

**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/2026/24**  
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2025/AR/40)

Date: 03/07/2026

Name and address of the applicant	:	M/s. Canpac Trends Private Limited, Plot No.357, 321-1A & 1B, Behind Kerala GIDC, Chiyada Village, Bavla, Ahmedabad, Gujarat – 382220.
GSTIN of the applicant	:	24AABCV9858M1ZL
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit-11, Range 3, Division-1, Ahmedabad
Date of application	:	09.10.2025
Clause(s) of Section 97(2) of CGST/IGST Act, 2017, under which the question(s) raised.	:	(b)
Date of Personal Hearing	:	08.04.2026
Present for the applicant	:	Jay Mahendrabhai Pandya

**Brief facts:**

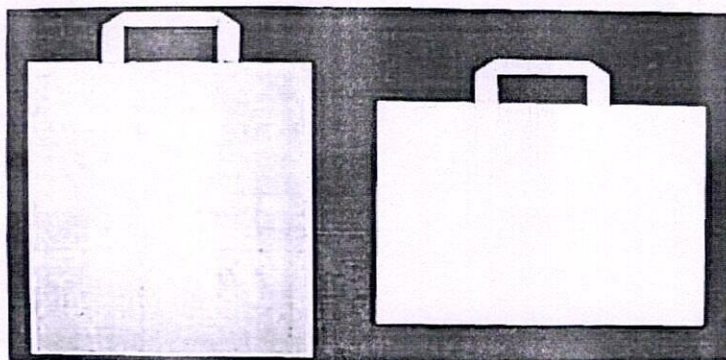
M/s. Canpac Trends Private Limited, Plot No.357, 321-1A, 1B, Behind Kerala GIDC, Chiyada Village, Bavla, Ahmedabad, Gujarat – 382220 [for short – ‘applicant’], is registered under GST and their GSTIN is 24AABCV9858M1ZL.

2. The applicant is engaged in the manufacture and supply of paper-based packaging products, including paper bags, mono cartons, trays, and other paper containers and regularly undertakes the manufacture and sale of such goods domestically as well as exports the same. The product under consideration is a paper bag made of paper, manufactured by cutting, printing, folding and pasting paper sheets into a finished form suitable for packaging or carrying goods. The process of manufacture imparts to the goods the essential character of packing container, similar to other goods of Heading 4819, which covers cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding, or webs of cellulose fibres.

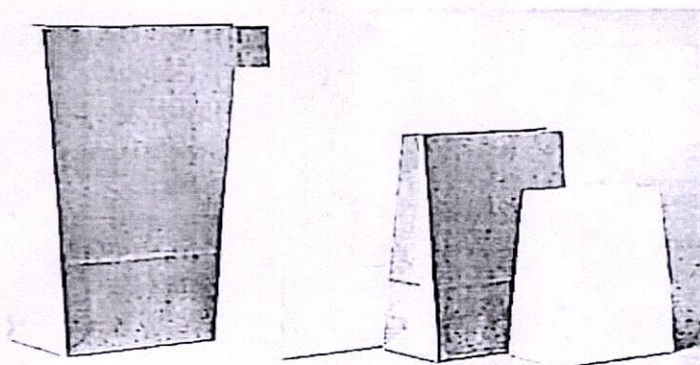


3. The applicant has submitted that they have filed the present application for Advance Ruling exclusively for the purpose of obtaining a determination with respect to the correct classification and the applicable rate of GST on paper bags manufactured, traded and sold by them. Images of the products of the applicant are as under:

