapter 54 of the Custom Tariff Act, 1975** which states as under –

Chapter No. 54

Man-made filaments

NOTES:

1. Throughout this Schedule, the term "man-made fibers" means staple fibers and filaments of organic polymers produced by manufacturing processes, either:

- (a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or **by chemical modification of polymers produced by this process (for example, poly (vinyl alcohol) prepared by the hydrolysis of poly(vinyl acetate))**; or*

.....

*The terms "man-made", "synthetic" and "artificial" shall have the same meaning when used in relation to **"textile materials"**.*

2.37 In view of aforesaid, polymers like polyester and polyvinyl will fall under the category of man-made fibers. Consequently, Applicants product (viz. PVC raincoat) will fall under the category of manmade fibers since the same is made up of Poly Vinyl Chloride (PVC). Further, please note that the "Textile Terms and Definitions Tenth Edition" published by the Textile Institute provide an entire flow chart of classification of textile fibers. From the flow chart, it is evident that textile fibers can be classified mainly into natural or manmade fibers. Further, manmade fibers include fibers made from synthetic polymer which further includes polyvinyl derivatives. Further, polyvinyl derivatives include chloro-fiber which are manufactured from PVC. Therefore, textile fibers include fibers of PVC.

2.38 In view of aforesaid submission, it is evident that PVC raincoat is produced of man-made fibres and that the same is also covered under other textile materials. Therefore, in our humble submission, the Raincoats made up of PVC Sheeting would fall under Chapter 62 [Schedule – I] of Notification no. 1/2017 dated – Central Tax (Rate), dated 28th June, 2017 taxable at GST of 5%, if the sales price is less than INR 1000/- per piece and 12%, if the sales price exceeds INR 1000/- per piece in as much as the **PVC raincoats are squarely covered being manufactured from 'man-made fibre' or 'other textile material'**.

2.39 Please note that the Authority for Advance Ruling, Madhya Pradesh in the case of Ms. NZ Seasonal Wear Private Limited in Case No. 05/2024 and vide **Order No. 06/2024 dated 07-08-2024** has dealt with the same issue of classification as well as GST Rate applicable on Raincoat made of PVC Sheetings, wherein the following ruling was delivered –

"Question: *What is the rate at which GST shall be levied on PVC Raincoats manufactured and sold by the Applicant and under which HSN code?*

Answer: *For the reasons stated above, classification of PVC raincoats manufactured by the applicant shall be under HSN 62014010 & 62024010 as the case may be, depending upon whether these are men's/boy's or women's/girls' raincoats. Regarding the rate of GST on PVC Raincoats, as per Entry No. 223 of Schedule I to Notification No. 1/2017 - Central Tax (Rate), the rate of GST is 2.5% COST and 2.5% SGST in case of Articles of apparel (PVC Raincoats) of sale value not exceeding Rs. 1000 per piece and as per Entry No. 170 of Schedule II to Notification No. 1/2017 - Central Tax (Rate), the rate of GST is 6% CGST and 6% SGST in case of Articles of apparel(PVC Raincoats)of sale value exceeding Rs. 1000 per piece."*

2.40 Similarly, the Customs Authority for Advance Ruling, Mumbai, vide Judgment bearing No. CAAR/Mum/ARC/21/2024 dated 16-02-2024 passed in Advance Ruling Application No. CAAR/CUS/APPL/55/2023-O/o Commr-CAAR- MUMBAI in the case of Ms. NZ Seasonal Wear Private Limited by Customs Authority for Advance Ruling held that 'PVC raincoats merit classification under CTH 6201 and more specifically under CTH 62014010 of the first schedule of the Customs Tariff Act, 1975.

2.41 In view of aforesaid submission, it is evident that Raincoats made up of PVC Sheeting would fall under Chapter 62 [Schedule – I] of Notification no. 1/2017 dated – Central Tax (Rate), dated 28th June, 2017 taxable at GST of 5%, if the sales price is less than INR 1000/- per piece and 12%, if the sales price exceeds INR 1000/- per piece

2.42 Chapter 6201 and Chapter 6202 specifically covers raincoats, and it is as settled position of law that in terms with Rule 3(a) of General Rules of Interpretation of the Custom Tariff Act, 1975, that the heading which provides the most specific description shall be preferred to headings providing a more general interpretation

2.43 It is most humbly submitted that Chapter 6201 and Chapter 6202 specifically covers raincoats within its ambit. Please note that Rule 3(a) of General Rules for the Interpretation of The Harmonized System [here-in-after referred to as 'GIR'], would be applicable in the interest case, which is elucidated here-in-below for ease of reference –

“The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.”

2.44 On perusal of relevant extract of Chapter 6201, as cited here-in-above in Para No. 4.1, it is evident that **raincoats are categorically included in Chapter 6201 and Chapter 6202**. Hence, in our humble view that PVC Raincoats would be classifiable under Chapter 62014010 (for Men's or boys' raincoats) or Chapter 62024010 (for Women's or girls' raincoats).

