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:

Dr Tanisha Dutta, Joint Commissioner, CGST & CX Joyjit Banik, Additional 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	DOLLAR GARMENTS PRIVATE LIMITED
Address	Unit No. 1508, 15th floor, Building No/Flat No.32, Om Tower, Jawaharlal Nehru Road, Kolkata-700071
GSTIN	19AAICD6610N1Z9
Case Number	WBAAR 23 of 2024
ARN	AD191124004615D
Date of application	November 12, 2024
Jurisdictional authority (State)	Park Street Charge
Jurisdictional authority (Centre)	Park Street Division, Kolkata North Commissionerate
Order number and date	27/WBAAR/2024-25 dated 27.02.2025
Applicant's representative heard	Mr. Vikash Dhanania , C.A Mr. Sumit Jaiswal, A/R

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 The applicant is engaged in the manufacture and supply of raincoats primarily composed of polyvinyl chloride (PVC), a synthetic polymer widely recognized for its durability and water-resistant properties, which makes it suitable for protective outerwear.

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 questions:

- (i) Whether PVC raincoats should be classified as plastic (HSN Code 3926) or textile (HSN Code 6201) items under GST?

- (ii) What should be the GST rate of PVC raincoat? If the price of PVC raincoat comes under Rs. 1000/- then does it attract 5% tax on it?

1.4 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.

1.5 The applicant states that the questions raised in the application have neither been decided by nor are pending before any authority under any provision of the GST Act.

1.6 The officer concerned from the Revenue has raised no objection to the admission of the application.

1.7 The application is, therefore, admitted.

2. Submission of the applicant

2.1. The applicant is engaged in the manufacture and supply of raincoats primarily composed of polyvinyl chloride (PVC) which is a synthetic polymer. These PVC raincoats are produced by cutting large PVC rolls into sections that correspond to the various components of the raincoat, including the front panel, back panel, sleeves, and pockets. To maintain the waterproof quality, traditional stitching is avoided, as needle perforations would compromise the water resistance of

the garment. Instead, the applicant employs a specialized fusion method wherein components are thermally or chemically bonded to create a seamless, non-woven structure that enhances the waterproof integrity. Additional features such as polyester zippers, drawcords, buttons, and plastic stoppers are attached to finalize the product, which is then distributed to the market as a finished raincoat.

2.2 The manufacturing process begins with procurement of large PVC rolls, which are segmented into various components corresponding to the raincoat's parts, such as the front and back panels, sleeves, and pockets. Due to PVC's impermeable nature, conventional stitching is avoided to preserve the garment's waterproof integrity, as needle perforations would weaken the material. Instead, the applicant employs a fusion method, wherein the parts are thermally or chemically bonded to form a seamless, non-woven product. Additional features, like polyester zippers and plastic stoppers, are affixed to complete the garment.

2.3 The applicant seeks an advance ruling to determine the correct classification of these PVC raincoats under the GST regime. The primary question is whether the raincoats fall under HSN Code 3926, which applies to plastic articles, or under HSN Code 6201, which pertains to textile articles of apparel. In this context, the applicant relies on a recent ruling by the Customs Authority for Advance Rulings (CAAR) in the case of NZ Seasonal Wear Pvt. Ltd., which classified similar PVC raincoats under HSN Code 6201, recognizing them as textile garments due to their composition and intended use.

2.4 The applicant submits that the 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. Judicial precedents further affirm the significance of these interpretative notes in ensuring consistent and accurate 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 most appropriate.

2.5 The applicant submits that PVC raincoats, while primarily composed of polyvinyl chloride (PVC), should be classified as articles of apparel under HSN Code 6201 rather than plastic articles under HSN Code 3926.

2.6 The applicant has placed his reliance on the ruling given by the Customs Authority for Advance Ruling (CAAR) in the case of NZ Seasonal Wear Private Limited to contend that PVC

raincoats fall under HSN Code 6201 as textile garments. The CAAR ruling specifically classified such articles under CTI 6201 4010, as "overcoats, raincoats, car-coats, capes, cloaks and similar articles, of man-made fibers," when priced below ₹1,000, attracting a GST rate of 5%. The CAAR's decision was rooted in the interpretation of Chapter Notes of the Customs Tariff Act, which elucidates that non-woven articles of man-made fibers, even if constructed from synthetic polymers like PVC, are appropriately classified under Chapter 62 if they serve as articles of apparel.