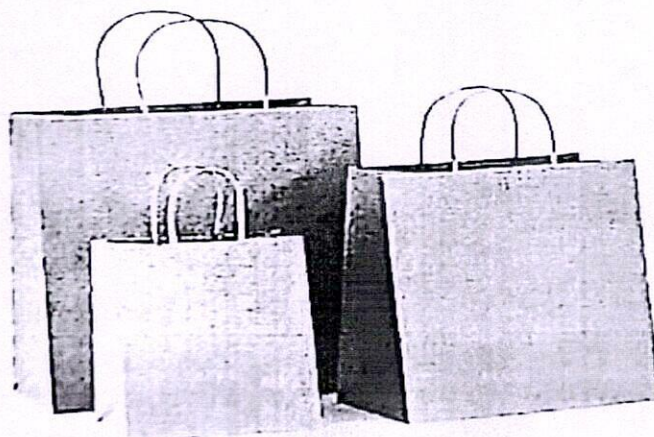
Flat Handle Bag



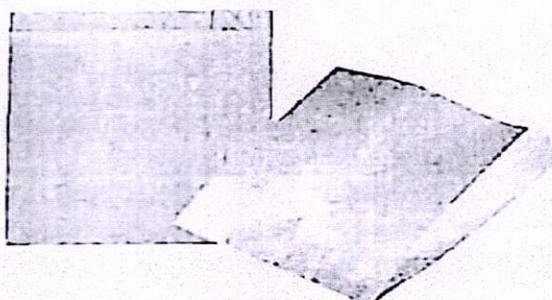
SOS Bags



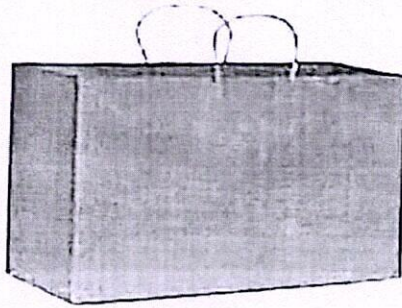
Twisted Handle Bags



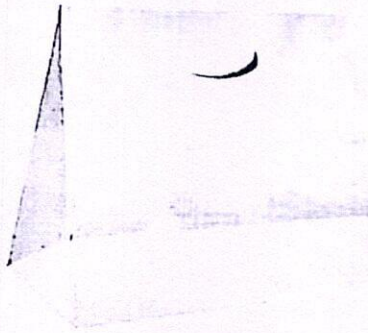
V-Bottom Bags



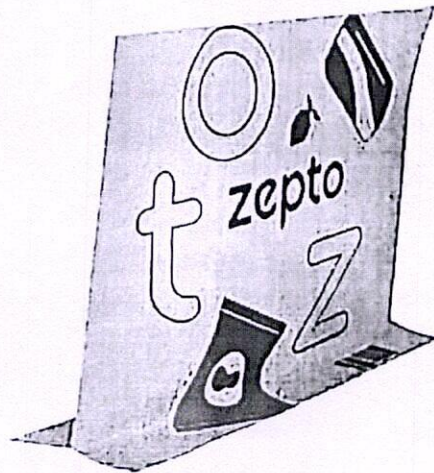
Brown Rope Handle Bag



D-Cut Bag



E-Com Courier Bag



4. The question raised by the applicant is as under:

1. *Whether the supply of 'Paper Bags' made out of paper or paper board, classifiable under Heading 4819 and more specifically under Tariff Item 48194000 (sacks and bags, including cones, of paper, paperboard, cellulose wadding or webs of cellulose fibres"), is liable to Goods and Service Tax (GST) at the rate of 18% under Entry No.185 of Schedule II to Notification No.01/2017-Central Tax(Rate), as amended, which specifically covers all goods under Heading 4819 (except 4819.10 & 4819.20) , including sacks and bags, or whether the same could fall under the general and residual entry No.319 of Schedule I (5%) inserted vide Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 (pursuant to the 54<sup>th</sup> GST Counsel meeting), which broadly refers to "Paper Sacks/Bags" under HSN 39 and 48?"*

5. The applicant's interpretation of law is as under:

➤ As per the first Schedule to the Customs Tariff Act, 1975, the goods fall under:

“Heading 4819: “Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres.”

Tariff Item 48194000: “Sacks and bags, including cones, of paper, paperboard, cellulose wadding or webs of cellulose wadding or webs of cellulose fibres.”

Therefore, the subject goods squarely fall within Heading 4819 and specifically under subheading 48194000.

➤ Relevant Notification Entries:

The applicable GST rates for goods of Heading 4819 are governed by Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No.09/2025-Central Tax(Rate) dated 17.09.2025. The following entries are relevant:

➤ Entry No.322 Schedule I (5%):

HSN 481910, 481920 – Cartons, boxes and cases of corrugated or non-corrugated paper or paperboard.

➤ Entry No.185, Schedule II (18%):



“4819 (except 4819.10, 4819.20) – All Goods (other than Cartons, boxes and cases of, - (a) corrugated paper or paper board; or (b) non-corrugated paper or paper board).”

- Interpretation of Entry 185:  
Entry 185 of Schedule II specifically brings within its ambit all goods of heading 4819, except those under 481910 and 482920. The subheading 48194000 is not excluded and therefore remains covered by this entry. The description “All Goods (other than Cartons, boxes and cases of, - (a) corrugated paper or paper board; or (b) non-corrugated paper or paper board)”, indicates that all other packing containers, including bags and sacks are intended to be taxed at 18%. The legislative intent appears clearly cartons, boxes, and cases have been carved out for concessional treatment (5%) under Schedule I, whereas other packing containers such as sacks and bags, continue to fall under Schedule II (18%).
- Limited scope of Entry 319 :  
Entry No.319 of Schedule I, which reads “HSN 39, 48 – Paper sacks/bags and bio-degradable bags”, covers a broad commodity description and does not alter the tariff-based classification established under the Customs Tariff Act. Therefore, once goods fall within heading 4819 – a specific heading for packing containers – they are excluded from the general coverage of “paper sacks/bags” under Entry 319.
- Paper bags made of paper fall under heading 4819 which covers packing containers of paper, paperboard, cellulose wadding or webs of cellulose fibres. Specifically, tariff item 48194000 reads: “Sacks and bags, including cones, or paper or paperboard,” hence, paper bags are clearly covered here.
- Entry 185, Schedule II (18%) of Notification No.01/2017-Central Tax (Rate) covers heading 4819 (except 481910, 481920) & includes sacks and bags under 48194000, attracting 18% GST.
- Entry 319, Schedule I (5%) (of Notification No.01/2017-Central Tax (Rate) as amended by Notification No.09/2025-Central Tax(Rate) dated 17.09.2025) is residual covering paper sacks/bags and biodegradable bags



of Chapters 39 or 48, meant for goods not specifically classified, it does not override the specific entry under 4819.