2.45 On Plain Reading of HSN Explanatory Notes, it is evident that Chapter 6201 and Chapter 6202 includes garments for men/boys or women/girls, characteristics by the fact that they are generally worn over all other clothing for protection against the weather, which would include PVC Raincoats by virtue of functionality test

2.46 From perusal of items classified under Chapter 6201 and Chapter 6202, it is evident that items such as Overcoats, raincoats, car-coats, capes, cloaks and similar articles are generally worn over all other clothing for protection against the weather. Kindly note that by virtue of functionality test, **it is a settled position of that the functional utility and predominant usage of the commodity must be taken into account apart from the understanding in common parlance to determine the correct classification of the product.** Reliance is placed on the judgment of Hon'ble Supreme Court passed in the case of **Commissioner of Central Excise v. Wockhardt Life Sciences Ltd. reported in 2012 (277) E.L.T. 299 (SC)** in this regard.

2.47 The Common Parlance Test is the most common test used for classification of goods for levy of tax, which has been commonly referred to by the Courts in their judgements. While analysing classification of goods for the purpose of levy of tax, some of the questions and factors which come into the mind are as follows: a) Common Man's perception about the Commodity; b) Functions or use for which the goods are being put to use; c) Test most commonly used for the classification of goods; d) Functional Test Vs Common Parlance Test; e) Dictionary Meaning or f) Technical or Scientific Meaning.

2.48 The Hon'ble Apex Court in the matter of **Porritts & Spencer (Asia) Ltd. A vs State Of Haryana on 6 September, 1978 Equivalent citations: 1979 AIR 300, 1979 SCR (1) 545** summarized the situation as follows:

"Where a word has a scientific or technical meaning and also an ordinary meaning according to common parlance, it is in the latter sense that in a taxing statute the word must be held to have been used, unless contrary intention is clearly expressed by the Legislature. The reason is that as pointed out by Story, J., in 200 Chest. (of Tea (supra), the Legislature does "not suppose our merchants to be naturalists, or geologists, or botanists"

2.49 The judgement of the Hon'ble Apex Court provides that legislature also understands that the classification of the goods has to be made by a common man and not by a scientist, botanist or a geologist. The Hon'ble Apex Court in the matter of **Atul Glass Industries (Pvt) Ltd. vs Collector Of Central Excise, Etc on 10 July, 1986 Equivalent citations: 1986 AIR 1730, 1986 SCR (3) 126** has held that **it is a matter of common experience that the identity**

of an article is associated with its primary function. It is only logical that it should be so. When a consumer buys an article, he buys it because it performs a specific function for him. There is a mental association in the mind of the consumer between the article and the need it supplies in his life. It is the functional character of the article which identified it in his mind.

2.50 In view of the principle of Common Parlance Test as well as functionality test as laid by Apex Court in various judicial pronouncements, PVC Raincoats would be classified under Chapter 6201 and Chapter 6202 as the same is the nature of articles, which are worn over all other clothing for protection against the weather.

2.51 The PVC Raincoats cannot fall under Chapter 39 (Plastic and Articles Thereof) in as much as PVC Raincoats being in the nature of Textile and Textile Articles thereof is squarely covered under specific Chapter 62 and also specifically excluded from Chapter 39

2.52 We are skeptical that the department may seek to classify PVC Raincoats under Chapter 39 being "PLASTICS AND ARTICLES THEREOF" leviable to GST at 18% instead of Chapter 62. In this regard, it is most humbly submitted that PVC Raincoats cannot fall under Chapter 39 (Plastic and Articles Thereof) for the reasons stated here-in-below for ease of reference.

2.53 In terms with submission made in here-in-above, **it can be observed that the PVC Raincoats would fall within Section XI (textiles and textile articles), whereas Note 2 of the Chapter Notes to Chapter 39 does not cover "goods of Section XI (textiles and textiles articles)". It is most humbly submitted that the fact that the raincoat is made of PVC does not render it to be considered as article of plastic and thus classifying PVC raincoat under Chapter 39 is not appropriate.**

2.54 Further, please note that Chapter Heading No. 3926 20 contains Articles of apparel and clothing accessories (including gloves, mittens and mitts), which includes Gloves, Aprons, Plastic stickers for garments, Collar stays, patties, butterfly, shoulder-pads & other stays and Others being items of polyurethane foam and Other (Residuary Head) being 3926 20 99.