Relevant Extract as under-

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“5.3 The applicant has submitted that to manufacture PVC raincoat the small PVC sheets are generally not stitched with a needle and thread. Since PVC is nonporous, a needle would leave a large hole that would allow water to enter, making for a very ineffective raincoat, and weakening the seam. Instead, PVC seams are generally "welded" (sealed) with heat, or bonded by chemical means. Either way, all the pieces of materials are melt together, either thermally or chemically, and are permanently bound. Thus, it is a non-woven product. Chapter Note 1 of Chapter 61 states that "This Chapter applies only to made up knitted or crocheted articles". Therefore, by applying this chapter note 1 ibid it is amply clear that PVC raincoat cannot be classified under heading 6101: Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets) wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 61.03. Articles covered under heading 6103 are also knitted or crocheted.

5.4 Heading 6201 covers 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 62.03. Heading 6203 covers Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear). Plain reading of these two headings makes it clear that heading 6201 is the most suitable heading to cover raincoat, moreover, CTI 6201 4010 specifically covers--Overcoats, raincoats, car-coats, capes, cloaks and similar articles of man-made fibres.”

2.7 The classification of goods and their corresponding GST rates are governed by the Schedule provided in CGST Notification 01/2017 – Central Tax (Rate). Since the notification does not enumerate rates for every individual goods, Explanations (iii) and (iv) serve as crucial interpretative guidelines.

These Explanations stipulate that:

(iii) The terms "tariff item," "sub-heading," "heading," and "chapter" shall carry the same meanings as assigned to them in the First Schedule to the Customs Tariff Act, 1975. Consequently, the classifications specified in the First Schedule are directly applicable.

(iv)For the purpose of interpreting this notification, the rules contained in the First Schedule to the Customs Tariff Act, 1975—including section notes, chapter notes, and general interpretation notes—shall be applicable.

The legal significance of these section and chapter notes has been judicially affirmed in the landmark case of Saurashtra Chemicals [1986 (23) E.L.T. 283]. This judicial precedent underscores their binding nature in matters of classification. These interpretative notes are, therefore, indispensable for accurate classification as they provide authoritative guidance on the appropriate HSN classification of goods. Their proper understanding and application ensure consistent and correct classification across the GST framework.

2.8 The applicant affirms that their PVC raincoat should be classified under Chapter 62014010 of the Customs Tariff Act, leveraging the detailed provisions within Chapter 62, which addresses articles of apparel and clothing accessories that are not knitted or crocheted. Chapter Heading 6201 specifically includes men's or boys' outer garments, such as overcoats, car-coats, capes, cloaks, anoraks, wind-cheaters, and similar items, which encompass raincoats of different material classifications:

- 620120: Articles made from wool or fine animal hair, including overcoats and raincoats.
- 620130: Articles made from cotton, including overcoats and raincoats.
- 620140: Articles made from man-made fibers, including overcoats and raincoats.
- 620190: Articles made from other textile materials, including overcoats and raincoats.

The classification argument is strengthened by multiple factors:

<u>Common Understanding and Product Specificity:</u>

- A raincoat is universally recognized as an outer garment worn over clothing specifically for protection against rain, similar to how a sweater serves as protection against cold.
- This parallel extends to classification principles, as exemplified by how potato chips in commercial products like Lay's are classified as prepared food rather than raw potatoes.

<u>Explicit Legislative Intent:</u>

- The repeated mention of raincoats across different subcategories within Chapter 6201 demonstrates clear legislative intent.
- Each type of raincoat has been specifically addressed based on its constituent material, providing comprehensive coverage.

<u>Legal Precedent and Interpretation Rules:</u>

- According to Rule 3(a) of the General Rules of Interpretation of the Customs Tariff Act, 1975, headings providing the most specific description shall be preferred over those providing a more general description.

