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RAJASTHAN AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX

ROOM NO. 208, KAR BHAWAN, AMBEDKAR CIRCLE,
BHAWANI SINGH ROAD, C-SCHEME
JAIPUR – 302005 (RAJASTHAN)

राष्ट्र एक कर एक बाजार

AUTHORITY FOR ADVANCE RULING, JAIPUR G.S.T. RAJASTHAN सत्यमेव जयते

ADVANCE RULING NO. RAJ/AAR/2026-27/16

Mahipal Singh Additional Commissioner	:	Member (Central Tax)
Dr. Akhedan Charan Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s BALASARIA AGENCIES PVT. LTD., Plot No. F-163 and 164, Industrial Area, Jhotwara Extension Second Phase, Sarnadoongar, Jaipur, Rajasthan, 302012
GSTIN of the applicant		08AACCB3334K2ZQ
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	(a)Classification of goods and/or services or both (b) Applicability of a notification Issued under the provisions of the Act
Date of Personal Hearing	:	30.07.2026
Present for the applicant	:	Mr. Sanjeev Kumar Mishra(C.A.)
Date of Ruling	:	19.08.2026

1. केंद्रीय वस्तु एवं सेवा कर अधिनियम, 2017 तथा राजस्थान वस्तु एवं सेवा कर अधिनियम, 2017 (जिन्हें आगे क्रमशः 'सीजीएसटी अधिनियम' एवं 'आरजीएसटी अधिनियम' कहा गया है) की धारा 102 के अनुसार, इस अग्रिम निर्णय में अभिलेख पर प्रत्यक्ष रूप से विद्यमान किसी त्रुटि के सुधार हेतु प्राधिकरण द्वारा संशोधन किया जा सकता है, यदि ऐसी त्रुटि आदेश की तिथि से छह माह की अवधि के भीतर स्वयं प्राधिकरण के संज्ञान में आए अथवा आवेदक, संबंधित अधिकारी अथवा क्षेत्राधिकार अधिकारी द्वारा उसके संज्ञान में लाई जाए। तथापि ऐसा कोई संशोधन, जिससे कर देयता में वृद्धि हो अथवा अनुमन्य इनपुट टैक्स क्रेडिट में कमी हो, आवेदक/अपीलकर्ता को सुनवाई का अवसर प्रदान किए बिना नहीं किया जाएगा।

1. In terms of Section 102 of the Central Goods and Services Tax Act, 2017 and the Rajasthan Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act and the RGST Act respectively), this Advance Ruling may be amended by the Authority for Advance Ruling so as to rectify any error apparent on the face of the record, if such error is noticed by the Authority on its own motion or is brought to its notice by the applicant or the concerned officer or the jurisdictional officer within a period of six months from the date of the order. Provided that no rectification which has the effect of enhancing the tax liability or reducing the amount of admissible input tax credit shall be made unless the applicant or the appellant has been given an opportunity of being heard.

2. सीजीएसटी अधिनियम, 2017 एवं आरजीएसटी अधिनियम, 2017 की धारा 103(1) के अनुसार, अध्याय XVII के अंतर्गत दिया गया यह अग्रिम निर्णय केवल निम्नलिखित पर बाध्यकारी होगा: (क) उस

आवेदक पर जिसने अधिनियम की धारा 97(2) में उल्लिखित विषय के संबंध में अग्रिम निर्णय प्राप्त किया है; तथा (ख) उक्त आवेदक के संबंध में संबंधित अधिकारी अथवा क्षेत्राधिकार अधिकारी पर।

2. Under Section 103(1) of the CGST Act, 2017 and the RGST Act, 2017, this Advance Ruling pronounced under Chapter XVII of the Acts shall be binding only: (a) on the applicant who had sought it in respect of any matter referred to in Section 97(2) of the Acts; and (b) on the concerned officer or the jurisdictional officer in respect of the applicant.