- As per established law, specific classification prevails over a general one. Since 48194000 directly covers paper bags, the generic Entry 319 (5%) cannot apply. Rule 3(a) of the Tariff Interpretation Rules supports this- the most specific description takes precedence.
- The GST rate structure distinguishes between: Cartons, boxes, cases (some at 5%) and other packing containers, like sacks and bags, at the standard 18% rate. Thus, concessional rate is limited and not intended for paper bags under 4819.
- Paper Bags (HSN 48194000) are specifically covered by Entry 185, Schedule II, taxable at 18% GST. Entry 319 (5%) being general, is inapplicable. Hence Paper Bags under HSN 48194000 attracts 18% GST.

6. Personal hearing was granted on 08.04.2026 wherein Shri Jay Mahendrabhai Pandya appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application.

### **Discussion and findings**

7. 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.

8. We have considered the submissions made by the applicant in their application for advance ruling as well as the oral submissions made during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/views in respect of question on which the advance ruling is sought.

9. The applicant has submitted that they are engaged in the manufacture and supply of paper-based packaging products, including paper bags, mono cartons, trays, and other paper containers and regularly undertakes the manufacture and sale



of such goods domestically as well as export the same; that the product under consideration is a paper bag made of paper, manufactured by cutting, printing, folding and pasting paper sheets into a finished form suitable for packaging or carrying goods; that the process of manufacture imparts to the goods the essential character of packing container, similar to other goods of Heading 4819, which covers cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding, or webs of cellulose fibres; As per the first Schedule to the Customs Tariff Act, 1975, the goods fall under Heading 4819 are “Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres” AND Tariff Item 48194000 : “Sacks and bags, including cones, of paper, paperboard, cellulose wadding or webs of cellulose wadding or webs of cellulose fibres”; therefore, the subject goods squarely fall within Heading 4819 and specifically under subheading 48194000.

10. The applicant has further submitted that there are two entries under Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 which are applicable to their product i.e. (i) Entry No.319 of Schedule I (5%) of Notification No.09/2025-Central Tax(Rate) dated 17.09.2025 covering paper sacks/bags and biodegradable bags of Chapters 39 or 48 & (ii) Entry No.185, Schedule II (18%) “4819 (except 4819.10, 4819.20) – All Goods (other than Cartons, boxes and cases of, - (a) corrugated paper or paper board; or (b) non-corrugated paper or paper board)”. The applicant has also submitted that Entry 319, Schedule I (5%) of Notification No.09/2025-Central Tax(Rate) dated 17.09.2025 is residual entry covering paper sacks/bags and biodegradable bags of Chapters 39 or 48, meant for goods not specifically classified, it does not override the specific entry under 4819 whereas paper bags (HSN 48194000) are specifically covered by Entry 185, Schedule II, taxable at 18% GST, hence Entry 319 (5%) being general, is inapplicable. The applicant is therefore of the view that their product ‘Paper Sacks/Bags’ classifiable under HSN 48194000 attracts 18% GST.

11. The question raised by the applicant is as under:

1. Whether the supply of ‘Paper Bags’ made out of paper or paper board, classifiable under Heading 4819 and more specifically under Tariff Item 48194000 (sacks and bags, including cones, of paper, paperboard, cellulose wadding or webs of cellulose fibres”), is liable to Goods and Service Tax (GST) at the rate of 18%



under Entry No.185 of Schedule II to Notification No.01/2017-Central Tax(Rate), as amended, which specifically covers all goods under Heading 4819 (except 4819.10 & 4819.20) , including sacks and bags, or whether the same could fall under the general and residual entry No.319 of Schedule I (5%) inserted vide Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 (pursuant to the 54<sup>th</sup> GST Counsel meeting), which broadly refers to “Paper Sacks/Bags” under HSN 39 and 48?”