- This principle of specific classification prevailing over general classification has been judicially affirmed by the Honourable Supreme Court in *Commercial Tax Officer v. Binani Cement Limited [2014 (3) SCR 1].*

Material Specification:

- PVC, being a man-made fiber, is specifically covered under subheading 620140
- The explicit mention of raincoats within this subheading provides the most specific classification for PVC raincoats.

The systematic and specific inclusion of raincoats within Chapter 6201, coupled with the established legal principle that specific headings prevail over general ones, strongly supports the classification of PVC raincoats under 620140.

This classification is not only logical but also aligned with judicial precedent and the General Rules of Interpretation of the Customs Tariff Act, 1975.

This comprehensive analysis, supported by both legislative framework and judicial interpretation, conclusively establishes that the appropriate classification for PVC raincoats is under Chapter 62014010, as it provides the most specific and accurate description of the product in question.

HSN Table reproduced hereunder-

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

2.9 The applicant, in support of his submission that PVC raincoats should be classified under HSN code 6201, has provided a comprehensive analysis that includes authoritative definitions of textiles, pertinent judicial precedents, and recognized commercial practices. The applicant argues that these evidences collectively illustrate the rationale for categorizing these garments as textile rather than plastic products.

Understanding "Textile Garments" in the Tariff Context

Section Note 14 of Section XI of the Customs Tariff Act stipulates that "textile garments" must be classified according to their respective headings, specifically those ranging from 6101 to 6114 and 6201 to 6211. This regulation clarifies that garments categorized as "textiles" must be classified within the designated headings.

Broad Definition of Textiles

The Customs Tariff Act does not offer a precise definition of the terms "textile" or "textile material." However, it defines textile fabrics in Chapter 59.

This definition applies solely to the provisions of Chapter 59, as outlined in Note 1, which states: "Except where the context otherwise requires, for the purposes of this Chapter, the expression 'textile fabrics' pertains only to the woven fabrics classified under Chapters 50 to 55 and headings 5803 and 5806, the braids and ornamental trimmings presented in heading 5808, and the knitted or crocheted fabrics classified under headings 6002 to 6006."

Therefore, this definition does not extend to Chapter 62 or elsewhere, which requires that the terms "textile" and "fabric" be interpreted according to their conventional meanings in commercial and general trade contexts.

Comprehensive View of Textiles

The "Encyclopedia of Textiles, Fibres and Nonwoven Fabrics," edited by Martin Grayson and published by Wiley-Interscience, presents a comprehensive definition of textiles.

This definition underscores the significance of textiles in everyday life, emphasising their essential role in providing protection and comfort through clothing. Additionally, textiles fulfil critical functions in various household items, including bedding, upholstery, carpets, curtains, and wall coverings. Their applications extend to industrial contexts, where they are utilised in products such as tyres, tents, filters, conveyor belts, and insulation materials.

According to the Encyclopedia, textile materials are derived from fibres, comprising short strands and filaments, representing long, continuous strands processed into diverse fabric types.

Woven fabrics are produced by twisting fibres into yarn and interlacing them into sheets, while knitted fabrics are fabricated by looping the yarn.

Nonwoven fabrics are created through the direct bonding of fibres, thereby obviating the necessity for weaving or knitting.

Moreover, the text delineates textile fibres into two primary categories: natural and synthetic. The Federal Trade Commission oversees the regulation of these fibres to ensure transparency and safeguard consumer interests. Although most of these fibers originate from organic sources, certain specialized fibers, such as glass and metal, do not. Natural fibres are primarily derived from plants or animals.

Categories of Textile Fibers:

- Natural Fibers:
- ✓ Plant-based (cellulose): Cotton, linen, hemp, jute.
- ✓ Animal-based (protein): Wool, mohair, silk, animal hairs.
- ✓ Others: Asbestos.

- Man-Made Fibers:
- ✓ From natural plant materials: Rayon, acetate.
- ✓ From synthetic materials: Acrylic (polyacrylonitrile), nylon (polyamide), polyester, spandex (polyurethane), and PVC (polyvinyl chloride).
- ✓ From inorganic materials: Glass, metal, ceramics.