3. सीजीएसटी अधिनियम, 2017 एवं आरजीएसटी अधिनियम, 2017 की धारा 103(2) के अनुसार, यह अग्रिम निर्णय तब तक बाध्यकारी रहेगा जब तक कि उस निर्णय के आधारभूत विधिक प्रावधान, तथ्य अथवा परिस्थितियों में कोई परिवर्तन न हो जाए।

3. In terms of Section 103(2) of the CGST Act, 2017 and the RGST Act, 2017, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original ruling have changed.

4. सीजीएसटी अधिनियम, 2017 एवं आरजीएसटी अधिनियम, 2017 की धारा 104(1) के अनुसार, यदि प्राधिकरण यह पाता है कि आवेदक ने धोखाधड़ी, महत्वपूर्ण तथ्यों के दमन अथवा तथ्यों के मिथ्या प्रतिपादन द्वारा यह अग्रिम निर्णय प्राप्त किया है, तो वह आदेश द्वारा ऐसे निर्णय को प्रारंभ से ही शून्य (Void ab initio) घोषित कर सकता है और ऐसी स्थिति में अधिनियमों तथा उनके अधीन बनाए गए नियमों के सभी प्रावधान आवेदक पर ऐसे लागू होंगे मानो यह अग्रिम निर्णय कभी दिया ही नहीं गया हो।

4. Under Section 104(1) of the CGST Act, 2017 and the RGST Act, 2017, where the Authority finds that the Advance Ruling has been obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab initio and thereupon all the provisions of the Acts or the Rules made thereunder shall apply to the applicant as if such Advance Ruling had never been made.

5. इस अग्रिम निर्णय के विरुद्ध अपील, सीजीएसटी अधिनियम, 2017 एवं आरजीएसटी अधिनियम, 2017 की धारा 100 के अंतर्गत राजस्थान अपीलीय अग्रिम निर्णय प्राधिकरण (Appellate Authority for Advance Ruling, Rajasthan) के समक्ष प्रस्तुत की जाएगी। ऐसी अपील निर्णय की सूचना आवेदक, संबंधित अधिकारी अथवा क्षेत्राधिकार अधिकारी को प्राप्त होने की तिथि से तीस दिनों के भीतर प्रस्तुत की जानी होगी। यदि अपीलीय प्राधिकरण यह संतुष्ट हो कि अपीलकर्ता पर्याप्त कारणों से उक्त अवधि के भीतर अपील प्रस्तुत नहीं कर सका, तो वह अधिकतम अतिरिक्त तीस दिनों की अवधि तक विलंब को क्षम्य करते हुए अपील स्वीकार कर सकता है।

5. Any appeal against this Advance Ruling shall lie before the Appellate Authority for Advance Ruling, Rajasthan, in terms of Section 100 of the CGST Act, 2017 and the RGST Act, 2017. Such appeal shall be filed within **thirty days** from the date on which the ruling is communicated to the applicant, the concerned officer or the jurisdictional officer, as the case may be. The Appellate Authority may, if satisfied that the appellant was prevented by sufficient cause from presenting the appeal within the said period of thirty days, allow it to be presented within a further period not exceeding **thirty days**.

The issue raised by M/s BALASARIA AGENCIES PVT. LTD., Plot No. F-163 and 164, Industrial Area, Jhotwara Extension Second Phase, Sarnadoongar, Jaipur, Rajasthan, 302012 (hereinafter *"the applicant"*) is fit to pronounce advance ruling as they have deposited prescribed Fee under CGST Act and it falls under the ambit of the Section 97(2) given as under: -

(a)Classification of goods and/or services or both
(b) Applicability of a notification Issued under the provisions of the Act

A. SUBMISSION OF THE APPLICANT (in brief):-

Brief facts of the case:

M/s Pristine Technologies & Industries (Unit of Balasaria Agencies Pvt. Ltd.) (hereinafter referred to as "the applicant") are registered under the GST law vide GSTIN No. 08AACCB3334K2ZQ. The applicant is engaged in the business of manufacturing and supplying Rubberised Cork Sheets, Agglomerated Cork Sheets, Rubberised Cork Frames and Agglomerated Cork Strips used in sealing, gasketing, vibration control, thermal insulation and various industrial engineering applications.