2.55 **It is further most humbly submitted that there is no entry under Chapter 39 (Plastic and Articles Thereof) to classify PVC Raincoats and that the revenue may endeavour to classify the same under Residual Entry.** It is a settled position of law that Resort to Residual Entry cannot be opted by the Department without proper legal deliberation and/or interpretation The Hon'ble Supreme Court in the case of **Bharat Forge & Press Industries (P) Ltd. v.**

Collector of C. Ex. [1990 (45) E.L.T. 525 (S.C.)] has dealt with the criteria for classification of goods under residuary Entry. The Hon'ble Supreme Court held that –

“The question before us is whether the Department is right in claiming that the items in question are dutiable under tariff entry No. 68. **This, as mentioned already, is the residuary entry and only such goods as cannot be brought under the various specific entries in the tariff should be attempted to be brought under the residuary entry. In other words, unless the department can establish that the goods in question can by no conceivable process of reasoning be brought under any of the tariff items, resort cannot be had to the residuary item.**”

2.56 The said principles was affirmed by the Hon'ble Supreme Court in the following cases as well –

▪ **Commissioner of C. Ex., Bhubaneswar-I v. Champdany industries Ltd. [2009 (241) E.L.T. 481 (S.C.)]**; and

▪ **State Of Karnataka v. Durga Projects Inc [2018 (10) G.S.T.L. 513 (S.C.)]**

2.57 In view of aforesaid submission, it is most humbly submitted that The PVC Raincoats cannot fall under Chapter 39 (Plastic and Articles Thereof) under residual entry in as much as PVC Raincoats being in the nature of Textile and Textile Articles thereof is squarely covered under specific Chapter 62.

Submission being filed pursuant to final hearing held on 05-05-2025

2.58 During the personal hearing held on 05-05-2025, the recent advance ruling passed by this Authority of Advance Ruling in the case of Ms. Aristocrat Industries Private Limited [WBAAR 24 of 2024] & 2 others were discussed, wherein the Authority vide **Order dated 27-02-2025** has held that supply of PVC raincoat would be covered under Heading 3926 and would attract tax @ 18% vide entry no. 111 of Schedule –III of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 [corresponding West Bengal State Notification No.1125 F.T. dated 28.06.2017], as amended.

In this regard, as appraised during the course of hearing held on 05-05-2025 as well, the captioned order passed in the case of Ms. Aristocrat Industries Private Limited [WBAAR 24 of 2024] & 2 others has not considered two critical submissions, which we contemplate, had these submissions were considered, the order could have been different. We are summarizing here-in-below the submissions in subsequent paragraphs for your kind perusal.

Order No. 06/2024 dated 07-08-2024 passed by the Authority for Advance Ruling, Madhya Pradesh in the case of Ms. NZ Seasonal Wear Private Limited in Case No. 05/2024

Kindly note that the Authority for Advance Ruling, Madhya Pradesh has dealt with the same issue of classification as well as GST Rate applicable on Raincoat made of PVC Sheetings, wherein it has been observed that **manmade fibres** means staple fibres & filaments of organic polymers produced by manufacturing process either "by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or by chemical modification of polymers produced by this process (for example, poly (vinyl alcohol) prepared by the hydrolysis of poly (vinyl acetate). Hence, it stands to reason that polyvinyl chloride is included in the definition of manmade fibres, on the same lines as poly(vinyl alcohol) or poly(vinyl acetate).

Hence, raincoats made out of polyvinyl chloride (PVC sheets/rolls) which is a manmade fibre are classifiable under CTH 6201 & 6202 as the case may be, as discussed above.

Based on the captioned finding, the following ruling was delivered –

“Question: What is the rate at which GST shall be levied on PVC Raincoats manufactured and sold by the Applicant and under which HSN code?”

Answer: For the reasons stated above, classification of PVC raincoats manufactured by the applicant shall be under HSN 62014010 & 62024010 as the case may be, depending upon whether these are men's/boy's or women's/girls' raincoats. Regarding the rate of GST on PVC Raincoats, as per Entry No. 223 of Schedule I to Notification No. 1/2017 - Central Tax (Rate), the rate of GST is 2.5% COST and 2.5% SGST in case of Articles of apparel (PVC Raincoats) of sale value not exceeding Rs. 1000 per piece and as per Entry No. 170 of Schedule II to Notification No. 1/2017 - Central Tax (Rate), the rate of GST is 6% CGST and 6% SGST in case of Articles of apparel(PVC Raincoats)of sale value exceeding Rs. 1000 per piece.”

The Advance Ruling Order dated 27-02-2025 passed in the case of Ms. Aristocrat Industries Private Limited [WBAAR 24 of 2024] & 2 others has not considered the aspect that raincoats made out of polyvinyl chloride (PVC sheets/rolls) is a mad-made fibre duly covered under Chapter 6201 & 6202 –

At the outset, we would like to elucidate relevant extract of Chapter 6201 for your kind perusal -

6201		Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-
------	--	-----------------------------------------------------------------------------------------------------------

		jackets and similar articles, other than those of heading 6203
6201 20	-	Of wool or fine animal hair:
6201 20 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 30	-	Of cotton:
6201 30 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 40	-	Of man-made fibres
6201 40 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
6201 90	-	Of other textile materials
6201 90 10	---	Overcoats, raincoats, car-coats, capes, cloaks and similar articles

Similar classification is applicable for Chapter 6202 being applicable to Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles.