2.10 Expanded Definition in Modern Context

The "Textile Terms and Definitions, Tenth Edition," published by the Textile Institute, expands the definition of the term "textile." Traditionally, textiles were understood solely as woven fabrics. However, contemporary usage encompasses a broader range of materials, including fibres, filaments, and yarns, whether derived from natural sources or manufactured. This expanded definition includes a variety of products that utilise these materials as primary components, such as threads, cords, ropes, braids, woven, knitted, and nonwoven fabrics, as well as lace, nets, embroidery, hosiery, knitwear, readymade garments, household textiles, soft furnishings, upholstery, carpets, and various technical, industrial, and engineering textiles.

In the specific case of PVC raincoats, although they are composed of polyvinyl chloride (PVC) and manufactured by extruding PVC filaments from granules, it is essential to note that they do not incorporate traditional weaving techniques.

2.11 Statutory Understanding of 'Fibre' and Legal Framework

Although 'fibre' does not possess a statutory definition, the "Encyclopedia of Textile Fibres and Non-woven Fabrics" offers a classification system that delineates naturally occurring and man-made fibres. This classification categorizes fibres based on polyvinyl chloride (PVC) as man-made. Additionally, the "Textile Terms and Definitions Tenth Edition" corroborates this classification by presenting a flowchart that categorizes textile fibres into natural and man-made

groups. The man-made category encompasses synthetic polymer fibres, including polyvinyl derivatives and fibres manufactured from PVC chlorides.

2.12 Judicial Precedent and Evolution of Textile Definition

The applicant cites the Honorable Supreme Court judgment in Porritts & Spencer (Asia) Ltd. – 1983 (13) E.L.T. 1607 (S.C.), which articulated that the term "textiles" is derived from the Latin word "texere," meaning "to weave," and encompasses any woven fabric. The Court recognised that despite advancements in technology that have introduced new materials and techniques, woven fabrics continue to be classified as textiles, regardless of the material, technique, or intended use. Notably, plastics are acknowledged as a textile material, enabling the production of various yarns and fabrics, including Teflon, polyester, nylon, acrylic, texturised, and silicone yarns.

In the case of CCE Shillong v/s Woodkraft (1995 3 SCC 454), the Honourable Supreme Court affirmed that the HSN Explanatory Notes provide authoritative guidance for classification under the Customs Tariff Act, particularly concerning Chapter 62.01. This chapter pertains to garments such as men's or boys' overcoats, car-coats, capes, cloaks, anoraks, wind-cheaters, and similar articles. This chapter's classification includes subheadings such as 6201.11 for wool or fine animal hair, 6201.12 for cotton, 6201.13 for man-made fibers, and 6201.19 for other textile materials.

In the landmark case of M/S. Bengal Waterproof Ltd. versus Commissioner of Central Excise, Kolkata-III [2023 (6) TMI 295 - CESTAT Kolkata], the Tribunal established that raincoats should be classified under Heading 62.01. This ruling was pivotal in determining the appropriate classification for rainwear constructed from rubberised textile fabric, as opposed to products made from vulcanized rubber, which fall under Heading 4015.00. The Tribunal confirmed that the raw material utilized was rubberised textile fabric, classified under Heading 59.06, rather than vulcanised rubber. This distinction was crucial, affirming that rainwear cannot be classified as vulcanised rubber products. The judgment also referenced Chapter Note 2(a) of Chapter 62, which clarifies that "worn" pertains to old and used clothing, not newly manufactured items such as rainwear. Importantly, the Tribunal relied on the Supreme Court's decision in Commissioner of Central Excise v. MRF Ltd. [1998 (97) ELT 23 (SC)], which established the fundamental principle that if the raw material employed is not vulcanized rubber, the finished product cannot be classified under a heading designated for vulcanised rubber items. This Supreme Court precedent was instrumental in supporting the classification of rainwear under Chapter 62, as these products were made from rubberised textile fabric rather than vulcanised rubber, rendering classification under Heading 4015.00 unwarranted. This judicial interpretation aligns with the Harmonized System of Nomenclature (HSN) and Customs Tariff definitions, reinforcing

the argument that PVC raincoats, despite their synthetic composition, are appropriately classified under HSN 6201 4010.