12. Since the applicant is of the opinion that the product paper bags (classifiable under sub-heading 48194000 as submitted by the applicant) supplied by them is covered under Entry No.185 of Schedule-II of the Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 instead of Entry No.319 of Schedule-I of the said Notification, it becomes imperative to refer to the said Notification. However, since the entries in the Notifications are based on classification, it becomes obligatory to refer to the Chapter Notes of Chapter 48, Tariff heading 4819 as well as HSN notes the heading 4819 in order to confirm the classification of paper bags before proceeding further. The same are reproduced hereunder:

**Chapter Notes of Chapter 48 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975):**

**CHAPTER 48**

***Paper and paperboard; articles of paper pulp, of paper or of paperboard***

1. For the purposes of this Chapter, except where the context otherwise requires, a reference to —paper includes references to paperboard (irrespective of thickness or weight per m<sup>2</sup>).
2. This Chapter does not cover:
  - (a) articles of Chapter 30;
  - (b) stamping foils of heading 3212;
  - (c) perfumed papers or papers impregnated or coated with cosmetics (Chapter 33);
  - (d) paper or cellulose wadding impregnated, coated or covered with soap or detergent (heading 3401), or with polishes, creams or similar preparations (heading 3405);
  - (e) sensitised paper or paperboard of headings 3701 to 3704;
  - (f) paper impregnated with diagnostic or laboratory reagents (heading 3822);
  - (g) paper-reinforced stratified sheeting of plastics, or one layer of paper or paperboard coated or covered with a layer of plastics, the latter constituting more than half the total thickness, or articles of such materials, other than wall coverings of heading 4814 (Chapter 39);
  - (h) articles of heading 4202 (for example, travel goods);
  - (ij) articles of Chapter 46 (manufactures of plaiting material);
  - (k) paper yarn or textile articles of paper yarn (Section XI);
  - (l) articles of Chapter 64 or Chapter 65;
  - (m) abrasive paper or paperboard (heading 6805) or paper or paperboard-backed mica (heading 6814) (paper and paperboard coated with mica powder are, however, to be classified in this Chapter);
  - (n) metal foil backed with paper or paperboard (generally XIV or Section XV);
  - (o) articles of heading 9209;
  - (p) articles of Chapter 95 (for example, toys, games, sports requisites); or
  - (q) articles of Chapter 96 [for example, buttons, sanitary towels (pads) and tampons (diapers) and napkin liners].



3. Subject to the provisions of Note 7, headings 4801 to 4805 include paper and paperboard which have been subjected to calendering, super-calendering, glazing or similar finishing, false water-marking or surface sizing, and also paper, paperboard, cellulose wadding and webs of cellulose fibres, coloured or marbled throughout the mass by any method. Except where heading 4803 otherwise requires, these headings do not apply to paper, paperboard, cellulose wadding or webs of cellulose fibres which have been otherwise processed.

4. In this Chapter the expression —newsprint means uncoated paper of a kind used for the printing of newspapers, of which not less than 50% by weight of the total fibre content consists of wood fibres obtained by a mechanical or chemi-mechanical process, unsized or very lightly sized, having a surface roughness Parker Print Surf (1 Mpa) on each side exceeding 2.5 micrometres (microns), weighing not less than 40 g/m<sup>2</sup> and not more than 65 g/m<sup>2</sup> and applies only to paper:

- (a) in strips or rolls of a width exceeding 28 cm; or
- (b) in rectangular (including square) sheets with one side exceeding 28 cm and the other side exceeding 15 cm in the unfolded state

5. For the purposes of heading 4802, the expressions —paper and paperboard, of a kind used for writing, printing or other graphic purposes and —non-perforated punch-cards and punch tape paper means paper and paperboard made mainly from bleached pulp or from pulp obtained by a mechanical or chemi-mechanical process and satisfying any of the following criteria:

(A) For paper or paperboard weighing not more than 150 g/m<sup>2</sup> :

(a) containing 10% or more of fibres obtained by a mechanical or chemi-mechanical process, and

1. weighing not more than 80 g/m<sup>2</sup> ; or
2. coloured throughout the mass; or

(b) containing more than 8% ash, and

1. weighing not more than 80 g/m<sup>2</sup> ; or
2. coloured throughout the mass; or

(c) containing more than 3% ash and having a brightness of 60% or more ; or

(d) containing more than 3% but not more than 8% ash, having a brightness less than 60%, and a burst index equal to or less than 2.5kPa. m<sup>2</sup>/g; or

(e) containing 3% ash or less, having a brightness of 60% or more and a burst index equal to or less than 2.5 kPa.m<sup>2</sup>/g.

(B) For paper or paperboard weighing more than 150 g/m<sup>2</sup> :

(a) coloured throughout the mass; or

(b) having a brightness of 60% or more, and

1. a caliper of 225 micrometres (microns) or less, or
2. a caliper of more than 225 micrometres (microns) but not more than 508 micrometres (microns) and an ash content more than 3%; or

(c) having a brightness of less than 60%, a caliper of 254 micrometres (microns) or less and an ash content more than 8%.

Heading 4802 does not, however, cover filter paper or paperboard (including tea-bag paper) or felt paper or paperboard.

6. In this Chapter —kraft paper and paperboard means paper and paperboard of which not less than 80% by weight of the total fibre content consists of fibres obtained by the chemical sulphate or soda processes.

7. Except where the terms of the headings otherwise require, paper, paperboard, cellulose wadding and webs of cellulose fibres answering to a description in two or more of the headings 4801 to 4811 are to be classified under that one of such headings which occurs last in numerical order in this Schedule.

