

**GUJARAT AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX  
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,  
AHMEDABAD – 380 009.**



**ADVANCE RULING NO. GUJ/GAAR/R/2025/45**  
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2019/AR/21)

**Date: 03 /11/2025**

Name and address of the applicant	: M/s. Girish Pravinchandra Rathod (Jay Ambe), Opp. Shri Govind Process, 183-1, Bhagirath Process, Shahwadi- Ranipur, Narol, Ahmedabad-382405
GSTIN of the applicant	: 24AERPR4612Q1ZS
Jurisdiction Office	: Center Commissionerate- Ahmedabad South Division – IV, Narol, Range -III
Date of application	: 13.03.2019
Clause(s) of Section 97(2) of CGST/GGST Act, 2017, under which the question(s) raised.	: (a)
Date of Personal Hearing	: 24.09.2025
Present for the applicant	: Shri Nirav Shah, Advocate

**Brief facts:**

M/s. Girish Pravinchandra Rathod (Jay Ambe), Opp. Shri Govind Process, 183-1, Bhagirath Process, Shahwadi- Ranipur, Narol, Ahmedabad-382405 [for short – ‘applicant’] is registered under GST and their GSTIN is 24AERPR4612Q1ZS.

2. The applicant has stated that they are engaged in the manufacture of various textile articles including the product under consideration i.e. ***Fusible Interlining fabrics of cotton***. The said product is generally used in the market by tailors for stitching purpose and for preparing the finished article of clothing. For the manufacture of the said product, they coat one side of the cotton fabric material with pulverised plastic powder by dot matrix printing process, thereby creating a partial layer of such plastic on the fabric; that the said layer, however, does not create an unbroken, uninterrupted or comprehensive plastic layer but only partially covers the fabrics with pulverised plastic having a ‘dot matrix’ design and does not make the material completely impervious, as is the case of fabric where the plastic layer is installed as a skin and is whole and interrupted.



3. In the earlier round before this Authority, the applicant had submitted that Fusible Interlining Fabrics were initially classified under various Chapters from Chapter 50 to 55 of the Tariff depending upon the nature of the fabrics; that by virtue of amendment made to the Central Excise Tariff vide Finance Act, 1989, Note 2(c) came to be introduced in Chapter 59 of the Tariff, which read as under:

*"Textile Fabrics, partially or discretely coated with plastic by dot printing process (Heading No. 59.03)"*

However, prior to the introduction of this Note, CBIC had vide Circular dtd. 02.09.1988 also clarified that for the Fusible Interlining Fabrics, to merit classification as coated fabrics under CETH 5903, should meet the following requirements:

- (a) *It should have a continuous and adherent film or layer of plastic on one side of the fabric surface.*
- (b) *The fabric should be impervious.*
- (c) *It should satisfy the conditions prescribed in Note 2 of Chapter 59.*

A telex dtd. 30.09.1988 from the Board amended the said Circular and removed the requirement of 'continuous' plastic layer. Another Circular No. 5/89 dtd. 15.06.1989, clarified the introduction of Note 2(c) in Chapter 59 of the Tariff was to include fusible interlining cloth made by discrete coating of plastic by dot matrix process under this Chapter. It was also clarified that prior to the introduction of this Note, the classification would be based on the nature of the fabric used.

4. However, w.e.f. 16.03.1995, the said Note 2(c) was deleted and removed from Chapter 59, which created various doubts in the trade on the classification of fusible interlining cloth. The Board vide Circular No. 433/66/98-CX-6 dtd. 27.11.1998 expressed that the omission of the note was neither intended to nor resulted in changing the classification of fusible interlining cloth under Heading 5903. The said Circular was challenged by M/s Madura Coats before the High Court of Madras, which held that the Circular was against the provisions of Section 37B of the Central Excise Act as the Board could not shut down the quasi-judicial power of the authorities and therefore, the same was set aside. No opinion was rendered on the merits of the case and the assessing officer was directed to adjudicate the matter on its own merits. Subsequent to adjudication, the matter finally reached the Tribunal and the Tribunal vide order No. 41941/2018 dtd. 19.06.2018 [2019 (365) E.L.T. 345



(Tri. - Chennai)] held that the classification of the goods could not be made under Chapter 59 of the Tariff after deletion of Note 2(c) to Chapter 59.