The Supreme Court, in the case of Collector of Central Excise versus India Waterproofing & Dyeing Works [1996 (87) E.L.T. 340 (S.C.)], unequivocally affirmed that raincoats and caps are to be classified as "articles of ready to wear apparel" (known commercially as ready-made garments) under Item 22D of the Central Excise Tariff. The Court emphasized that the Tribunal had adopted a reasonable approach in this classification, and explicitly stated that "no interference with the classification is called for."

Hon'ble Supreme Court - Commercial Tax Officer v. Binani Cement Ltd. [2014 (3) SCR 1]: The Court laid down the principle that specific classifications should prevail over general classifications. This principle is directly relevant in the Applicant's case, as HSN Code 6201 provides a more specific description of raincoats made from man made fibers as articles of apparel, whereas HSN Code 3926 offers a more general classification for plastic articles.

2.13 Established Commercial Practices in the Textile Industry

Established commercial practices in the textile and garment industry significantly influence the classification and treatment of various products. Although constructed from synthetic materials, PVC raincoats are widely acknowledged and marketed as textile garments due to their functional characteristics and intended applications. These raincoats are specifically designed to offer protection against adverse weather conditions, a primary function commonly associated with textile apparel. Retailers and manufacturers typically categorize and present PVC raincoats alongside other textile garments, which reflects their acceptance within the broader textile category. This practice aligns with industry norms, wherein a product's functional attributes and consumer perceptions often dictate its classification. Consequently, the classification of PVC raincoats under HSN code 6201 is legally sound and commercially prudent, ensuring consistency with the treatment of analogous products in the marketplace.

2.14 In the current case, the applicant argues that PVC raincoats are manufactured from synthetic polymer PVC material. Therefore, when considering these characteristics and the precedents, raincoats fall within the scope of textile materials, classifiable under Chapter 62, subheading 6201 of the Tariff, rather than Chapter 39.

This classification aligns with:

- The product's physical characteristics
- Its intended use for weather protection
- The evolving definition of textile materials

- Established legal precedents
- International classification guidelines

This analysis demonstrates that PVC raincoats, despite their synthetic origin, are appropriately classified as textile garments under chapter heading 6201, consistent with both modern textile definitions and established classification principles.

2.15 The classification of PVC raincoats is guided by specific exclusionary provisions in Chapter 39 of the Schedule. A careful examination of these provisions clearly establishes that PVC raincoats, despite containing plastic materials, are properly classified as textile articles rather than plastic products.

(i) Definition and Scope of "Plastics"

The second paragraph of Note 1 to Chapter 39 provides a comprehensive definition of "plastics":

"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."

(ii) Critical Exclusionary Provision

Significantly, the same Note explicitly states: "Throughout this Schedule any reference to 'plastics' includes vulcanized fibre. The expression, however, does not apply to materials regarded as textile materials of Section XI."

(ii) Reinforcing Exclusion

Furthermore, Note 2(p) to Chapter 39 unequivocally stipulates:

"This Chapter does not cover: (p) goods of Section XI (textiles and textile articles)."

(iv) Application to PVC Raincoats

The manufacturing process of PVC raincoats, as detailed earlier, clearly demonstrates that the end product is a readymade garment. While PVC is utilized as a component material, the essential character and function of the product remain that of a garment. The mere presence of PVC in the construction does not automatically render it an article of plastic, particularly given the explicit exclusions noted above.

2.16 A harmonious reading of these provisions leads to the inescapable conclusion that PVC raincoats cannot be classified under Chapter 39. The Chapter Notes explicitly exclude textile articles, and the nature of PVC raincoats as readymade garments places them squarely within the scope of textile articles, regardless of their PVC composition. This interpretation aligns with

both the letter and spirit of the classification system, which recognizes that the ultimate form and function of a product may differ from its constituent materials. Therefore, the classification of PVC raincoats under Chapter 39 would be inconsistent with the clear statutory framework provided by the Chapter Notes.