The Applicant procures the following raw materials:

- Cork Granules
- Polymer / Rubber
- Chemicals and Curatives
- Processing Oil
- Fillers

The manufacturing process undertaken by the Applicant is summarized below:

Step 1 – Procurement and inspection of raw materials
Step 2 – Controlled mixing of cork granules with polymer/rubber and additives
Step 3 – Homogenization of the mixture
Step 4 – Pressing and moulding into sheet form
Step 5 – Vulcanization and curing
Step 6 – Cutting, finishing, inspection and packing

The composition of the finished product is approximately as under:

Particulars Percentage
Cork 30.99%
Polymer 42.47%
Chemicals & Curatives 17.33%
Processing Oil 7.29%
Fillers 1.91%
Total 100.00%

The finished product is commercially sold as:

(a) Rubberised Cork Sheet; or
(b) Agglomerated Cork Sheet.

The product is specifically designed and manufactured for industrial sealing and insulation applications and is recognized in trade and commerce as a cork-based engineered product.

B. INTERPRETATION AND UNDERSTANDING OF APPLICANT ON QUESTION RAISED (IN BRIEF)

Applicant submit the following with reference to above AAR, first of all applicant discuss the legal provision under which goods is classified under heading 4504 of the Customs Tariff Act, 1975, for the sake of clarity applicant is reproducing the relevant extract of heading no.4504 which is read as under:

"4504 - Agglomerated Cork (with or without a binding substance) and articles of agglomerated cork."

Relevant Tariff Item 45041010 covers:

"Agglomerated Cork - Blocks, Plates, Sheets and Strips."

The tariff itself recognizes that agglomerated cork may contain binding substances.

Therefore, incorporation of rubber, polymer or other binding materials does not exclude a product from Heading 4504.

PRINCIPLES OF CLASSIFICATION

- It is a settled principle that classification is governed by the General Rules for Interpretation of the Customs Tariff.

- Rule 1 of the General Rules for Interpretation provides that classification shall be determined according to the terms of the headings and relevant section or chapter notes.

- Therefore, where a tariff heading specifically covers a product, resort to any other heading is impermissible.

- Heading 4504 specifically covers agglomerated cork with or without a binding substance.

- Since the Applicant's product is manufactured from cork granules combined with binding materials, the goods are directly covered by Heading 4504.

- No other tariff heading provides a more specific description of the goods.

ESSENTIAL CHARACTER OF THE PRODUCT IS AGGLOMERATED CORK

- The essential character of the Applicant's product is derived from cork.
- Cork is the primary functional ingredient responsible for:

- Compressibility;
- Recovery characteristics;
- Thermal insulation;
- Vibration absorption;
- Sealing performance.

Polymer/rubber acts primarily as a binder and performance enhancer. The finished product is not marketed or recognized as a rubber sheet.

It is marketed and sold as:

"Rubberised Cork Sheet" and "Agglomerated Cork Sheet"

In commercial parlance also, the product is identified as a cork product.

Therefore, applying the common parlance test, commercial identity test and essential character test, the product merits classification under Heading 4504.

HSN EXPLANATORY NOTES SUPPORT THE APPLICANT

- The HSN Explanatory Notes to Heading 4504 recognize products manufactured by agglomerating cork granules with binding materials.

- The Explanatory Notes specifically contemplate the use of binding substances during manufacture.

- Consequently, the presence of polymer/rubber cannot be used as a basis to deny classification under Heading 4504.

- The Applicant's product exactly answers the description of agglomerated cork sheets contemplated under Heading 4504.