8. Headings 4803 to 4809, apply only to paper, paperboard, cellulose wadding and webs of cellulose fibres :

(a) in strips or rolls of a width exceeding 36 cm; or

(b) in rectangular (including square) sheets with one side exceeding 36 cm and the other side exceeding 15 cm in the unfolded state.



9. For the purposes of heading 4814, the expression —wall paper and similar wall coverings applies only to :

(a) paper in rolls, of a width of not less than 45 cm and not more than 160 cm suitable for wall or ceiling decoration :

(i) grained, embossed, surface-coloured, design-printed or otherwise surface-decorated (for example, with textile flock), whether or not coated or covered with transparent protective plastics;

(ii) with an uneven surface resulting from the incorporation of particles of wood, straw, etc.;

(iii) coated or covered on the face side with plastics, the layer of plastics being grained, embossed, coloured, design-printed or otherwise decorated; or

(iv) covered on the face side with plaiting material, whether or not bound together in parallel strands or woven;

(b) borders and friezes, of paper, treated as above whether or not in rolls, suitable for wall or ceiling decoration;

(c) wall coverings of paper made up of several panels, in rolls or sheets, printed so as to make up a scene, design or motif when applied to a wall.

Products on a base of paper or paperboard, suitable for use both as floor coverings and as wall coverings, are to be classified in heading 4823.

10. Heading 4820 does not cover loose sheets or cards, cut to size, whether or not printed, embossed or perforated.

11. Heading 4823 applies, inter alia, to perforated paper or paperboard cards for Jacquard or similar machines and paper lace.

12. Except for the goods of heading 4814 or 4821, paper, paperboard, cellulose wadding and articles thereof, printed with motifs, characters or pictorial representations, which are not merely subsidiary to the primary use of the goods, fall in Chapter 49.

#### SUB-HEADING NOTES:

1. For the purposes of sub-headings 4804 11 and 4804 19, —Kraft-liner<sup>1</sup> means machine-finished or machine-glazed paper and paperboard, of which not less than 80% by weight of the total fibre content consists of wood fibres obtained by the chemical sulphate or soda processes, in rolls, weighing more than 115 g/m<sup>2</sup> and having a minimum Mullen bursting strength as indicated in the following table or the linearly interpolated or extrapolated equivalent for any other weight.

Weight g/m <sup>2</sup>	Minimum Mullen bursting strength (kPa)
115	393
125	417
200	637
300	824
400	961

2. For the purposes of sub-headings 4804 21 and 4804 29, —sack kraft paper means machine-finished paper, of which not less than 80% by weight of the total fibre content consists of fibres obtained by the chemical sulphate or soda processes, in rolls, weighing not less than 60 g/m<sup>2</sup> but not more than 115 g/m<sup>2</sup> and meeting one of the following sets of specifications:

(a) having a Mullen burst index of not less than 3.7 kPa m<sup>2</sup>/g and a stretch factor of more than 4.5% in the cross direction and of more than 2% in the machine direction.

(b) having minimum for tear and tensile as indicated in the following table or the linearly interpolated equivalent for any other weight.

Weight g/m <sup>2</sup>	Minimum um tear mN		Minimum tensile kN/m	
	Machine direction	Machine direction plus cross direction	Cross direction	Machine direction plus cross direction



60	700	1,510	1.9	6
70	830	1,790	2.3	7.2
80	965	2,070	2.8	8.3
100	1,230	2,635	3.7	10.6
115	1,425	3,060	4.4	12.3

3. For the purposes of sub-heading 4805 11, —semi-chemical fluting paper\ means paper, in rolls, of which not less than 65% by weight of the total fibre content consists of unbleached hardwood fibres obtained by a combination of a mechanical and chemical pulping processes, and having a CMT 30 (corrugated Medium Test with 30 minutes of conditioning) crush resistance exceeding 1.8 newtons/g/m at 50 % relative humidity at 23 C.

4. Sub-heading 4805 12 covers paper, in rolls, made mainly of straw pulp obtained by a combination of a mechanical and chemical pulping processes, weighing 130 g/m<sup>2</sup> or more, and having a CMT 30 (Corrugated Medium Test with 30 minutes of conditioning) crush resistance exceeding 1.4 newtons/g/m<sup>2</sup> at 50% relative humidity, at 230 C.

5. Sub-headings 4805 24 and 4805 25 cover paper and paperboard made wholly or mainly of pulp of recovered (waste and scrap) paper or paperboard. Testliner may also have a surface layer of dyed paper or of paper made of bleached or unbleached non-recovered pulp. These products have a Mullen burst index of not less than 2 kPa.m<sup>2</sup>/g.

6. For the purposes of sub-heading 4805 30, —sulphite wrapping paper means machine-glazed paper, of which more than 40% by weight of the total fibre content consists of wood fibres obtained by the chemical sulphite process, having an ash content not exceeding 8% and having a Mullen burst index of not less than 1.47 kPa. m<sup>2</sup>/g.