2.17 Note 1 of Section XI - TEXTILES AND TEXTILE ARTICLES states that:
"This Section does not cover:
(h) woven, knitted or crocheted fabrics, felt or non-wovens, impregnated, coated, covered or laminated with plastics, or articles thereof, of Chapter 39".
While this provision excludes certain fabrics treated with plastics from being classified under Section XI, it does not apply to the PVC raincoat in question. The PVC raincoat, as described by the applicant, is a non-woven article made entirely from PVC, rather than a textile material simply impregnated, coated, covered, or laminated with plastic. The distinct nature of PVC raincoats, which integrates PVC as the primary material rather than an additive or coating on textile fabric, means that these raincoats remain eligible for classification under the chapters of Section XI. The exclusion outlined in Note 1(h) aims to prevent overlap with Chapter 39 for articles that are fundamentally textile products but with plastic enhancements. However, in the case of PVC raincoats, the integral construction as nonwoven PVC articles situates them appropriately within the textile categories of Section XI, consistent with other fabric and garment classifications.
Therefore, PVC raincoats retain their classification under the chapters of Section XI, reflecting the comprehensive nature and functionality of the product as a garment rather than a mere article of plastic.

2.18 The applicant, therefore, contends that PVC raincoats, despite their synthetic composition, are appropriately classified under HSN 6201 4010, consistent with legislative provisions, judicial interpretation, and commercial practices. This classification aligns with the intended function, material characteristics, and the evolving definition of textile apparel, supporting a GST rate of 5% when priced below ₹1,000. The applicant respectfully requests a ruling confirming this classification under HSN 6201 4010 for PVC raincoats to ensure compliance with the GST law.

3. Submission of the Revenue

3.1 Revenue Officer from Park Street Division, CGST & CX mailed its submission on 24.02.2025 wherein it has been submitted that material in question from which the raincoat is made i.e. PVC is a synthetic polymer and thus cannot be classified as textile material. He states that textile materials are natural fabrics whereas PVC is synthetic polymer in nature and does not fall under the category of natural fabrics. Thus, raincoats made of PVC may

be classified under chapter heading pertaining to plastic i.e. HSN 3926. Accordingly, GST rate may be levied as per HSN 3926.

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 advocate of the applicant during personal hearing. We have also considered the submission made by the officer concerned from the revenue.

4.2 The applicant is stated to be engaged in the manufacture and distribution of raincoats predominantly made from polyvinyl chloride (PVC), a synthetic polymer known for its water-resistant properties, making it ideal for rain protection. These PVC raincoats are designed as outerwear garments, comprising PVC sheets that are meticulously assembled and reinforced with zippers, drawcords, buttons, and stoppers, thereby creating a finished product ready for commercial distribution.

4.3 The applicant wants a ruling for clarification whether raincoat made from polyvinyl chloride (PVC), a synthetic polymer, should be classified as plastics article (HSN 3926) or textile article (HSN 6201). For convenience of discussion, we first undergo a detailed analysis of common definition of textile and plastic and then proceed to analyze essence of judgements regarding classification of textile and plastic which is required to bring out proper classification in GST rate in the instant case.

4.4 PVC, or Polyvinyl Chloride, also called Vinyl, is a highly versatile thermoplastic polymer. It is known for its durability, affordability, and resistance to chemicals. PVC is a lightweight material. It is easy to work with and can be molded into various shapes, making it a go-to choice for many applications. Affordable PVC raincoats offer excellent waterproofing, making them a practical and budget-friendly choice for staying dry in the rain.

Note 1 of Section VII of chapter 39 of custom tariff code states

"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."

Further, note 2 ibid states that –

"This Chapter does not cover:

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

The applicant has made comprehensive explanation regarding process of making PVC raincoat from where it is evident that PVC raincoats are produced by cutting large PVC rolls into sections that correspond to the various components of the raincoat, including the front panel, back panel, sleeves, and pockets. Maintaining waterproofing quality is utmost important, therefore, traditional stitching is avoided, as needle perforations would compromise the water resistance of the garment. Instead, the applicant employs a specialized fusion method wherein components are thermally or chemically bonded to create a seamless, non-woven structure that enhances the waterproof integrity. Additional features such as polyester zippers, drawcords, buttons, and plastic stoppers are attached to finalize the product, which is then distributed to the market as a finished raincoat.