DEPARTMENT'S OBJECTION IS LEGALLY UNSUSTAINABLE

Appellant filed refund under inverted duty Structure. During scrutiny of refund, department verbally raised the doubt that the GST rate @5% as per notification Sr. No. 310 of Schedule-I of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025 may not be available because cork originates from the bark of the Cork Oak Tree or this is applicable only natural cork sheet not for "Rubberised Cork Sheet" and "Agglomerated Cork Sheet". In other words, Department has the view that 5% GST is applicable on natural cork but applicant is manufacturing Rubberised Cork Sheet, Rubberised Cork Frame & Agglomerated Cork Strips using Polymer, Chemicals & Curatives, Processing Oil & Fillers @18% hence it is not remained natural CORK hence the HSN summary of 45041010 which is not applicable this case, the Chapter 45 is as under :

Chapter-45

CORK AND ARTICLES OF CORK

HSN Code	Description of Goods	Full Rate	Noti No.	Date
4501	Waste cork; crushed, granulated or ground cork (Sl. No. 165 **Sch.II**) ***w.e.f. 22.09.2025*** Also known As - crushed cork, granulated cork, groundcork, wastecork	18	**09/2025**	17/09/2025
4501	Natural cork, raw or simply prepared (Sl. No. 307 **Sch.I**) ***w.e.f. 22.09.2025*** Also known As - natural cork ,raw or simply prepared	5	**09/2025**	17/09/2025
45020000	Natural cork, debacked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip (including sharp- edged blanks for corks or stoppers) (Sl. No. 308 **Sch.I**)***w.e.f. 22.09.2025*** Also known As - corks and stoppers, debacked or roughly squared, naturalcork, plates, rectangular blocks, sheets, strip	5	**09/2025**	17/09/2025
4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom (Sl. No. 309 **Sch.I**) ***w.e.f. 22.09.2025*** Also known As - natural corks and stoppers, shuttlecock cork bottom	5	**09/2025**	17/09/2025
45039090, 450490	[1][Art ware of cork (including articles of sholapith) (Sl. No. 6) ***Footnote for Sl. No. 6*** ***1 Subs. by Noti. No. 13/2025-Central Tax (Rate) dated 17.09.2025 w.e.f. 22.09.2025 for "***	5	**21/2018**	28/06/2017

<table>
<tr><th>HSN Code</th><th>Description of Goods</th><th>Full Rate</th><th>Noti No.</th><th>Date</th></tr>
<tr><td></td><td><table><tr><td>6.</td><td>4503 90 90, 4504 90</td><td>Art ware of cork [including articles of sholapith]</td><td>6% "</td></tr></table>
<u>Also known As</u> - articles of sholapith, artware of cork</td><td></td><td></td><td></td></tr>
<tr><td>4504</td><td>Agglomerated cork (with or without a binding substance) and articles of agglomerated cork (Sl. No. 310 Sch.I) w.e.f. 22.09.2025
<u>Also known As</u> - agglomerated cork, articles of agglomerated cork</td><td>5</td><td>09/2025</td><td>17/09/2025</td></tr>
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The Applicant respectfully submits that such an objection is contrary to settled principles of tariff classification.

Classification is required to be determined based upon:

(a) Description of the finished product;

(b) Characteristics of the finished product;

(c) Commercial identity of the finished product;

(d) Tariff wording.

Classification cannot be determined on the basis of the botanical origin of one constituent raw material.

Numerous products derived from natural sources undergo substantial manufacturing and acquire an independent tariff identity.

Once a product falls within a specific tariff entry, its classification cannot be denied merely because one of its raw materials originated from a natural source.

Therefore, the fact that cork is obtained from the bark of the Cork Oak Tree is wholly irrelevant for determining classification under Heading 4504.

APPLICABILITY OF GST RATE NOTIFICATION

- Sr. No. 310 of Schedule-I of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025 prescribes GST at the rate of 5% for the specified goods falling under Chapter 45.

- The Applicant's product is classifiable under Tariff Item 45041010.

- Therefore, the product squarely falls within the scope of the aforesaid notification.

- Consequently, GST at the rate of 5% (CGST 2.5% + SGST 2.5%) is correctly applicable.

C. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT:

Q1) Whether the product manufactured and supplied by the Applicant, namely "Rubberised Cork Sheet" / "Agglomerated Cork Sheet", is correctly classifiable under Tariff Item 45041010?

