

Ashit Shah

13 Rate of Tax on Natural Fiber Composite (NFC) Boards: Facts of the matter The applicant is a manufacturer of Natural Fiber Composite ('NFC') material, which is used to manufacture boards, doors and frames. The applicant uses the NFC to manufacture boards, doors and frames of different sizes and measurements. The said NFC is made of natural fibers such as rice husk, rice grass, wheat grass and coconut shell etc. The applicant sought advance ruling on the following: Whether manufacturing activity NFC of the applicant comprising of Natural Fibre, Calcium carbonate, recycling waste and other processing aid as well as PVC resin, wherein PVC acts only as a bonding agent would remain classified as wood and Articles of Wood under Chapter 44 and attract 12% rate of GST. Observation of the Authority It is seen that Fiber board manufactured by bonding fibres extracted from wood chips or