



RAJASTHAN AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX, KAR
BHAWAN, AMBEDKAR CIRCLE, NEAR RAJASTHAN
HIGH COURT JAIPUR – 302005 (RAJASTHAN)



ADVANCE RULING NO. RAJ/AAR/2025-26/15

Utkarsha Joint Commissioner	:	Member (Central Tax)
Dr. Akhedan Charan Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s EASY FLUX POLYMERS PRIVATE LIMITED, 704, MUNGLAM FUNDSQUARE, DURGA NURSERY ROAD, UDAIPUR-313001, RAJASTHAN
GSTIN of the applicant	:	08AADCE5250C1Z1
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	:	04.11.2025
Present for the applicant	:	Mr. Rakesh Mehta (C.A.), Mr. Imran Khan (C.A.)
Date of Ruling	:	17.12.2025

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 EASY FLUX POLYMERS PRIVATE LIMITED, 704, MUNGLAM FUNDSQUARE, DURGA NURSERY ROAD, UDAIPUR-313001, 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

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

Brief facts of the case:

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.

a) Presently, similar non-biodegradable/compostable plastic bags are generally classified under HSN 39232990

(Articles for the conveyance or packing of goods, of plastics).

b) 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 enclosed.

c) 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 questions 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 circulars, 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 packaging materials. We have obtained a certificate from **CIPET (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 incentivize 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% CGST + 2.5% SGST)** applies uniformly from 22.09.2025 onwards to all biodegradable bags, whether supplied in bulk or pre-packaged, 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 received from the Office of Deputy Commissioner, Circle-F, Zone-Udaipur, Rajasthan vide letter No. DC/F/UDR/2025-26/307 Date 28-10-2025 are as under:

1. Applicant M/s Easy Flux Polymers Private Limited, GSTIN-08AADCE5250C1Z1 is registered under State Jurisdiction of AC/CTO ward, Circle-F, Zone-Udaipur.

2. (i) As per data available in registration details of the taxable person on GST common portal, the taxable person is engaged in manufacturing of goods of following HSNs:

S No	HSN	Description of Goods
1	3903	POLYMERS OF STYRENE, IN PRIMARY FORMS
2	3915	WASTE, PARINGS AND SCRAP, OF PLASTICS
3	3920	OTHER PLATES, SHEETS, FILM, FOIL AND STRIP, OF PLASTICS, NON-CELLULAR AND NOT REINFORCED, LAMINATED, SUPPORTED OR SIMILARLY COMBINED WITH OTHER MATERIALS

(ii) As per record submitted by the applicant along with the application (tax invoices and E-way Bills), the taxable person is engaged in manufacturing and supply of plastic compostable bags bearing HSN-39232990, compostable straw bearing HSN-39241090 etc.

(iii) ISO 17088:2021 is standard for specification for compostable plastics and the certificates issued under ISO 17088 is intended to be used as the basis for systems of labelling and claims for compostable plastics materials and products. The document issued under ISO 17088 specifies procedures and requirements for plastics and products made from plastics that are suitable for recovery through organics recycling. The document issued under ISO-17088 does not provide informations or requirements for the biodegradability of plastics which endup in the environment as litter.

3.

(a) HSN Code 39232999 falls under the general category of "Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics".

(b) No need to comment as the statement is factual.

(c) As per record submitted by the taxable person, the taxable person is engaged in manufacturing and supply of plastic compostable bags bearing HSN-39232990, compostable straw bearing HSN-39241090 etc.

(i) Chapter 39 of the Harmonized System of Nomenclature (HSN) covers Plastics and articles thereof, with a wide range of codes from 3901 to 3926 whereas Chapter 48 of the Harmonized System of Nomenclature (HSN) code covers paper and paperboard, as well as articles made from paper pulp, paper, or paperboard

4.