Q2) Whether Rubberised Cork Sheet / Agglomerated Cork Sheet classifiable under Tariff Item 45041010 is covered under Sr. No. 310 of Schedule-I of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025?

Q3) Whether GST at the rate of 5% (CGST @ 2.5% and SGST @ 2.5%) is applicable on the said product?

Q4) Whether the benefit of the said notification can be denied merely because outwards product is not natural cork or cork is not originates from the bark of the Cork Oak Tree?

Q5) Whether the applicant is also eligible for refund under inverted duty structure benefit under section 54(3)(ii) of the RGST Act., 2017 which allows refund where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies?

D. COMMENTS OF THE JURISDICTIONAL OFFICER: -

Comments received from the Office of Joint Commissioner, State Tax, Circle-C, ZONE-JAIPUR-4th, Divisional Kar Bhawan, Jhalana Dungri, JAIPUR, Rajasthan vide letter Sr.No. स.आ./वृत्त - सी - IV /2026-27 / 149, Dated 28/07/26 are as under:-

Under above cited subject and reference, taxable person is a manufacturer of cork sheet, agglomerated cork sheet, rubberised cork frames and agglomerated cork strips. Taxable person is considering his product under chapter 45 with HSN 4504 that covers under Sr. 310 of Schedule-I of notification No.. 09/2025, Central Tax Rate, dated 17.09.2025 taxable @5%.

Taxable person in his written submission stated that following goods are used in ratio given below to derive finished product:-

Cork:-30.99%
Polymer:-42.47%
Chemical & Curatives :- 17.33%
Processing Oil:- 7.29%

Fillers: 1.91%
Total:-100.00%

Cork granules are got from the oak tree bark and by using binding substance like glue, adhesive etc. It become agglomerated cork and fall under chapter, for falling under chapter 45 predominant character should be cork granules. But in present case, taxpayer is using polymer 42.47% for manufacturing finish product. It overtly prove that polymer(rubber) is predominant and essential character in finished goods. Taxable person is manufacturing synthetic rubberised cork sheet and articles that should be fall under chapter 40 with 18% tax rate. There is no proceeding pending against taxable person.

E. PERSONAL HEARING:

Personal hearing in the matter was granted to the applicant on 30.07.2026. Mr. Sanjeev Kumar Mishra (C.A.), Authorized Representative appeared for personal hearing. He reiterated the submission already made by them.

F. DISCUSSIONS AND FINDINGS

1. At the outset, we would like to make it clear that the provisions of both the CGST Act and the RGST 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 provision under the RGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / RGST Act would be mentioned as being under the "GST Act".

2. We have gone through the application filed in FORM GST ARA-01 along with the annexures thereto, the comments of the jurisdictional officer received vide letter No. 149 dated 28.07.2026 and the submissions made by the Authorised representative at the time of personal hearing held on 30.07.2026. We now proceed to decide the questions on the basis of the material available on record.

3. The applicant, M/s Balasaria Agencies Pvt. Ltd., carrying on business in the trade name of M/s Pristine Technologies & Industries at Plot No. F-163 and 164, Industrial Area, Jhotwara Extension Second Phase, Sarnadoongar, Jaipur, Rajasthan-302012, is registered under the GST Act bearing GSTIN 08AACCB3334K2ZQ. The applicant manufactures and supplies Rubberised Cork Sheets, Agglomerated Cork Sheets, Rubberised Cork Frames and Agglomerated Cork Strips, which are used in sealing, gasketing, vibration control, thermal insulation and allied industrial engineering applications. As per the process flow chart and the statement of facts placed on record, the applicant procures cork granules, polymer/rubber, chemicals and curatives, processing oil and fillers; the raw material is inspected and tested; it is then kneaded and mixed; the mixture is compression moulded into blocks; the blocks are sliced into sheets; the sheets are subjected to quality control and testing and are thereafter sized or punched into the finished sheets, frames and strips, physically inspected at the quality gate, packed and dispatched. The typical composition of the finished product,

as declared in Annexure-1 to the application, is Cork 30.99%, Polymer 42.47%, Chemicals and Curatives 17.33%, Processing Oil 7.29% and Fillers 1.91%.