5. In view of the above order of the Tribunal, the applicant who were clearing their products under Chapter Heading 5903 prior to the order of the Tribunal wishes an advance ruling as under: -

*Whether the product 'Fusible Interlining Fabrics of Cotton' is correctly classifiable under Chapter 52 or Chapter 59?*

The applicant's view is that their product 'Fusible Interlining Fabrics of Cotton' would fall under the erstwhile Central Excise Tariff under Chapter Heading 5208/5209 as 'woven fabrics of cotton' and amenable to the duty structure of 2.5% as provided under Sr. No. 211 of Schedule-I of the said notification.

6. This Authority after relying upon the order dtd. 19.03.2020 of the Appellate Authority for Advance Ruling in the case of *Re: M/s Sadguru Seva Pradhan (P) Ltd* [2020 (38) G.S.T.L.499 (App.A.A.R.-GST-W.B)] found that CBEC Circular No. 433/66/98-CX-6 dtd. 27.11.1998 is relevant even today and has persuasive value. As per the said Circular, in the IISN Explanatory Notes, textile fabrics which are spattered by spraying with visible particles of thermoplastic material and are capable of providing a bond to other fabrics or materials on the application of heat and pressure are covered under Chapter Heading 59.03. The process of manufacture of the fusible interlining cloth, as submitted by the applicant appears to be similar to the one mentioned in the HSN. This Authority further compared the three conditions envisaged in the explanatory notes to the HSN (i.e. (i) the impregnation, coating or covering can be seen with the naked eye (ii) The products are not rigid (iii) the textile fabric is not completely embedded in, nor coated on both sides with plastics) with the test reports of the products issued by ATIRA and came to the conclusion that the said product is rightly classifiable under Heading 5903. The Appellate Authority for Advance Ruling vide order dtd. 08.04.2021 rejected the appeal of the applicant. Being aggrieved the applicant preferred an appeal before the Gujarat High Court.

7. The High Court vide its order dtd. 14.06.2024 in SCA No. 17980/2021 held as under: -

*"9. From the above it is clear that as per the test report of the Atira, the fabric manufactured by the petitioner was partially coated and once the fabric is partially coated, the same would not fall in Chapter 59 but the same would fall under Chapters 52*



to 55 as per the exclusion clause as mentioned in Serial No. 125 Chapter Note 2(a) of Chapter 59.

10. The appellate authority has also not taken into consideration classification issued by Atira dated 23.07.2021 at page 113 of the paper book wherein it is stated as under:

"Dear Sir,

This is in reference to the report no FDA/ 18-19-139 dated 0294 Aug, 2018 sample of cotton interlining fabric received at ATIRA for testing. Further we have tested for following permeability standard test.

The test results are as follows

Fabric	Air Permeability coated Fabric ISO 9237
20'x20'	102.18

Fabric	Water Permeability coated Fabric ASTM D 4491
Fabric	18.65

From above both fabrics shows Air and Water permeability after coating indicates that coating is done but it is partial in nature. The fabric can be considered as partially coated or partially covered plastics and bearing designs resulting from these treatments (Dot matrix printing process)."

11. It is also apparent from the impugned orders passed by the authority that once the Hon'ble Madras High Court has set aside the Circular No. 4233 dated 27.11.1998 such decision is binding upon the respondent-authority instead of distinguishing the same on the ground that fusible interlining fabric of cotton are classifiable under Heading 5903 and not under Heading 52 to 55 contrary to the test reports placed on record.