7. For the purposes of sub-heading 4810 22, —light-weight coated paper\ means paper, coated on both sides, of a total weight not exceeding 72 g/m<sup>2</sup>, with a coating weight not exceeding 15 g/m<sup>2</sup> per side, on a base of which not less than 50% by weight of the total fibre content consists of wood fibres obtained by a mechanical process.

"Supplementary Notes:

Notwithstanding anything contained in Note 12, if paper and paper products of heading 4811, 4816 or 4820 are printed with any character, name, logo, motif or format, they shall remain classified under the respective headings as long as such products are intended to be used for further printing or writing."

**Tariff heading 4819 as appearing in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)**

**4819 CARTONS, BOXES, CASES, BAGS AND OTHER PACKING CONTAINERS, OF PAPER, PAPERBOARD, CELLULOSE WADDING OR WEBS OF CELLULOSE FIBRES; BOX FILES, LETTER TRAYS, AND SIMILAR ARTICLES, OF PAPER OR PAPERBOARD OF A KIND USED IN OFFICES, SHOPS OR THE LIKE.**

- 4819 10 - Cartons, boxes and cases, of corrugated paper or paperboard:  
 4819 1010 - Boxes  
 4819 1090 - Other  
 4819 20 - Folding cartons, boxes and cases, of non-corrugated paper and paperboard  
 4819 2010 - Cartons, boxes, cases, intended for the packing of match sticks  
 4829 2020 - Boxes  
 4829 2090 - Other  
 4819 3000 - Sacks and bags, having a base of a width of 40 cm or more  
 4819 4000 - Other sacks and bags, including cones  
 4819 50 - Other packing containers including record sleeves  
 4819 5010 - Made of corrugated paper or paperboard  
 4819 5090 - Other  
 4819 6000 - Box files, letter trays, storage boxes and similar articles, of a kind used in offices, shops or the like



**HSN Notes to heading 4819**

48.19- *Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like.*

4819.10 - *Cartons, boxes and cases, of corrugated paper or paperboard*

4819.20 - *Folding cartons, boxes and cases, of non-corrugated paper or paperboard*

4819.30 - *Sacks and bags, having a base of a width of 40 cm or more*

4819.40 - *Other sacks and bags, including cones*

4819.50 - *Other packing containers, including record sleeves*

4819.60 - *Box files, letter trays, storage boxes and similar articles, of a kind used in offices, shops or*

*the like*

*(A) Cartons, boxes, cases, bags and other packing containers.*

*This group covers containers of various kinds and sizes generally used for the packing, transport, storage or sale of merchandise, whether or not also having a decorative value. The heading includes cartons, boxes, cases, bags, cones, packets, sacks, paperboard drums (containers), whether manufactured by rolling or by any other method, and whether or not fitted with reinforcing circular bands of other materials, tubular containers for posting documents, protective garment bags, jars, pots and the like (e.g., for milk or cream), whether or not waxed. The heading also covers special purpose paper bags such as bags for vacuum cleaners, bags for travel sickness, and record boxes and sleeves.*

*The heading includes folding cartons, boxes and cases. These are :*

- *cartons, boxes and cases in the flat in one piece, for assembly by folding and slotting (e.g., cake boxes);*
- and*
- *containers assembled or intended to be assembled by means of glue, staples, etc., on one side only, the construction of the container itself providing the means of forming the other sides, although, where appropriate, additional means of fastening, such as adhesive tape or staples may be used to secure the bottom or lid.*

*The articles of this group may be printed, e.g., with the name of the merchant, directions for use, illustrations. Thus, seed packets with pictures of the products and sowing directions, in addition to the name of the firm, or chocolate or cereal packets with pictures for the amusement of children remain classified in this heading.*

*The articles of this heading may also have reinforcements or accessories of materials other than paper (e.g., textile backings, wooden supports, string handles, corners of metal or plastics).*

*(B) Box files, letter trays and similar articles of a kind used in offices, shops or the like.*

*This group covers containers, such as filing cabinets, box files, letter trays, storage boxes and similar articles of a rigid and durable type, and generally of better finish than the packing containers of group (A) above. They are used for the filing or storage of documents or stock of various kinds in offices, shops, warehouses, etc.*

*These articles may have reinforcements or accessories of non-paper materials (e.g., hinges, handles, locking devices of metal, wood, plastics or textile material). They may also be provided with frames of metal, plastics, etc., for the insertion of indication cards.*

*The heading excludes :*

*(a) Articles of heading 42.02 (travel goods, etc.).*

*(b) Articles of plaited paper (heading 46.02).*

*(c) Coated, covered and printed paper or paperboard of heading 48.11, presented in rolls, used for the manufacture of containers and creased and marked to identify individual containers to be cut from the rolls.*

*(d) Albums for samples or for collections (heading 48.20).*

*(e) Sacks and bags of woven paper yam, of heading 63.05.*



13. On going through the Chapter Notes of Chapter 48 of the First Schedule to the Customs Tariff Act, 1975, the tariff heading 4819 as appearing in the Customs Tariff Act, 1975 as well as the HSN notes to Heading 4819, we find that the product paper sacks/bags of the applicant finds a specific entry under Heading 4819 specifically sub-heading 48194000. Hence, we find that the product of the applicant is classifiable under Sub-heading 48194000 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