4. Before going in to the merits, we deal with the admissibility of the application. In terms of clause (a) of Section 95 of the GST Act, an "advance ruling" means a decision provided by this Authority to an applicant on matters or on questions specified in sub-section (2) of Section 97, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant; and in terms of clause (c) of Section 95, an "applicant" means any person registered or desirous of obtaining registration under the Act. The applicant is a registered person and is presently undertaking the supply of the goods in question.

5. Question Nos. 1 to 4 are related to the classification of the goods manufactured and supplied by the applicant, and to the applicability of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025. These questions fall squarely within clauses (a) and (b) of Section 97(2) of the GST Act and are admitted. Question No. 5, however, stands on a different footing. It asks whether the applicant is eligible for refund of accumulated input tax credit on account of the inverted duty structure in terms of clause (ii) of the first proviso to Section 54(3) of the GST Act. Sub-section (2) of Section 97 sets out an exhaustive enumeration, in clauses (a) to (g), of the seven matters on which an advance ruling may be sought. The entitlement of a registered person to refund of unutilised input tax credit finds no place in that enumeration. <u>Question No. 5 is accordingly not admitted and is rejected as being beyond the scope of Section 97(2) of the GST Act</u>.

6. We have also considered whether the bar contained in the first proviso to Section 98(2) of the GST Act is attracted. That proviso mandates that the Authority shall not admit the application where the question raised in the application is already pending or decided in any proceedings in the case of an applicant under any of the provisions of the Act. In the grounds of advance ruling the applicant has stated that it had filed a refund claim under the inverted duty structure and that, during scrutiny of that refund, the department "verbally raised the doubt" that the rate of 5% under Sl. No. 310 of Schedule-I ibid may not be available. No notice, order or other proceeding in which the question of classification has been raised or decided has, however, been placed before us. The applicant has declared at Sl. No. 17 of FORM GST ARA-01 that the question raised is neither pending nor decided in any proceedings in its own case, and the jurisdictional officer has, in his comments dated 28.07.2026, categorically reported that there is no proceeding pending against the taxable person. On the material before us we, therefore, hold that the bar under the first proviso to Section 98(2) is not attracted in this case.

7. On merits, Question Nos. 1 to 4 raise, in substance, a single composite issue in three parts, namely, (i) the appropriate classification of the applicant's products under the First Schedule to the Customs Tariff Act, 1975; (ii) whether goods so classified are covered by Sl. No. 310 of Schedule-I of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025 and the corresponding notification issued under the RGST Act, 2017, so as to attract tax at the aggregate rate of 5%; and (iii) whether the benefit of that entry can be denied on the ground that the goods supplied are not natural cork.

8. We observe that Clause (a)(iii) of the Explanation to Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025 provides that the expressions "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 clause (b) of that Explanation provides that the rules for the interpretation of the First Schedule to the Customs Tariff Act, 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 the notification. Classification for the purposes of the notification is, therefore, to be determined in accordance with the First Schedule to the Customs Tariff Act, 1975 read with the General Rules for the Interpretation of that Schedule (hereinafter "the General Rules"). Further, we observe that the Chapter 45 of the First Schedule, falling in Section IX, is titled as "Cork and articles of cork". Within that Chapter, heading 4501 covers natural cork, raw or simply prepared, and waste cork, crushed, granulated or ground cork; heading 4502 covers natural cork, debacked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip; heading 4503 covers articles of natural cork; and heading 4504 covers "Agglomerated cork (with or without a binding substance) and articles of agglomerated cork". Heading 4504 is divided into sub-heading 4504 10 - "Blocks, plates, sheets and strip; tiles of any shape; solid cylinders, including discs", comprising tariff items 4504 10 10 (Sheets), 4504 10 20 (Slabs) and 4504 10 90 (Other); and sub-heading 4504 90 - "Other", comprising tariff item 4504 90 00. Note 1 to Chapter 45 excludes from that Chapter only footwear and parts of footwear of Chapter 64, headgear and parts of headgear of Chapter 65, and articles of Chapter 95. There is no Note in Chapter 45 which excludes from it cork agglomerated with rubber or with any other binder.