12. In view of the above facts impugned orders passed by the advance ruling authority and confirmed by the appellate authority are not tenable and are required to be quashed and set aside and the advance ruling authority to consider and decide the same de novo a fresh after giving opportunity of hearing to the petitioner and after considering the decision relied upon by the petitioner by distinguishing its results relied upon by the advance ruling authority in case of M/s. Goodswear Fashion Ltd. wherein, in similar facts, Advance Ruling Authority of Uttarakhand holding that the specimen fabric i.e. Polyester Viscose Fusing Interlining Woven Fabric partially covered with plastic leads to plastic coated pattern that is visible on its one side does not fall under IISN Code 5903, however, it being partially coated or partially covered with plastics and bearing designs fall under Chapters 502, 55, 58 or 60 as per Chapter Note 2(a)(4) of the Chapter 59 of the GST Tariff. Therefore, ongoing through the Chapter Note 2(a)(4) of the Chapter Heading 5903 and as per the test report of Atira the specimen fabric i.e. Polyester plus cotton interlining woven fabrics being partially covered with plastic and bearing design resulting from this treatment which leads to the plastic coated pattern which is visible



*on one side of the fabric will fall under Chapters 502, 55 58 or 60 as per Chapter Note 2(a)(4) of the relevant Chapter 59 of the GST Tariff and not under Chapter 59 Heading 5903 as held by the impugned orders.*

13. *In view of the foregoing reasons the petition succeeds and is accordingly allowed. Impugned order dated order dated 08.04.2021 passed by the Gujarat Appellate Authority for Advance Ruling Goods and Service Tax is quashed and set aside and the product manufactured by the petitioner being partially covered with plastic coated pattern i.e. visible on one side of the fabric and the same will fall under Chapters 50 to 55 58 or 60 GST Tariff and not under Chapter 59 of Chapter Note 5903 as held by the impugned order. Rule is made absolute to the aforesaid extent. No order as to costs.*

[Emphasis supplied]

8. Thus, the High Court has held that the product in question will not fall under Chapter Heading No. 5903 but will fall under any of the Chapters 50 to 55, 58 or 60. The High Court has further remanded the matter back to this Authority for deciding the classification of the product in question under any of the Chapters 50 to 55, 58 or 60.

9. The Department filed an SLP (Diary No. 22241/2025) before the Supreme Court against the said order dtd. 14.06.2024 of the High Court, which was vide Order dtd. 16.05.2025 dismissed the SLP both on the grounds of delay as well on merits. The Joint Commissioner, CGST, Ahmedabad South has vide letter dtd. 18.08.2025 also communicated that the said order of the Supreme Court has been accepted by the Principal Commissioner, CGST, Ahmedabad South. Therefore, the order of the High Court dtd. 14.06.2024 has attained finality and the directions mentioned in the said order has to be complied with.

10. Personal hearing was granted on 25.09.2025, wherein Shri Nirav Shah, Advocate appeared on behalf of the applicant and reiterated the facts & grounds as stated in their letter dtd. 20.01.2025. In the said letter, the applicant has submitted as under: -

(a) The High Court has decisively held that partially coated fabric would not fall in Chapter 59, but the same would fall under Chapter 52 to 55. The High Court has further held that the Appellate Authority has not considered the report of ATIRA dtd. 23.07.2021. Further, the High Court has stated that Circular dtd. 27.11.1998 has been set aside by the Madras



High Court and such decision is binding upon the Advance Ruling Authority.

(b) The High Court has directed to consider the reports issued by ATIRA and has further directed to reclassify the product. It is submitted that the product under consideration is partially coated fabric and air, and water can pass through the same. Hence the same is not classifiable under Chapter 5903 as per Chapter Note and is required to be classified under Chapter 52 to 55, as per the characteristic of the cloth.