From the aforesaid, it is evident that Chapter 6201 includes raincoats made of (a) wool or fine animal hair; (b) cotton; (c) **man-made fibres**; and (d) other textile materials.

It is evident that textile fibres may be classified into two main categories i.e. naturally occurring fibres and manmade fibres and that man-made fibres includes fibres which are based on polyvinyl chloride i.e. PVC –

Table 1. Classification of Textile Fibres

Naturally occurring fibres vegetable (based on cellulose), cotton, linen, hemp, jute, namieanimal (based on proteins), wood, mohair, vicuna, other animal hairs, silk mineral, asbestos Man-made fibres based on natural organic polymers rayon, regenerated cellulose acelate, partially acetylated cellulose derivative azlon, regenerated protein based on synthetic organic polymers acrylic, based on polyacrylonitrile (also modacrylic) aramid, based on aromatic polyamides nylon, based on aliphatic polyamides olefin, based on polyolefins (polypropylene) polyester, based on polyester of an aromatic dicarboxylic and a dihydric alcohol spandex based on segmented polyurethane vinyon based on polyvinyl chloride based on inorganic substances glass metallic ceramic.

Please note that manmade fibres include fibres made from synthetic polymer which further includes polyvinyl derivatives. Further, polyvinyl derivatives include chloro-fibre, which are manufactured from PVC. Therefore, textile fibres include fibres of PVC.

Further, please note that the term 'man-made fibre' has been defined in Collins dictionary as "**a type of fibre that is made artificially, such as polyester** or rayon, rather than occurring naturally, like cotton or wool". Further, the term **polyester** has been defined in the Collins dictionary to mean '**a type of artificial cloth used especially to make clothes.**' Further, another reference to the term man-made fiber or other textile materials can be obtained **from Chapter 54 of the Custom Tariff Act, 1975** which states as under –

Chapter No. 54

Man-made filaments

NOTES:

1. Throughout this Schedule, the term "man-made fibers" means staple fibers and filaments of organic polymers produced by manufacturing processes, either:

- (a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or **by chemical modification of polymers produced by this process (for example, poly(vinyl alcohol) prepared by the hydrolysis of poly(vinyl acetate));** or

.....

The terms "man-made", "synthetic" and "artificial" shall have the same meaning when used in relation to **"textile materials"**.

In view of aforesaid, polymers like polyester and polyvinyl will fall under the category of man-made fibers. Consequently, Applicants product (viz. PVC raincoat) will fall under the category of manmade fibers since the same is made up of Poly Vinyl Chloride (PVC). Further, please note that the "Textile Terms and Definitions Tenth Edition" published by the Textile Institute provide an entire flow chart of classification of textile fibers. From the flow chart, it is evident that textile fibers can be classified mainly into natural or manmade fibers. Further, manmade fibers include fibers made from synthetic polymer which further includes polyvinyl derivatives. Further, polyvinyl derivatives include chloro-fiber which are manufactured from PVC. Therefore, textile fibers include fibers of PVC.

In view of aforesaid submission, it is evident that PVC raincoat is produced of man-made fibres. Therefore, in our humble submission, the Raincoats made up of PVC Sheeting would fall under Chapter 62 [Schedule – I] of Notification no. 1/2017 dated – Central Tax (Rate), dated 28th June, 2017 taxable at GST of 5%, if the sales price is less than INR 1000/- per piece and 12%,

if the sales price exceeds INR 1000/- per piece in as much as the **PVC raincoats are squarely covered being manufactured from 'man-made fibre'**.

In view of aforesaid submission, we request to the Authority to kindly pass an order classifying 'Rain Coat made of 'PVC Sheetings' under Chapter 62014010 (for Men's or boys' raincoats) or Chapter 62024010 (for Women's or girls' raincoats) and GST rate should be made applicable accordingly.

2.59 The applicant submits certificate bearing Ref. No. KFlex/25-26/76 dated 14-07-2025 issued by Mr. Sanjay Gupta, B.Tech (Chemical Technology) on chemical constitution/ composition of Polyvinyl Chloride (PVC), which is used in manufacturing of Raincoat.

3. Submission of the Revenue

3.1 The applicant is an unregistered person. Therefore, opinion of the jurisdictional officer is not available in the instant case.

4. Observations & Findings of the Authority

4.1 We have gone through the records of the issue as well as submissions made by the authorized representatives of the applicant during personal hearing.

4.2 A certified copy of the extract from the minutes of a meeting of the applicant on 19.10.2024 has been placed on records. It transpires from the extract that the applicant being a trade body is likely to procure the excessive stock of waterproof products from its constituent members and supply them to other members as well as to other business entities at a minimal profit. Under this circumstance the applicant has filed an application for advance ruling on classification and rate of tax of 'Rain coat made of PVC sheetings'.