9. Rule 1 of the General Rules for the Interpretation of the Harmonized System provides that, for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to Rules 2 to 6. The primacy of the terms of the heading is thus absolute, and recourse to the succeeding Rules arises only where the terms of the headings and the relative Notes leave the matter unresolved. Applying Rule 1, we find that the terms of heading 4504 themselves answer the description of the goods before us. The heading is not confined to cork agglomerated by itself. It reads "Agglomerated cork (with or without a binding substance) and articles of agglomerated cork". It prescribes no threshold - whether by weight, by volume or otherwise - for the proportion which the binding substance may bear to the cork, and it names no particular class of binder to the exclusion of others.

10. We further deal with the issue whether the "binding substance" spoken of in heading 4504 can be rubber. We hold that it can. The heading uses the words "a binding substance" without any restriction. It does not say which binders are allowed, and it does not shut out any of them. Where the heading itself draws no line, we cannot draw one.

11. We also observe that the process flow chart placed on record shows that cork is received as incoming raw material; that it is kneaded and mixed with polymer, chemicals and curators, processing oil and filler; that the mix is compression moulded into blocks; and that the blocks are sliced into sheets which are then sized or punched into sheets, frames and strips. What is being agglomerated is the cork; what performs the office of holding the agglomerated cork granules together is the polymer system.

We also consider it material that in the composition declared in Annexure-1 to the application, "Fillers" appear as a separate ingredient category accounting for 1.91%. Therefore, cork is not employed as a filler in a rubber compound; it is the material which is agglomerated, and the polymer, the chemicals and curatives and the processing oil together constitute the binder system by which that agglomeration is affected.

12. In respect of Question No. 4, namely, whether the benefit of the notification can be denied merely because the product supplied is not natural cork, or because the cork does not remain cork of the bark of the cork oak in its natural state, the answer must be in the negative, and it emerges from the structure of Chapter 45 itself. The word "natural" appears in headings 4501, 4502 and 4503 - "natural cork, raw or simply prepared"; "natural cork, debacked or roughly squared"; "articles of natural cork". It is noticeably absent from heading 4504, which speaks of "agglomerated cork". Agglomerated cork is, by definition, cork which has been crushed, granulated or ground and thereafter reconstituted; it is not natural cork and cannot be natural cork. Schedule-I of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025 contains four separate entries for Chapter 45: Sl. No. 307 for heading 4501 (natural cork, raw or simply prepared); Sl. No. 308 for tariff item 4502 00 00 (natural cork, debacked or roughly squared, or in rectangular blocks, plates, sheets or strip); Sl. No. 309 for heading 4503 (articles of natural cork such as corks and stoppers, shuttlecock cork bottom); and Sl. No. 310 for heading 4504 (agglomerated cork, with or without a binding substance, and articles of agglomerated cork). The notification has thus dealt with natural cork and with agglomerated cork by separate and distinct entries, and has prescribed for both the same rate of 2.5% central tax. To read Sl. No. 310 as available only in respect of natural cork would render that entry futile. The botanical origin of the cork granule is wholly irrelevant to the enquiry; what matters is the description in the tariff heading and the identity of the finished goods as they are cleared. The question is accordingly answered.

13. For the reasons recorded above, we hold that Rubberised Cork Sheets / Agglomerated Cork Sheets manufactured and supplied by the applicant, being agglomerated cork with a binding substance and articles thereof, are classifiable under heading 4504 of the First Schedule to the Customs Tariff Act, 1975. As regards the appropriate eight-digit tariff item, we find that within heading 4504, sub-heading 4504 10 covers blocks, plates, sheets and strip, tiles of any shape and solid cylinders including discs, and comprises tariff item 4504 10 10 ("Sheets"), tariff item 4504 10 20 ("Slabs") and tariff item 4504 10 90 ("Other"); sub-heading 4504 90, comprising tariff item 4504 90 00, covers articles of agglomerated cork other than those of sub-heading 4504 10. It follows that Rubberised Cork Sheets and Agglomerated Cork Sheets, being sheets, fall under tariff item 4504 10 10.