(c) The issue pertaining to the classification of fusible interlining cloth has been decided by the Tribunal in the case of Madura Coats (P) Ltd. classifying the fabric under Chapter 52. The fabric manufactured by the present applicant is identically the same. The applicant has obtained the test report of the fabric from M/s ATIRA, which has been submitted. Therefore, the order of the Tribunal in the case of Madura Coats is directly applicable for the classification of goods manufactured by the present applicant.

(d) The test report of ATIRA is crystal clear that the coating on the cloth cannot be seen with naked eye. Further, the coating is non-continuous and is different from film coating. It is applied only on one side and bears a design like dot metric resulting from coating process. The test report specifically says in Point No. 7 that the fabric is porous and pervious. Hence, as per the report, the goods are identical to the goods of M/s Madura Coats.

(e) Chapter Note 2(a)(4) of the Customs Tariff Act specifically state that partially coated goods are not covered under Chapter 59, but usually covered under Chapter 52 to 55, 58 or 60. The applicant manufacturers partially coated fabric with plastic and bearing design form treatment i.e. dot-matrix coating and hence not covered under Chapter 5903 as per Chapter Note 2(a)(4).

(f) The applicant also relies upon the advance ruling order in the case of M/s Goodswear Fashion Pvt. Ltd. and the test report in the case of M/s Goodswear Fashion Pvt. Ltd. is comparable.



## Discussion and findings

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

12. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing and the order of the High Court dtd. 14.06.2024. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

13. We find that the dispute in the case is related to the classification of '*Fusible Interlining Fabrics of Cotton*'. The applicant's case is that it should fall under Chapter 52 whereas this Authority as well as the Appellate Authority had ruled that it would fall under Chapter 5903. The applicant, being aggrieved, carried the matter to the High Court, which after going through the test report, vide its order dtd. 14.06.2024 held that the product in question will not fall under 5903 and remanded the matter back to this Authority for determining as to in which of the Chapters from 50 to 55, 58 or 60, the said product would fall. The Department had filed an SLP before the Supreme Court against the High Court's order but the same was dismissed both on account of delay as well as on merits. Therefore, we have to now decide the matter, based on the order passed by the High Court.

14. As mentioned earlier, the High Court has already held that '*Fusible Interlining Fabrics of Cotton*' will not fall under Chapter 5903. The reasoning given by the High Court is that it is clear from the test report of ATIRA, that the fabric manufactured by the applicant was partially coated and once the fabric is partially coated, the same would fall under Chapter 52 to 55 as per the exclusion clause as mentioned in Chapter Note 2(a) of Chapter 59. The High Court also held that once the Madras High Court has set aside the Circular dtd. 27.11.1998, such decision is binding upon the Authority, instead of distinguishing the same on the ground that fusible interlining fabric of cotton are classifiable under Heading 5903 and not under



Heading 52 to 55 contrary to the test reports on record. The High Court has, therefore, remanded the matter to this Authority to decide the matter afresh.