4.3 As per the statement of the applicant, the application for advance ruling has been filed for obtaining clarity on applicability of HSN and GST rates on Raincoats made of PVC sheetings. A PVC raincoat, according to the applicant, is a waterproof outer jacket made from Polyvinyl Chloride (PVC). The PVC raincoats are made from PVC rolls/ sheets, wherein such sheets undergo panel cutting process (the rolls/ sheets are cut into smaller sheets for front and back portion, sleeves, pockets etc.). The PVC seams are welded with heat. Once all the materials are permanently bound, the stitching of front zipper (made from polyester tape/ plastic teeth), draw cord (made from polyester), button (made from plastic or metal) or stopper (made from plastic) is carried out. The finished product is then sent for packing and the final product is ready to be transferred to the warehouse for dispatching the same to various distributors, retailers, wholesalers etc.

4.4 The applicant's interpretations of law and/or facts are as under:

- The Raincoats made from PVC sheet will fall under Chapter 62 included in Notification no. 1/2017- Central Tax (Rate) dt. 28.06.2017 and is taxable @5% if the sales price is less than Rs. 1,000/- per piece (vide serial no. 223 of Schedule I) and 12% if the sales price exceeds Rs. 1,000/- per piece (vide serial no. 170 of Schedule II).

- The applicant states that classification question rests on the interpretative provisions of the Customs Tariff Act, 1975, along with the explanatory notes and provisions under CGST Notification 01/2017– Central Tax (Rate). Explanations (iii) and (iv) in this notification establish that the Customs Tariff's section notes, chapter notes, and interpretative guidelines are binding for determining GST classifications. The applicant contends that, based on the specific construction and functional characteristics of PVC raincoats, classification under HSN Code 6201 as an article of apparel is the most appropriate one.

- The applicant has also relied on the ruling of the Madhya Pradesh Authority for Advance Ruling in the case of NZ Seasonal Wear Private Limited vide order dtd. 07.08.2024 where the said authority in their ruling pronounced that classification of PVC raincoats falls under HSN 6201 4010 & 6202 4010, as the case may be, depending upon whether these are men's / boy's or women's / girl's raincoats. The GST rate is 5% (CGST+SGST) where sale value of such raincoat does not exceed Rs.1,000/- per piece otherwise it attracts GST @12% (CGST+SGST).

- The applicant in his written submission and in submission at the time of personal hearing has pointed out that PVC raincoat should be covered under the specific entry of 'raincoats of man-made fibres' under Chapter 62 (Articles of Apparel and Clothing accessories, not knitted or crocheted) of the Customs Tariff Act, 1975.

- The applicant believes that textile fibres may be classified into two main categories i.e. naturally occurring fibres and man-made fibres. Man-made fibres includes fibres which are based on polyvinyl chloride i.e. PVC.

The "Textile Terms and Definitions Tenth Edition" published by the textile institute has an entire flow chart of classification of textile fibres from where it is evident that textile fibres can be classified mainly into natural or manmade fibres. Further, manmade fibres include fibres made from synthetic polymer which further include polyvinyl derivatives. Further, polyvinyl derivatives include chloro-fibre, which are manufactured from PVC. Therefore, textile fibres include fibres of PVC.

- In support of his contentions the applicant has referred to Chapter 54 of the Customs Tariff Act, 1975 where the term 'man-made fibre' has been defined. Chapter Note 1 of the Customs Tariff Act, 1975 reads like the following:

Throughout this Schedule, the term 'man made fibres' means staple fibres and filaments of organic polymers produced by manufacturing processes either:

(a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or by chemical modification of polymers produced by

this process (for example, poly(vinyl alcohol) prepared by the hydrolysis of poly(vinyl acetate));
or

(b) by dissolution or chemical treatment of natural organic polymers (for example, cellulose) to produce polymers such as cuprammonium rayon (cupro) or viscose rayon, or by chemical modification of natural organic polymers (for example, cellulose, casein and other proteins, or alginic acid), to produce polymers such as cellulose acetate or alginates.

- The applicant argues that man-made fibres which are based on PVC would be classifiable under chapter 6201 which he has already mentioned. Therefore, It can be observed that the PVC Raincoats would fall within Section XI (textiles and textile articles), whereas Note 2 of the Chapter Notes to Chapter 39 does not cover- goods of Section XI (textiles and textiles articles”. Thus the raincoat made of PVC does not render it to be considered as article of plastic and thus classifying PVC raincoat under Chapter 39 is not appropriate.

4.5 Before going into the details of the discussion and the findings, we should know the process of manufacture of PVC raincoats. The manufacturing process undergoes the following steps:

1. Design and Fabric Selection:

The process begins with creating a design for the raincoat, considering factors like waterproofing, breathability, durability, and cost. In this respect PVC is a common choice for its waterproof properties and cost-effectiveness.

2. Cutting:

Once the design is finalized, the PVC fabric is cut into the required pieces using cutting machines, often with blades that guide the fabric.

