



**RAJASTHAN AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX, KAR  
BHAWAN, AMBEDKAR CIRCLE, NEAR RAJASTHAN  
HIGHCOURT JAIPUR - 302005 (RAJASTHAN)**



**ADVANCE RULING NO. RAJ/AAR/2025-26/24**

Utkarsha Joint Commissioner	:	Member (Central Tax)
Dr. Akhedan Charan Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s SUNITA KOHLI, F-274, INDUSTRIAL PLOT, CHOPANKI, BHIWADI-301019, ALWAR, Rajasthan
GSTIN of the applicant	:	08AKUPK9470G1ZG
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
Date of Personal Hearing	:	09.03.2026
Present for the applicant	:	Mr. Vinod Kumar (C.A.), Mr. Girish Kohli (C.A.)
Date of Ruling	:	27.03.2026

**Note 1:** Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling, constituted under Section 99 of CGST/SGST Act, 2017, within a period of 30 days from the date of service of this order.

**Note 2:** At the outset, we would like to make it clear that the provisions of both the CGST Act and the SGST 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 SGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / SGST Act would be mentioned as being under the "GST Act".

The issue raised by M/s SUNITA KOHLI, F-274, INDUSTRIAL PLOT, CHOPANKI, BHIWADI-301019, ALWAR, Rajasthan (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



## SUBMISSION OF THE APPLICANT(in brief):-

Brief facts of the case:

- a) We M/s SKP Enterprises, a proprietorship concern in the name of Mrs Sunita Kohl having GST number and address mentioned above, are into manufacturing and selling of packing material i.e. carrying bag of various types. Out of them one major portion pertains to Compostable bags ( i.e. bio-degradable bags) . The HSN Code of the above items has been HSN: 3923 29 90, Chapter: 39 – Plastics and articles thereof, Description: Other sacks and bags, of plastics. Earlier prior to 22.09.2025, the above item was classified as above are GST rate was charged at GST @ 18% (9% CGST + 9% SGST). Copy of Certificate to manufacture and sell compostable bags by CPCB, Copy of LAB testing report CIPET and Copy of Sample Sales Invoices as evidence that we are into manufacturing of such product and the products are biodegradable/ compostable.
- b) In pursuance of notification Notification No. 9/2025-Central Tax (Rate) dated 17-Sep-2025, effective 22-Sep-2025, “Paper Sacks/Bags and bio-degradable bags” are specified against Chapters 39, 48 in Schedule I (CGST 2.5%), yielding 5% GST.
- c) Given the specific wording “Paper sacks/Bags and bio-degradable bags” mapped to chapters 39 & 48 in Schedule I, the applicant submits that biodegradable bags- whether of plastic origin (ch.39) or paper origin (Ch.48) – are specifically covered at 5% GST from 22-Sep-2025.
- The specific entry should prevail over general residual/generic entries for 3923 or paper articles placed in higher schedules.
- The exact 8 digit HSN may be determined based on material composition, size, and use, but the rate remains 5% by virtue of the specific notification entry.
- d) Presently, similar non-biodegradable/compostable plastic bags are generally classified under HSN 39232990 (Articles for the conveyance or packing of goods, of plastics).
- e) Pursuant to Notification No. 9/2025-Central Tax (Rate) dated 17-Sep-2025, effective 22-Sep-2025, “Paper Sacks/Bags and bio-degradable bags” are specified against Chapters 39, 48 in Schedule I (CGST 2.5%), yielding 5% GST, copy enclose.
- f) The Applicant’s products are biodegradable as per (standards/certifications-attach test reports) and are supplied as (pre-



packaged & labelled / bulk) packs. We seek clarification on the following two question mentioned below.

It clearly covers both required aspects:

1. Classification – under which HSN Code? and
2. Applicable GST Rate – Under Notification No. 09/2025-Central Tax (Rate), dated 17 Sept 2025, entry 319 of schedule I (5% rate).

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

**1. Specific Notification Entry Covers the Product**

That vide Notification No. 9/2025-Central Tax (Rate) dated 17.09.2025, effective from 22.09.2025, the Government has specifically inserted an entry in **Schedule I** (5% rate) covering “Paper Sacks/Bags and bio-degradable bags/Compostable Bags” against Chapters 39 and 48. Accordingly, all biodegradable bags-irrespective of their base composition-are squarely covered under this specific concessional entry.

**2. Principle of Specific Entry Prevailing Over General Entry**

As per settled classification principles and CBIC circular, a specific entry always overrides a general or residual entry. Hence, once biodegradable bags are specifically covered under the said notification, classification under any residual heading attracting a higher rate (such as 3923 29 90 or similar) does not apply.

**3. Definition and Compliance with Biodegradable /Compostable Standards**

The applicant manufactures bags using biodegradable / compostable polymers conforming to IS/ISO 17088 standards, duly supported by test certificates. Therefore, these bags are environment-friendly substitutes for plastic carry bags, fully aligned with the intent of Government policy to promote biodegradable packing materials. We have obtained a certificate from CIPEIT (Centre for Skilling and Technical Support – CSTS), Department of chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers, Government of India.

**4. Legislative Intent and Environmental Objective**

The concessional rate aims to incentive biodegradable alternatives and reduce single-use plastic pollution. The applicant’s product

directly supports this objective and must therefore receive the concessional rate benefit.



**5. No Contradiction or Overlap with Other Entries**

The entry for biodegradable bags / Compostable Bags stands independently and is not restricted by material composition. The heading linkage to both Chapters 39 and 48 demonstrates the Legislature's intent to cover biodegradable variants made from plastic, compostable polymer, or paper base.