We add that this difference in the eight-digit tariff item is of no consequence to the rate of tax in the present case, because column (2) against Sl. No. 310 of Schedule-I of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025 specifies the heading "4504" and not any particular sub-heading or tariff item, with the result that all goods falling anywhere within heading 4504 are covered by that entry.

14. Turning to Question Nos. 2 and 3, Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025 has been issued in exercise of the powers conferred by sub-section (1) of

Section 9 and sub-section (5) of Section 15 of the CGST Act, 2017, in supersession of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, and notifies the rate of central tax of 2.5% in respect of goods specified in Schedule-I thereof. Sl. No. 310 of Schedule-I specifies, in column (2), the heading "4504" and, in column (3), the description "Agglomerated cork (with or without a binding substance) and articles of agglomerated cork". The goods of the applicant, being classifiable under heading 4504 as held above, are squarely covered by that entry, which is subject to no condition. Central tax is, therefore, leviable at 2.5%; and by virtue of the corresponding entry of the corresponding notification issued under sub-section (1) of Section 9 of the RGST Act, 2017, State tax is leviable at 2.5%, aggregating to 5%.

G. In view of the foregoing facts, circumstances and provisions of the GST law, we pass the following ruling:

RULING

Q1) Whether the product manufactured and supplied by the Applicant, namely "Rubberised Cork Sheet" / "Agglomerated Cork Sheet", is correctly classifiable under Tariff Item 45041010?

Ans- Yes, the Rubberised Cork Sheets / Agglomerated Cork Sheets manufactured and supplied by the applicant is correctly classifiable under Tariff Item 45041010 as discussion and findings recorded at Paras above.

Q2) Whether Rubberised Cork Sheet / Agglomerated Cork Sheet classifiable under Tariff Item 45041010 is covered under Sr. No. 310 of Schedule-I of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025?

Ans- Yes, the "Agglomerated cork (with or without a binding substance) and articles of agglomerated cork" is covered under Sr. No. 310 of Schedule-I of Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025.

Q3) Whether GST at the rate of 5% (CGST @ 2.5% and SGST @ 2.5%) is applicable on the said product?

Ans- Yes, in respect of supplies made on or after 22.09.2025. In terms of the discussion and findings recorded at Paras above.

Q4) Whether the benefit of the said notification can be denied merely because outwards product is not natural cork or cork is not originates from the bark of the Cork Oak Tree?

Ans- No, the benefit of the said entry cannot be denied on that ground, as discussed in Para 12 of the 'discussion and findings'.

Q5) Whether the applicant is also eligible for refund under inverted duty structure benefit under section 54(3)(ii) of the RGST act.,2017 which allows refund where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies?

Ans- Not admitted, being beyond the scope of Section 97(2) of the GST Act as findings given in Para 5 above.

15/08/2026

(Mahipal Singh)
MEMBER
CENTRAL TAX

(Dr. Akhedan Charan)
MEMBER
STATE TAX

F. No. AAR/SF/2026-27/ 456–461

Date: 19.08.2026

SPEED POST

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Copy to: -

1. The Chief Commissioner, CGST and Central Excise (Jaipur Zone), NCRB, Statue Circle, Jaipur, Rajasthan-302005.
2. The Chief Commissioner, State Tax, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme, Jaipur-302005.
3. The Pr. Commissioner, CGST and Central Excise , NCRB, Statue Circle, JAIPUR Rajasthan.
4. The Joint Commissioner, State Tax, Circle-C, ZONE- JAIPUR-4th, Divisional Kar Bhawan, Jhalana Dungri, JAIPUR, Rajasthan
5. The Assistant Commissioner, Central Tax, CGST Division- VKIA, Central Excise Building, Sector-10, Vidhyadhar Nagar JAIPUR, Rajasthan