3. Sealing/Welding:

The cut pieces are then joined together. This can be done using heat-sealing machines or radio frequency welding, where high-frequency waves pass through the material to create a sealed seam.

4. Seaming (Optional):

In some cases, the PVC pieces are also sewn together using industrial sewing machines, especially for areas like collars, pockets, or zippers.

5. Waterproofing and Sealing:

To enhance waterproofness, seams and edges are sealed using heat-sealing or waterproof tapes.

6. Quality Control:

Throughout the process, quality control measures are implemented to ensure the raincoats meet the desired standards.

7. Finishing and Packaging:

After quality checks, the raincoats undergo finishing processes like folding and packaging before being prepared for distribution.

4.6 Now we should look into the details of the relevant entries in Chapter 62 of the Customs Tariff Act, 1975 as referred by the applicant. This Chapter is included in Section XI and the Chapter deals with articles of apparel and clothing accessories, not knitted or crocheted. The relevant entries of Chapter 62 are reproduced as under:

Tariff Item	Description
6201	MEN'S OR BOYS' OVERCOATS, CARCOATS, CAPES, CLOAKS, ANORAKS (INCLUDING SKIJACKETS), WINDCHEATERS, WIND-JACKETS AND SIMILAR ARTICLES, OTHER THAN THOSE OF HEADING 6203 Overcoats, raincoats, car-coats, capes, cloaks and similar articles
620120	Of wool or fine animal hair
62012010	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
62012090	Other
620130	Of Cotton:
62013010	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
62013090	Other
620140	Of man-made fibres:
62014010	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
62014090	Other
620190	Of other textile materials:
62019010	Overcoats, raincoats, car-coats, capes, cloaks and similar articles
62019090	Other

The similar entries are to be found under HSN 6202 in respect of women or girls. To avoid repetition the said table is not reproduced here.

4.7 Chapter 62 of the Customs Tariff Act, 1975 is included in Section XI of the said act and the section deals with 'Textiles and Textile Articles'. Therefore PVC raincoat must have to be textile articles for inclusion into Section XI or for that matter to be categorized under tariff item no. 6201.

In order to understand whether PVC raincoats will come under 'Textiles and Textile Articles' we have to discuss the process of preparation of PVC sheet which is the basic raw materials for PVC raincoats. The process is as under:

Polymerization

The first step to manufacture PVC sheet begins with polymerization. In this stage, the vinyl chloride monomers (VCM) undergoes a process called polymerization, where multiple VCM molecules link together to form polymer chains. This process is typically achieved through either suspension polymerization (a process that uses mechanical agitation to mix a monomer or mixture of monomers in a liquid phase, such as water, while the monomers polymerize, forming spheres of polymer) or emulsion polymerization (a process where monomers are dispersed in an aqueous solution, forming an emulsion, and then polymerized. This process is characterized by the use of surfactants to stabilize the monomer droplets in water and by the formation of polymer particles with controlled sizes. It is a versatile method for producing various polymers, including synthetic rubbers and plastics).

Production of PVC Resin

After the polymerization process, PVC resin is produced. This resin is in the form of small particles, often referred to as PVC resin granules. These granules serve as the base material for the PVC sheet.

Compounding

In this process PVC resin is mixed with various additives to improve its properties. Plasticizers (e.g. Phthalates, DOTP), stabilizers (e.g. Lead, Calcium-Zinc), fillers (e.g. Calcium Carbonate, Talc), lubricants (e.g. Stearic Acid, Paraffin Wax) and pigments are precisely measured and blended with the PVC resin to create a homogenous mixture. This process is necessary to enhance the flexibility, thermal and UV resistance, strength of the product and for smooth processing as well. Colour pigments are added to get the desired colour of the product.

Extrusion

Now the PVC compound is fed into an extruder. It is a machine that melts the mixture to form a uniform molten mass. The molten PVC is then forced through a die, which imparts the desired shape and thickness to the sheet. The extrusion process can be either calendaring or flat-die extrusion, depending on the type of sheet being manufactured.

Cooling and Sizing

Then the freshly formed PVC sheet needs cooling to solidify its shape and size. Proper cooling is essential to prevent warping or deformities in the final product. The sheet is then trimmed and cut to the required dimensions.

In the Standard terminology related to textiles published by American Society for Testing and Materials (in short ASTM) International the term 'textiles' is defined as 'originally a woven fabric, now generally applied to: (1) staple fibers and filaments suitable for conversion to or use as yarns, or for the preparation of nonwoven fabrics, (2) yarns made from natural or manufactured fibers, (3) fabrics and other manufactured products made from fibers as defined above, and

from yarns, and (4) garments and other articles fabricated wholly from one or more of the above elements, and articles made principally from the above when the products retain the characteristic flexibility and drape of the original fabrics’.