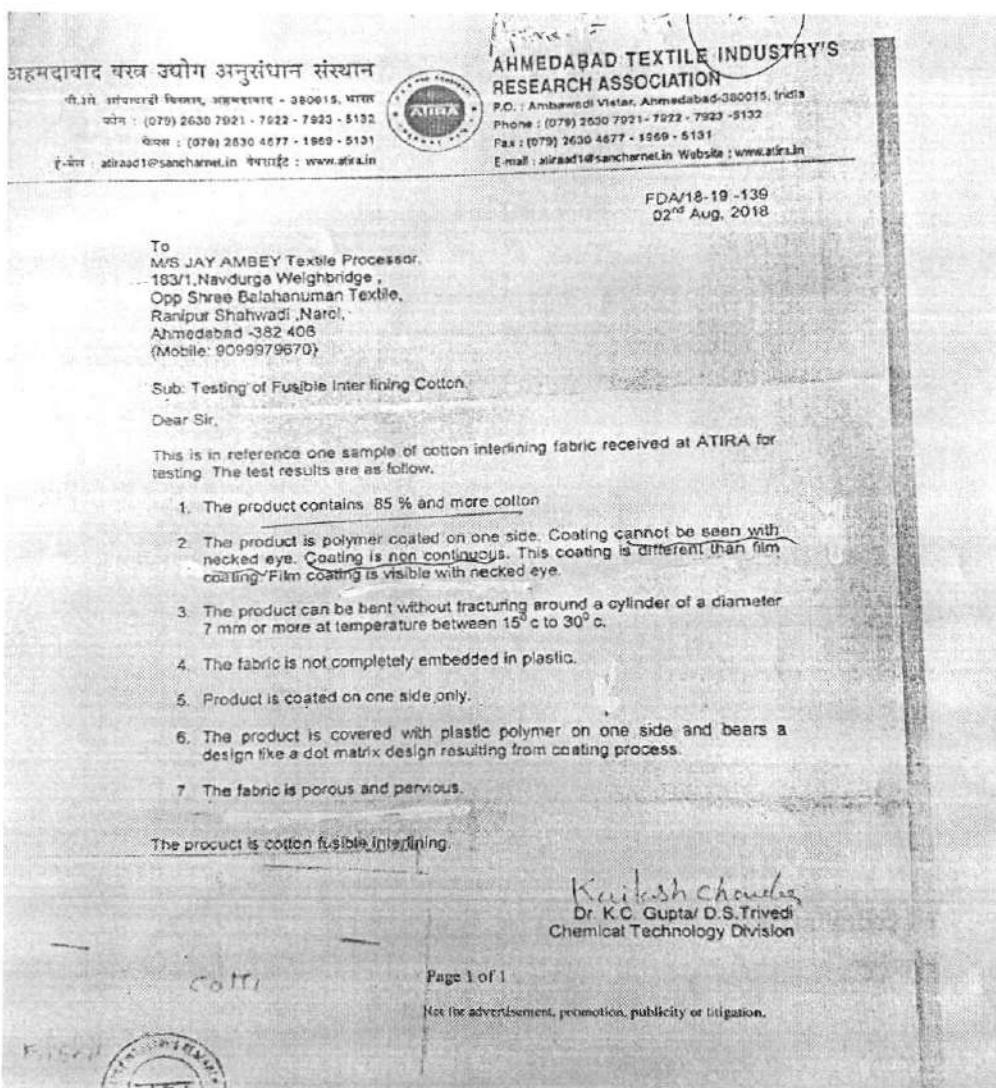
15. We find from the order of the High Court, that the issue that 'Fusible Interlining Fabrics of Cotton' will not fall under Chapter 5903, has already been settled by the High Court. The only issue that remains to be decided by us is as to under which of the Chapters 50 to 55, 58 or 60, the product will fall. We find that the applicant has submitted two test report of ATIRA –

(i) *FDA/18-19-139 dtd. 02.08.2019 along with permeability test report FDA/2122-063a dtd. 23.07.2021 in respect of Fusible Interlining 100% Cotton*

(ii) *(i) FDA/18-19-139 dtd. 02.08.2019 along with permeability test report FDA/2122-063 dtd. 23.07.2021 in respect of Fusible Interlining Polyester and Cotton Blend.*

Since, the ruling sought by the applicant is only in respect of 'Fusible Interlining Fabrics of Cotton', we would only deal with the product mentioned in the test report at Sl. No. (i) as they are of 'Fusible Interlining Fabrics of Cotton'

16. The screen shot of the test reports mentioned at Sr. No.1 is as below:



## અહમદાબાદ વર્ષ ઉદ્યોગ અનુસંધાન સંસ્થાન

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FDA/2122 -063a  
 23<sup>rd</sup> JULY, 2021

To  
 M/S JAY AMBEY Textile Processor,  
 183/1, Navdurga Walghbridge,  
 Opp Shree Balahanuman Textile,  
 Ranipur Shahwadi, Nardol,  
 Ahmedabad -382 406  
 (Mobile: 9099979670)

Sub: Testing of Fusible Interlining 100% Cotton.