4.5 We find that the Hon'ble Supreme Court in case of Commercial Tax Officer v Binani Cement Ltd [2014 (3) SCR 1] emphasized on latin maxim of *generalia specialibus non derogant* i.e, general law yields to special law when operate in the same field on same subject. In the case in our hand, there can be no denying that the only function of using raincoat is to take shield from rain and therefore, it is used as garment/apparel in common parlance.

4.6 In case of Bengal Waterproof Limited vs Commissioner of Central Excise on 27 March, 2007, the Customs, Excise and Gold Tribunal, Kolkata vouched the classification of rainwear as textile fabric despite its rubberized composition and thus observed as follows:
"*articles of apparel made of Rubberised Textile Fabric shall only be of such kind classifiable under heading 62.011*"

4.7 Further, the Hon'ble Supreme Court in case of Porritts & Spencer (Asia) Ltd. A vs State of Haryana on 6 September, 1978 observed as follows:
"*the word 'textiles is derived from the Latin 'texere' which means 'to weave' and it means any woven fabric. When yarn, whether cotton, silk, woollen, rayon, nylon or of any other description as made out of any other material is woven into a fabric, what comes into being is a 'textile' and it is known as such. It may be cotton textile, silk textile, woollen textile, rayon textile, nylon textile or any other hind of textile. The method of weaving adopted may be the warp and woof pattern as is generally the case in most of the textiles, or it may be any other process or technique. There is such phenomenal advance in science and technology, so wondrous i.. the variety of fabrics manufactured from materials hithereto unknown or unthought of and so many are the new techniques invented for making fabric out of yam that it would be most unwise to confine the weaving process to the warp and weft pattern. Whatever be the mode of weaving employed, woven fabric would be 'textiles'. What is necessary is no more than weaving of yarn and weaving would mean binding or putting together by some process so as to form a fabric."*

4.8 The applicant contends that that PVC raincoat, despite their synthetic composition, is to be classified under HSN 6201 4010. We find that Chapter 62 is meant for "*Articles of apparel and clothing accessories, not knitted or crocheted"*. Note (1) of this chapter further speaks that "This Chapter applies only to made up articles of any textile fabric other than wadding, excluding knitted or crocheted (other than those of heading 6212)." Thus, to cover under this chapter, a PVC raincoat must fall under the category of a made up article of textile fabric. We find that in the case of Bengal Waterproof Limited vs Commissioner of Central Excise supra, the issue was whether rubberised textile fabric manufactured by the Appellant is covered by Chapter 59 and Heading No. 59.06 and Rainwear manufactured out of such material is covered by Chapter 62 under heading No. 62.01. The process of manufacturing was submitted by the appellant as follows:

"the process of manufacture of rainwear requires raw materials such as: cotton fabrics, crumb rubber and sheet rubber which are natural rubber, synthetic rubber and few chemicals. Crumb rubber with other chemicals undergo processing for preparation of compound mixing and such mix is spread on fabrics. The fabric with a spread of mix is passed through rollers and thereby the mix gets properly and evenly coated on the fabric. The said processed fabric with a coat of the above mix is then cured which results in proper bonding between mix of rubber and chemicals with the cotton fabric and the fabrics get rubberised. The outcome so arrived is called rubberised textile fabrics. Such rubberized textile fabric is the basic raw-material to make rainwear through the process of cutting, stitching and all other activities."

4.9 Admittedly the item manufactured by the applicant is a non-woven product as the applicant himself has submitted that it employs a fusion method, wherein the parts are thermally or chemically bonded to form a seamless, non-woven product. In order to analyze whether PVC sheet can be regarded as textile material thereby to qualify to be a woven fabric, we have explored the manufacturing process of PVC sheet in the internet and from the website of petronthermoplast.com, we find such process as follows:

"Polyvinyl Chloride, commonly known as PVC, is a synthetic polymer derived from the vinyl chloride monomer. It is produced through a polymerization process that involves combining vinyl chloride molecules to form long chains, resulting in the creation of PVC resin – the primary raw material for PVC sheet production.

Raw Materials for PVC Sheet Production

The first step in making PVC sheet is to gather all the necessary raw materials. These include:

1. Vinyl Chloride Monomer (VCM): Obtained from the chemical reaction between ethylene and chlorine, VCM is the essential building block of PVC.
2. PVC Resin: As mentioned earlier, PVC resin is the result of polymerizing vinyl chloride

molecules. It provides the base structure for the PVC sheet.