In view of the above, we are not inclined to accept PVC sheet as textiles since no fibre or filament or yarns whatsoever is formed during the process of manufacture of PVC sheet. So any article made of PVC sheet cannot be textile article. There is hardly any scope that PVC raincoat will be included in Section XI of the Customs Tariff Act, 1975.

4.8 From the table presented in paragraph 4.6 it is evident that four kinds of raincoats have been referred to there.

1. Raincoats made of wool or fine animal hair (62012010)
2. Raincoats made of cotton (62013010)
3. Raincoats made of man-made fibres (62014010)
4. Raincoats made of other textile materials (62019010)

PVC raincoats are certainly not made of wool or fine animal hair or cotton. So it does not qualify for inclusion into either heading no. 62012010 or heading no. 62013010. It is not made of other textile materials as per discussion made in Paragraph no. 4.7. So heading no. 62019010 is not applicable for PVC raincoat.

4.9 Now the only point remains to be considered is whether PVC raincoat comes under the category of Raincoats made of man-made fibres. In other words, is PVC included in man-made fibres?

The applicant has furnished, on the direction of this authority, a technical write-up from an expert in this respect. The write up that has been produced before us is actually a brief description of chemical constitution / composition of PVC sheeting, which is used as the basic raw material for manufacturing of raincoat.

According to the said write up, PVC is made through polymerization of vinyl chloride monomers which is an organic monomer. This process involves joining many vinyl chloride molecules together in a chain reaction, forming a long polymer chain. After the reaction, excess monomer is removed and the polymer is separated by centrifuging and drying. It is stated that PVC fibre is a synthetic fibre spun from PVC resin, which is self-extinguishing.

It is also stated that a blend is prepared which comprises of PVC resin (the base polymer), plasticizers (like DOP or DOTP), heat stabilizers (like calcium-zinc or barium-zinc), lubricants, fillers (like calcium carbonate), processing aids and colorants if required.

This blend is first heated and fused into a homogeneous mass. Then it is passed through a series of heated rollers in the calendaring machine where it is flattened into thin sheets or films of PVC.

4.10 From the study of the technical write up provided by the applicant it appears that in the entire process of manufacture of PVC sheet as above there is no intermediate stage where any kind of fibre or filament is formed. Rather it is PVC resin which is formed from PVC polymer. This resin is usually found in powder like form. This powder like substance mixed with other substances like plasticizers, heat stabilizers, lubricants, fillers and colorants (if required) is heated and fused into a homogeneous mass. This mass is passed through a series of heated rollers in the calendaring machine where it is flattened into thin sheets or films. So neither any fibre nor any filament is formed in this entire process of preparing PVC sheet.

Note 1 to Chapter 54 of the Customs Tariff Act, 1975 which the applicant has referred to for definition of man-made fibre has clearly described the term 'man made fibres' as staple fibres and filaments of organic polymers. Undoubtedly PVC is an organic polymer. But in the production process of PVC sheet from which PVC raincoat is made no fibre or filament is formed at any stage. This clearly disqualifies PVC as man-made fibre as defined in the aforementioned chapter of the Customs Tariff Act, 1975.

So we are of the considered view that PVC raincoat will not come under Chapter 62 of Section XI of the Customs Tariff Act, 1975.

4.11 The basic raw material for plastic raincoat is Poly Vinyl Chloride (PVC) sheet. Since PVC is a synthetic plastic polymer we should refer to Chapter 39 of Section VII of the Customs Tariff Act, 1975. This section refers to 'Plastics and articles thereof; Rubber and articles thereof'. From the Notes of Chapter 39 it appears that the chapter does not include goods of Section XI (textiles and textile articles). In other words, Chapter 39 and Section XI (of which Chapter 62 is a part) are mutually exclusive.

The Notes of Chapter 39 specifically states that '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'. So far as the manufacturing process of PVC sheet is concerned as discussed earlier it qualifies as plastic in the above definition.

Again Heading no. 3926 of Chapter 39 refers to 'Other articles of plastics and articles of other materials of headings 3901 to 3914'. Polymers of Vinyl Chloride is specifically included in heading no. 3904. Sub-heading no. 392620 refers to Articles of apparel and clothing accessories (including gloves, mittens and mitts).

4.12 Now the question is whether PVC raincoat can be considered as apparel. The Cambridge Dictionary has defined apparel as clothes of a particular type when they are being sold in a shop. The same definition is provided in the Oxford Dictionary. The Merriam-Webster Dictionary

has defined apparel as covering for the human body. Dictionary.com defines apparel as

1. Clothing especially outerwear; garments; attire; raiment and
2. Anything that decorates or covers.

PVC raincoat fits into all the definitions. So we accept PVC raincoat as an apparel.