Dear Sir,

This is in reference to the report no FDA/18-19-139 dated 02<sup>nd</sup> Aug, 2018  
 sample of cotton interlining fabric received at ATIRA for testing.

Further we have tested for following permeability standard test.

The test results are as follow,

FABRIC	Air Permeability Coated Fabric ISO 9237
20" X 20"	284.00
40" X 40"	756.00

FABRIC	Water Permeability Coated Fabric ASTM D 4491
20" X 20"	8.36
40" X 40"	13.65

From above Both fabric shows Air and Water permeability after coating  
 indicates that coating is done but it is partial in nature. The fabric can be  
 considered as partially coated or partially covered plastics and bearing designs  
 resulting from these treatments (Dot matrix printing process)

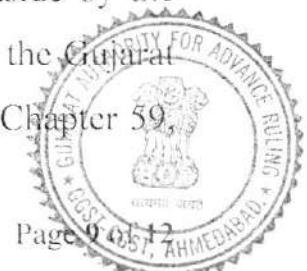
With kind regards,

*Nitin S. Shah*  
 Nitin S. Shah / D.S. Trivedi  
 Chemical Technology Division

Page 1 of 1  
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We find that as per the report the product in question contains 85% or more of cotton.  
 The test report also mentions the same as cotton fusible interlining.

17. The High Court has directed this Authority to ascertain as to under which of these Chapters i.e. from 50 to 55, 58 or 60, the product would fall. We find that the introduction of Note 2(c) of Chapter 59 in 1989 brought the *Fusible Interlining Fabrics* into the ambit of Chapter 59. This Note was subsequently removed from Chapter 59 w.e.f. 16-03-1995. The Board's Circular dtd. 27.11.1998, which clarified that irrespective of the deletion of Note 2(c) from Chapter 59, the *Fusible Interlining Fabrics* would still merit classification under Chapter 5903 was set aside by the Madras High Court. In the given circumstances and in light of the fact the Gujarat High Court has held that the product in question would not fall under Chapter 59,



the question which needs to be answered is then what would be correct classification of *Fusible Interlining Fabrics*. The Gujarat High Court has held that it would fall under any of the Chapters 50 to 55, 58 or 60 but not Chapter 59. We find that the Tribunal in the case of *Madura Coats* [2019 (365) E.L.T. 345 (Tri. - Chennai)] was faced with a similar issue and has held that it would get covered under the Chapter heading of the fabric. The relevant part of the Tribunal's order is reproduced below: -

"5.6 \* \* \* \* Thus, w.e.f. 16-3-1995, in our view, to determine whether any such fabric could be classified under CETH 59.03, the erstwhile Chapter Note 2(a) read with Board's circulars of 2-9-1988 and 30-9-1988 would remain the only guiding stars for determining the classification. **It is in this context that in the previous round of litigation before the Tribunal, the appellant had made a plea that Circular No. 5/89, dated 15-6-1989 should be applied in their case even for the period after 16-3-1995. On a perusal of the circular, we find that in para-4 therein it is clarified that prior to introduction of Chapter Note 2(c), from 1-3-1989, "Fusible Interlining Cloth" made by discrete coating with plastic get covered under chapters 52-55 depending on the textile materials whether cotton or man-made fabrics etc. The Tribunal in their Final Order dated 16-9- 1998 had acceded to this plea and had given specific direction in the remand order that the said circular should be taken into account while deciding the matter.** (Emphasis Supplied).

