

M/s Balasaria Agencies Pvt. Ltd.

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2026-27/16

Dated **19.08.2026**

Q Questions Before the Authority

- Whether the product manufactured and supplied by the Applicant, namely 'Rubberised Cork Sheet' / 'Agglomerated Cork Sheet', is correctly classifiable under Tariff Item 45041010?
- 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?
- Whether GST at the rate of 5% (CGST @ 2.5% and SGST @ 2.5%) is applicable on the said product?
- 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?
- 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?

F Facts

The applicant manufactures and supplies Rubberised Cork Sheets and Agglomerated Cork Sheets by mixing cork granules with polymers, chemicals, and other additives. The applicant sought a ruling on the correct HSN classification and the applicability of a 5% GST rate under a specific notification. The jurisdictional officer contended that the product should be classified under Chapter 40 as a synthetic rubber product rather than under Chapter 45 as cork.

H Ruling

Classification of Rubberised/Agglomerated Cork Sheets	Classifiable under Tariff Item 45041010	None
Coverage under Notification No. 09/2025-Central Tax (Rate)	Covered under Sr. No. 310 of Schedule-I	None
Applicability of 5% GST rate	Yes, applicable on supplies on or after 22.09.2025	Subject to discussion in the order
Denial of benefit based on natural origin	No, benefit cannot be denied on that ground	None
Eligibility for inverted duty refund	Not admitted	Beyond the scope of Section 97(2) of the GST Act

The Authority ruled that the products are correctly classifiable under Tariff Item 45041010 as agglomerated cork. It held that the presence of binding substances like polymers does not exclude the product from Heading 4504.

Consequently, the products are eligible for the 5% GST rate prescribed under the relevant notification.

R Reasoning

The Authority relied on the **General Rules for Interpretation** of the Customs Tariff, noting that Heading 4504 specifically covers agglomerated cork with or without binding substances. It determined that the essential character of the product is derived from cork, and the binding agent does not change its classification. The Authority clarified that the botanical origin of the raw material is irrelevant for classification under Heading 4504. It also noted that the **inverted duty refund** question was rejected as it falls outside the scope of matters eligible for an advance ruling under Section 97(2).

P Provisions Relied On

Section 97(2) of the CGST/SGST Act, 2017

Section 102 of the CGST/SGST Act, 2017

Section 103(1) of the CGST/SGST Act, 2017

Section 104(1) of the CGST/SGST Act, 2017

Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025

First Schedule to the Customs Tariff Act, 1975

! For the Practitioner

This ruling confirms that **rubberised or agglomerated cork sheets** are classifiable under HSN 4504 and eligible for the 5% concessional GST rate, regardless of the binding agents used. It provides a strong precedent for manufacturers of composite cork products to resist departmental attempts to reclassify such goods under higher-taxed rubber categories. However, practitioners should note that the Authority **refused to rule on inverted duty refund eligibility**, maintaining that such claims are outside the scope of advance ruling proceedings.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 5-order 16 balsariya agencies.pdf

Prepared 11-10-2026.

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