4.13 It is interesting and not at all out of the context to mention that The Explanatory Notes to Chapter 39 pertaining to “Plastics and articles thereof” of the Harmonized Commodity Description and Coding System (Seventh Edition, 2022), Volume 2, Sections VI-VIII Chapters 29-43 published by the World Customs Organisation has specified that ‘Other articles of plastics and articles of other materials of headings 39.01 to 39.14’ under HSN: 39.26 comprise of the following:

3926.10 – Office or school supplies

3926.20 – Articles of apparel and clothing accessories (including gloves, mittens and mitts)

3926.30 – Fittings for furniture, coachwork or the like

3926.40 – Statuettes and other ornamental articles

3926.90 – Other

The said Explanatory Note also specifies that the aforesaid heading covers articles including

- (1) Articles of apparel and clothing accessories (other than toys) made by **sewing or sealing sheets of plastics** e.g., aprons, belts, babies’ bibs, **raincoats**, dress shields, etc. **Detachable plastic hoods remain classified in this heading if presented with the plastic raincoats to which they belong.** [emphasis added]

The persuasive value of HSN Explanatory Notes in classification matters have been repeatedly upheld by the Honourable Supreme Court of India in various decisions. In the judgment dated 07.02.2008 in the matter of *the Commissioner of Customs and Central Excise, Goa vs. Phil Corporation in Civil Appeal number 2215 of 2002*, the Honourable Apex Court held that:

“28. We have heard the learned counsel for the parties at length and carefully analysed the judgments cited at the Bar. The Central Excise Tariff Act is broadly based on the system of classification from the International Convention called the Brussels’ Convention on the Harmonised Commodity Description and Coding System (Harmonised System of Nomenclature) with necessary modifications. HSN contains a list of all the possible goods that are traded (including animals, human hair etc.) and as such the mention of an item has got nothing to do whether it is manufactured and taxable or not.

29. In a number of cases, this court has clearly enunciated that the HSN is a safe guide for the purpose of deciding issues of classification. In the present case, the HSN explanatory notes to Chapter 20 categorically state that the products in question are so included in Chapter 20. The HSN explanatory notes to Chapter 20

also categorically state that its products are excluded from Chapter 8 as they fall in Chapter 20. In this view of the matter, the classification of the products in question have to be made under Chapter 20.”
[emphasis supplied]

In the case of Commissioner of Central Excise vs. M/s. Madhan Agro Industries (I) Pvt Ltd.[Neutral Citation: 2018 INSC 333], the Honourable Supreme Court has again held that

“12. [...] The Harmonised System of Nomenclature(HSN) and the Chapter Notes and Explanatory Notes thereto, on which the Tariff Act has been remodelled by the Amendment, has been repeatedly acknowledged by this Court to be a safe guide for resolution of disputes with regard to classification under the Tariff Act.[...]”

The above two judgments and a plethora of other decisions make it clear that once there is clear guidance to be found in HSN/Explanatory Notes, there is no further room for interpretation and that the determination so reached is to be accepted, unless there is some explicit provision in the Indian Tariff, which is contrary to the guidance provided by the HSN/Explanatory Notes.

In the instant case, there is a clear inclusion of raincoats made of sealing/sewing sheets of plastic in the Explanatory Notes to Chapter 39, which leaves no room for any doubt that the items in question are to be classified there appropriately.

4.14 Further, the same matter has been raised as a question in cases involving Aristocrat Industries Limited and Dollar Industries Limited before this authority earlier. The WBAAR has observed in all the referred cases that ‘the item (PVC raincoat) being an apparel, which is primarily composed of polyvinyl chloride (PVC), would be classified under HSN 3926 20 as Articles of apparel and clothing accessories (including gloves, mittens and mitts)’. All the cases have been referred to the WBAAAR. The appellate authority has upheld the ruling of this authority.

4.15 Once PVC raincoat is accepted as an article of apparel, it is beyond any doubt that it will be included under heading no. 392620 and not under heading no. 620140. There is no way that PVC Raincoats under sub-heading no. 392620 can be included under sub-heading no. 620140 since they are mutually exclusive. As such it will be taxable under entry no. 111 of Schedule III vide Notification No. 01/2017 – Central Tax (Rate) dated 28.06.2017, as amended.

In view of the foregoing discussion, we rule as under:

RULING

Question: What is the HSN code as well as GST Rate of tax of Raincoat made of PVC sheet under the GST Act?

Answer: The HSN code for raincoat made of PVC sheet is 392620.

The GST tax rate on supply of PVC raincoat will be covered by Entry no. 111 of Schedule III and tax rate will be 9% CGST + 9% SGST.

Sd/-

Sd/-

(SHAFEEQ S)

(JAYDIP KUMAR CHAKRABARTI)

Member

Member

West Bengal Authority for Advance Ruling

West Bengal Authority for Advance Ruling

Place: Kolkata

Date: 22nd August, 2025

To,

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TRADERS WELFARE ASSOCIATION

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Copy to,

(1)The Principal Chief Commissioner, CGST & CX, 180, Shantipally, R.B. Connector,
Kolkata-700 107

(2)The Commissioner of State Tax, West Bengal, 14, Beliaghata Road, Kolkata-700 015

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