**6. Uniform Rate Applicability**

The rate of 5% (2.5% SGST) applies uniformly from 22.009.2025 onwards to all biodegradable bags, whether supplied in bulk or pre-packages, as per the specific notification.

**C. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT:**

1. Classification/HSN: Whether the Applicant's biodegradable bags are classifiable under Chapter 39 (if of plastic/compostable polymer) or Chapter 48 (if of paper), and the appropriate HSN therein.
2. Rate of tax & applicability of notification: Whether supplies of the said biodegradable bags are covered by the entry "Paper Sacks/Bags and bio-degradable bags" (Ch. 39, 48) in Schedule I of Notification 9/2025-CTR, attracting 5% GST (2.5% CGST + 2.5% SGST), w.e.f. 22-Sep-2025.

**D. COMMENTS OF THE JURISDICTIONAL OFFICER: -**

Comments sought from the Office of Assistant Commissioner, CGST Divison – TIJAZRA, ALWAR, Rajasthan vide letter No. F.05/COMM/AAR State/2025-26/249 Dated 26-02-2025 has not received yet so no information for field formation.

**E. PERSONAL HEARING:**

In the matter, personal hearing was granted to the applicant on 09.03.2026. Mr. Vinod Kumar (C.A.), Mr. Girish Kohli (C.A.) Authorized Representative appeared for personal hearing. They reiterated the submission already made by them.

**F. DISCUSSIONS AND FINDINGS**

1. We have carefully examined the statement of facts, the application filed by the applicant, the submissions made during the hearing, and the



comments from the jurisdictional Tax Authority. We also considered the issues involved for which the advance ruling is sought, along with other relevant facts.

2. The applicant M/s SKP Enterprises, a proprietorship concern in the name of Mrs. Sunita Kohli, F-274, INDUSTRIAL PLOT, CHOPANKI, BHIWADI-301019, ALWAR, Rajasthan, and is registered with the GST department having GSTIN 08AKUPK9470G1ZG. The applicant is engaged in the manufacturing and selling of packing material i.e. carrying bag of various types.
3. The issue raised by 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, and (b) Applicability of a notification issued under the provisions of this Act.
4. We find that the applicant has submitted certificates issued by a notified agency indicating that the product is "bio-degradable/compostable". However, the mere submission of such a certificate does not authorize this Authority to make any scientific, technical or environmental determination regarding the actual biodegradability or compostability of the product.
5. This Authority is constituted to decide matters falling within the scope of Section 97(2) of the CGST Act, namely classification of goods, applicability of notifications, admissibility of input tax credit, liability to pay tax, requirement for registration, and whether an activity amounts to supply. We do not possess the jurisdiction to determine whether a product meets environmental, technical or scientific standards of biodegradability or compostability.
6. The determination of biodegradability or compostability is a scientific and technical matter falling within the jurisdiction of the environmental authorities and not within the scope of this Authority under Section 97(2) of the CGST Act.
7. We find that the bags in question, if made from polymer or compostable plastics, are classifiable under **Chapter 39** – Plastics and articles thereof, specifically under heading 3923, being articles for the conveyance or packing of goods. Furthermore, if the bags are manufactured from paper, they are classifiable under **Chapter 48** – Paper and paperboard; articles of paper pulp, of paper or of paperboard. This classification is independent of whether the material is biodegradable or not.
8. We further observe that Entry No. 319 of Schedule I to Notification No. 9/2025-Central Tax (Rate) dated 17.09.2025 provides a concessional GST rate of 5% for "Paper Sacks/Bags and bio-degradable bags" under

Chapters 39 and 48. The concessional rate is therefore conditional in nature and applies only if the goods supplied are biodegradable as understood in the context of the said entry.

9. Accordingly, while we cannot determine whether the applicant's product is biodegradable or compostable, we hold that if the bags supplied by the applicant are biodegradable, then the benefit of Entry No. 319 of Schedule I would be available and GST would be payable at the rate of 5% (2.5% CGST + 2.5% SGST). If the product is not biodegradable, then the concessional rate would not apply, and the applicable rate under the general classification for plastic bags under Chapter 39 would apply.

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

### RULING

**Q 1) Classification/HSN:** Whether the Applicant's biodegradable bags are classifiable under Chapter 39 (if of plastic/compostable polymer) or Chapter 48 (if of paper), and the appropriate HSN therein.

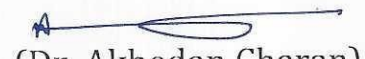
Ans1- As discussed in Para 7 above.

**Q 2) Rate of tax & applicability of notification:** Whether supplies of the said biodegradable bags are covered by the entry "Paper Sacks/Bags and biodegradable bags" (Ch. 39, 48) in Schedule I of Notification 9/2025-CTR, attracting 5% GST (2.5% CGST + 2.5% SGST), w.e.f. 22-Sep-2025.

Ans2- As discussed in Para 9 above.



(Utkarsha)  
MEMBER  
CENTRAL TAX



(Dr. Akhedan Charan)  
MEMBER  
STATE TAX

F. No. AAR/SF/2025-26/279-284

Date: 27.03.2026

### SPEED POST

M/s SUNITA KOHLI,  
F-274, INDUSTRIAL PLOT, CHOPANKI,  
BHIWADI-301019, ALWAR, Rajasthan



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 Commissioner, CGST and Central Excise ALWAR ZONE
4. The Deputy Commissioner, State Tax, Circle-C, **Zone-BHIWADI**, Divisional Kar Bhawan, ALWAR, Rajasthan.
5. The Deputy/Assistant Commissioner, CGST Division- TIJARA, BHIWADI, Rajasthan.