(ii) Entry 319 in Schedule-1 of notification 9/2025 Centre Tax Rate Dated 17-09-2025 covers, Paper Sacks/Bags and bio-degradable bags" whereas the taxable person is engaged in manufacturing and supply of plastic compostable bags bearing HSN-39232990, compostable straw bearing HSN-39241090 etc. As plastic compostable bags are not specifically notified in entry no. 319 in the said notification, therefore the rate of central tax/state tax levied on intrastate supply of goods should remains as 9%.

(iii) No comments required.

5. Entry 319 in Schedule-1 of notification 9/2025 Centre Tax Rate Dated 17-09-2025 covers, Paper Sacks/Bags and bio-degradable bags" whereas the taxable person is engaged in manufacturing and supply of plastic compostable bags bearing HSN-39232990, compostable straw bearing HSN-39241090 etc. As plastic compostable bags are not specifically notified in entry no. 319 in the said notification, therefore the rate of central tax/state tax levied on intrastate supply of goods should remains as 9%.

It is also stated that no proceedings is pending before undersigned authority in relation to first proviso of subsection 2 of section 98 of RGST/CGST Act, 2017.

E. PERSONAL HEARING:

In the matter, personal hearing was granted to the applicant on 04.11.2025. Mr. Rakesh Mehta (C.A.), Mr. Imran Khan (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 EASY FLUX POLYMERS PRIVATE LIMITED, 704, MUNGLAM FUNDSQUARE, DURGA NURSERY ROAD, UDAIPUR-313001, RAJASTHAN is a firm/company and is registered with the GST department having GSTIN 08AADCE5250C1Z1. As per record submitted by the applicant along with the application (tax invoices and E-way Bills), the taxable person is engaged in manufacturing and supply of plastic bags and straws.
3. The issue raised by M/S Easy Flux Polymers Private Limited, 704, Munglam Fundsquare, Durga Nursery Road, Udaipur-313001, 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
 - b. applicability of a notification issued under the provisions of this Act.
4. We find that the applicant has submitted a certificate issued by a notified agency indicating that the product is "compostable." We also note that the applicant states that the product conforms to standards prescribed for compostable polymer materials. 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. Such determinations fall within the domain of statutory authorities such as the Ministry of Environment, Forest and Climate Change, the Central Pollution Control Board, or other agencies notified under relevant environmental laws.
6. We therefore observe that although a compostability certificate has been furnished, we are not the competent authority to verify or affirm whether the product is biodegradable or compostable, nor can we conclude on the sufficiency or correctness of the certification produced. We have neither examined any physical sample of the product nor have we seen the process or procedure followed in drawing the sample for testing. 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 are made from polymer materials and are classifiable under **Chapter 39 – Plastics and articles thereof**, specifically under heading **3923**, being articles for the conveyance or packing of goods. 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 to **Notification No. 9/2025-Central Tax (Rate)** dated 17.09.2025, 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.
10. 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- The biodegradable/compostable bags manufactured by the applicant are classifiable under Chapter 39 – "Plastics and articles thereof," Heading 3923, sub-heading 3923 29 90 (*Other sacks and bags, of plastics*) 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 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.

Ans2- As discussed in Para 9 above.

*31 ans
17/12/2025*

(Utkarsha)
MEMBER
CENTRAL TAX



(Dr. Akhedan Charan)
MEMBER
STATE TAX

F. No. AAR/SF/2025-26/172-177

Date: 17.12.2025

SPEED POST

M/s EASY FLUX POLYMERS PRIVATE LIMITED,
704, MUNGLAM FUNDSQUARE, DURGA NURSERY ROAD,
UDAIPUR-313001, 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 UDAIPUR ZONE
4. The Deputy Commissioner, State Tax, Circle-F, Zone-Udaipur, Divisional Kar Bhawan, UDAIPUR,, Rajasthan.
5. The Deputy/Assistant Commissioner, CGST Division- Udaipur(North), UDAIPUR, Rajasthan.