14. Now, the next aspect to be decided is the rate of GST applicable on the said product for which a reference will have to be made to Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 which superseded the earlier Notification No.01/2017-Central Tax (Rate) dated 28.06.2017. As submitted by the applicant, there are two competing entries in the said Notification i.e. Entry No.319 of Schedule-I of Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 (wherein GST rate is 5%) and Entry No.185 of Schedule-II of the said Notification (wherein the rate of GST is 18%). Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 reads as under:

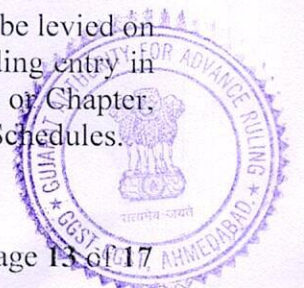
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)  
NOTIFICATION NO  
9/2025-Central Tax (Rate)

New Delhi, the 17th September, 2025

In exercise of the powers conferred by sub-section (1) of section 9 and sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 (12 of 2017), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 01/2017-Central Tax (Rate), dated the 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 673(E), dated the 28th June, 2017, except as respects things done or omitted to be done before such supersession, the Central Government, on the recommendations of the Council, hereby notifies the rate of central tax of-

- (i) 2.5 per cent. in respect of goods specified in Schedule I;
- (ii) 9 per cent. in respect of goods specified in Schedule II;
- (iii) 20 per cent. in respect of goods specified in Schedule III;
- (iv) 1.5 per cent. in respect of goods specified in Schedule IV;
- (v) 0.125 per cent. in respect of goods specified in Schedule V;
- (vi) 0.75 per cent. in respect of goods specified in Schedule VI, and
- (vii) 14 per cent. in respect of goods specified in Schedule VII,

appended to this notification (hereinafter referred to as the said Schedules), that shall be levied on intra-State supplies of goods, the description of which is specified in the corresponding entry in column (3) of the said Schedules, falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Schedules.



## Schedule I – 2.5 %

S. No.	Chapter/Heading/Subheading/ Tariff item	Description of goods
(1)	(2)	(3)
319.	39, 48	Paper Sacks/Bags and bio-degradable bags

## Schedule II – 9 %

S. No.	Chapter/Heading/Subheading/ Tariff item	Description of goods
(1)	(2)	(3)
185	4819 (except 4819 10, 4819 20)	All Goods (other than Cartons, boxes and cases of, – (a) corrugated paper or paper board; or (b) non-corrugated paper or paper board)

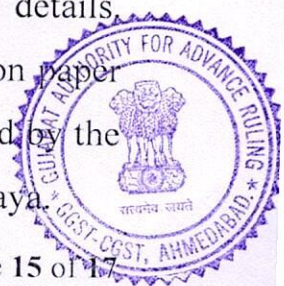
15. On going through the aforementioned Notification, we find that there are two entries covering the product of the applicant. i.e. (i) Entry No.319 of Schedule I of the said notification which reads as “Paper Sacks/Bags and bio-degradable bags” of Chapter 39 & 48 wherein the GST rate is 5% and (ii) Entry No.185 of Schedule-II of the said notification which reads as “All Goods (other than Cartons, boxes and cases of, - (a) corrugated paper or paper board; or (b) non-corrugated paper or paper board) covering Chapter heading 4819 (except 4819 10, 4819 20), wherein GST rate is 18% (9% CGST + 9% SGST). Therefore, in order to find out as to which of the said entries are applicable to the product of the applicant, we will have to take up both the entries, one by one, for examination.

16. Let us first take up the Entry No.319 which reads as “Paper sacks/bags and biodegradable bags” and covers Chapters 39 & 48 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). On verification, we find that this entry was not a part of any of the 6 schedules covering the earlier Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 but has been newly inserted in Schedule-I of existing Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 (which superseded the earlier Notification No.01/2017-Central Tax (Rate) dated 28.06.2017). Further, as we find that there is a conjunction ‘**and**’ between ‘Paper sacks/bags’ and ‘biodegradable bags’, we find it necessary to find out the relevance



of usage of the conjunction 'and' in the context of the said entry. In this context, a question that naturally arises in the mind is whether paper sacks/bags also need to be biodegradable bags in order to be covered in this entry. It, therefore, becomes mandatory to know the background which necessitated the insertion of the said entry in the present Notification which superseded the earlier Notification No.01/2017-Central Tax (Rate) dated 28.06.2017.