18. Circular No. 5/89 dtd. 15.06.1989, relied upon by the Tribunal for classification of the product prior to the introduction of Chapter Note 2(c), is also reproduced below: -

*Circular No. 5/89, dated 15-6-1989*

*Government of India*

*Ministry of Finance (Department of Revenue)*

*New Delhi*

*Central Excise - Coated Fabrics - Classification of 'FUSIBLE INTER-LINING CLOTH' whether classifiable as coated fabrics under heading 59.03 of C.E.T. or under Chapters 52 to 55 depending upon the textile material used - Regarding.*

*Reference to Circular No. 24/Coated Fabrics/88-CX.1 and the subsequent telex, dated 3rd Oct., 1988 in Board's F. No. 59/1/88-CX.1 issued regarding the classification of Fusible-Interlining cloth manufactured by process of dot printing. After the said clarification was issued a doubt was raised by the Colr. of C. Ex. Bombay I requesting the Board for reviewing the above said instructions. The matter was further examined in the Board and it was sponsored for discussion in the West Zone Tariff Conference held at Porbander on 28th/29th November, 1988. As per the decision in the said Conference, the Ministry has*



introduced a new Note in Chapter 59 in the 1989 Budget in order to include such fabrics in Chapter 59, under heading 59.03.

2. As per Section 36 of the Finance Act, 1989, in the Fourth Schedule (Part-I), Clause 21 thereto, in Chapter 59, in Note 2, after clause (b), the following clause has been inserted, namely : -

“(c) Textile fabrics, partially or discretely coated with plastic by dot printing process (heading No. 59.03)”;

3. It has been clarified in the Budget instructions, (Annexure-V) - Para 21.11 that a new clause has been added to Chapter Note 2 of Chapter 59 in order to include fusible interlining cloth made by discrete coating of plastic by dot matrix process under this Chapter.

4. The fusible interlining cloth made by discrete coating with plastic by dot printing process have been specifically included in Chapter 59 by the said amendments to the Central Excise Tariff from 1-3-1989. In other words, the textile fabrics partially or discretely coated with plastic by dot printing process specifically get covered under heading 59.03 from 1-3-1989. Prior to this date they get covered under Chapters 52 to 55 depending upon the textile materials used - whether cotton or man-made fabrics etc.

5. Therefore the pending matters may please be finalised accordingly.

(Emphasis supplied)

19. Therefore, what flows from the Tribunal's order as well as Circular No. 5/89, dated 15.06.1989, is that prior to the introduction of Note 2(c) and subsequent to its deletion from Chapter 59, the Fusible Interlining Cloth would fall under Chapter 52 to 55 depending upon the textile materials used.

20. Textile and Textile Articles fall under Section XI to the GST Tariff. The said section comprises of Chapters 50 to 63. We are only concerned with Chapters 50 to 60. The products which fall under these Chapters are as under: -

<b>Chapter No.</b>	<b>Description</b>
50	Silk
51	Wool, fine or coarse animal hair, horsehair yarn and woven fabric
52	Cotton
53	Other Vegetable textile fabrics; paper yarn and woven fabrics of paper yarn



54	<i>Man-made filaments; strip and the like of man-made textile materials</i>
55	<i>Man-made staple fibres</i>
56	<i>Wadding, felt and non-wovens; special yarn; cordage, ropes and cables and articles thereof</i>
57	<i>Carpets and other textile floor coverings</i>
58	<i>Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings' embroidery</i>
59	<i>Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind used for industrial use</i>
60	<i>Knitted or crocheted fabrics</i>

As per the test report of ATIRA, the *Fusible Interlining Fabric* of the applicant comprises of 85% or more of cotton. Cotton fabrics fall under Chapter 52 of the Tariff. Therefore, the appropriate heading under which *Fusible Interlining Fabric of Cotton* would fall is Chapter 52.

21. In view of the foregoing, we rule as under: -

### RULING

*Ques: Whether the product 'Fusible Interlining Fabrics of Cotton' is correctly classifiable under Chapter 52 or Chapter 59?*

*Ans: Chapter 52, for the reasons mentioned aforesaid.*

(Sushma Vora)  
Member (SGST)

Place: Ahmedabad  
Date: 03.11.2025



*Vishal Malani*

(Vishal Malani)  
Member (CGST)