3. Plasticizers: Plasticizers are added to the PVC resin to improve its flexibility and workability. Phthalate-based plasticizers have been widely used, but due to environmental concerns, alternative plasticizers like bio-based ones are gaining popularity.
4. Stabilizers: Stabilizers help prevent PVC from degrading during the manufacturing process by providing thermal stability and preventing oxidation.
5. Fillers and Pigments: Various fillers and pigments may be added to enhance specific properties or add color to the PVC sheet.

PVC Sheet Manufacturing Process

The production of PVC sheet involves several stages, each contributing to the final product's quality and characteristics. Let's explore the step-by-step process of making PVC sheet:

1. Polymerization

The journey to creating PVC sheet begins with polymerization. In this stage, the vinyl chloride monomer (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 or emulsion polymerization.

2. Production of PVC Resin

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

3. Compounding

The next step is compounding, where the PVC resin is mixed with various additives to improve its properties. Plasticizers, stabilizers, fillers, and pigments are precisely measured and blended with the PVC resin to create a homogenous mixture.

4. Extrusion

Once the PVC compound is ready, it is fed into an extruder, 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 calendering or flat-die extrusion, depending on the type of sheet being manufactured.

5. Cooling and Sizing

After the extrusion process, the freshly formed PVC sheet undergoes 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.

6. Embossing (Optional)

In some cases, the PVC sheet may undergo an embossing process to add textures or patterns to its surface. This is achieved through the use of embossing rollers, which press the desired design onto the sheet during the cooling process.

7. Surface Treatment (Optional)

For specific applications, the PVC sheet may undergo surface treatment to enhance its properties. Surface treatments can include corona treatment to improve printability or the application of coatings to increase chemical resistance."

4.10 In view of the aforesaid manufacturing process, we are of the opinion that PVC sheet cannot be regarded as a woven fabric. Even in common parlance, the item PVC sheet is not considered as textile materials. We are therefore unable to accept the contention of the applicant that the item PVC raincoat would be classified under HSN 6201 40 10 since to qualify to be an item under chapter 62, it must be an article of textile fabric. We are not disputing that the item PVC raincoat, in common parlance, is known as apparel. We therefore find that the item 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).* In this context, entry no 111 of Schedule –III of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, as amended from time to time, may be reproduced which also speaks that the item plastic raincoat falls under heading 3926:

Chapter/Heading/Sub-heading/Tariff item	Description of goods	Tax Rate	Period
3926	PVC Belt Conveyor, Plastic Tarpaulin	9%	01.07.2017 to 21.09.2017
3926	PVC Belt Conveyor, Plastic Tarpaulin, Medical grade sterile disposable gloves, Plastic raincoats	9%	22.09.2017 to 14.11.2017
3926	Other articles of plastics and articles of other materials of heading 3901 to 3904 [other than bangles of plastic, plastic beads and feeding bottles]	9%	15.11.2017 onwards

In view of the foregoing, we rule as under:

RULING

Supply of PVC raincoat as manufactured by the applicant would be covered under Heading

3926 and would attract tax @ 18% vide entry no. 111 of 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.

(Dr. TANISHA DUTTA)	(JOYJIT BANIK)
Member	Member
West Bengal Authority for Advance Ruling	West Bengal Authority for Advance Ruling

Place: Kolkata
Date: 27th February, 2025

To,
DOLLAR GARMENTS PRIVATE LIMITED
Unit No. 1508, 15th floor, Building No/Flat No.32,
Om Tower, Jawaharlal Nehru Road, Kolkata-700071

Copy to,

(1) The Principal Chief Commissioner, CGST & CX, 180, Shantipally, R.B.Connector, Kolkata-700107

(2) The Commissioner of State Tax, West Bengal, 14, Beliaghata Road, Kolkata-700015

(3) The Commissioner, Kolkata North Commissionerate, 180, Shantipally, R.B.Connector, Kolkata-700107

(4) The Charge Officer, Park street Charge, 14, Beliaghata Road, Kolkata-700015

(5) Office Copy