17. For the purpose, we find it obligatory to refer to the minutes of the 54<sup>th</sup> meeting of the GST Council held on 09.09.2024 under the Chairpersonship of the Hon'ble Union Finance Minister, in order to unearth the background which could have possibly culminated in the insertion of Entry No.319 in Notification No.09/2025-Central Tax (Rate) dated 17.09.2025. During the course of the meeting, when the Joint Secretary, TRU-I stated that the Fitment Committee, in the 53<sup>rd</sup> GST Council meeting had recommended maintaining status quo regarding the rate on paper sacks which have always attracted a GST rate of 18%, the Hon'ble Minister from Maharashtra informed/stated that along with several other states, they have implemented a ban on plastic bags to promote eco-friendly and environmentally friendly alternatives and were encouraging the use of paper sacks and paper bags across various municipal corporations and urban areas; that in line with the recommendation made in the 53<sup>rd</sup> GST Council meeting to reduce the GST rate on corrugated boxes made of paperboard to 12%, the GST rate on paper sacks should also be reduced to 12%; that such a reduction would further the goal of increasing the use of paper sacks and paper bags over plastic alternatives in urban and semi-urban areas, thus supporting eco-friendly and environmentally friendly materials and products. Accordingly, the Fitment Committee was urged to consider this request. Subsequently, the Hon'ble member from Meghalaya informed that in addition to what the Hon'ble Minister from Maharashtra mentioned, they are also promoting biodegradable bags made from starch and numerous industries are being set up for these bags, which while resembling plastic, are actually made from starch and decompose automatically within 90 days. The Hon'ble Member emphasized to also include this category in the proposal under examination. The Hon'ble Chairperson suggested assigning a separate HSN code for the biofriendly category of bags and urged the Hon'ble Member from Meghalaya to provide the necessary details. Ultimately, the Fitment Committee recommended to maintain status quo on paper bags and recommended that for the prospective period the rate be reviewed by the Fitment Committee with inputs from the states of Maharashtra and Meghalaya.



18. Therefore, what appears to be forthcoming from the above discussions and the subsequent insertion of Entry No.319 ( 'Paper sacks/bags and Biodegradable bags' covering Chapter 39 & 48) in Schedule-I of Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 with a reduced GST liability of 5% is that the aspect of taxability of both paper sacks/bags as well as biodegradable bags have been taken into consideration by the Government, culminating in the insertion of the said Entry covering both paper sacks/bags and biodegradable bags. The very purpose of the Government in inserting this entry appears to be to promote the production of paper sacks/bags and bio-degradable bags which are eco-friendly and environmentally friendly alternatives to plastic bags because paper decomposes completely within a few months and does not leave toxic microplastics in the environment. Also, they are made from trees, which can be sustainably grown and replanted if responsibly managed, Paper is widely accepted in local recycling streams and decomposes without posing a threat to wildlife. Further, the purpose of inclusion of Chapter 39 in the said entry appears to be to encourage production of plastic bags which are biodegradable in nature, eco-friendly and environmentally friendly. Biodegradable plastic bags are eco-friendly alternatives to conventional plastic that break down naturally through microorganisms into water, carbon dioxide, and biomass and unlike traditional plastics, they are manufactured from renewable plant-based materials or specialized polymers rather than fossil fuels, leaving no toxic or microplastic residues behind.

19. In view of the discussions in the paras supra, we find and conclude that the paper bags manufactured by the applicant, classifiable under Chapter Sub-heading No.48194000 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), are aptly covered under Entry No.319 of Schedule-I of Notification No.09/2025-Central Tax(Rate) dated 17.09.2025 and are liable to GST at the rate of 5%. Further, since we have already decided the applicable entry under which the applicant's products are covered, we do not find the need to discuss the other entry referred to by the applicant i.e. Entry No.185 of Schedule-II of Notification No.09/2025-Central Tax (Rate) dated 17.09.2025.

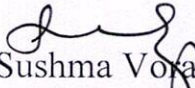


20. In view of the above, we rule as under: -

### RULING


*Q.1. Whether the supply of 'Paper Bags' made out of paper or paper board, classifiable under Heading 4819 and more specifically under Tariff Item 48194000 (sacks and bags, including cones, of paper, paperboard, cellulose wadding or webs of cellulose fibres"), is liable to Goods and Service Tax (GST) at the rate of 18% under Entry No.185 of Schedule II to Notification No.01/2017-Central Tax(Rate), as amended, which specifically covers all goods under Heading 4819 (except 4819.10 & 4819.20) , including sacks and bags, or whether the same could fall under the general and residual entry No.319 of Schedule I (5%) inserted vide Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 (pursuant to the 54<sup>th</sup> GST Council meeting), which broadly refers to "Paper Sacks/Bags" under HSN 39 and 48?"*

*A.1. The supply of 'Paper Bags' made out of paper or paper board, classifiable under Heading 4819 and more specifically under Tariff Item 48194000 (sacks and bags, including cones, of paper, paperboard, cellulose wadding or webs of cellulose fibres"), is covered under Entry No.319 of Schedule I to Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 and is liable to Goods and Service Tax (GST) at the rate of 5%.*

  
(Sushma Vora)  
Member (SGST)

Place: Ahmedabad  
Date: 3/07/2026



  
(Vishal Malani)  
Member (CGST)