



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/2025-26/16

Utkarsha Joint Commissioner	:	Member (Central Tax)
Dr. Akhedan Charan Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s SGS PACKAGING PRIVATE LIMITED, E-1006, Ground Floor, RIICO Industrial Area SITAPURA, Jaipur Rural, JAIPUR -302022, Rajasthan
GSTIN of the applicant	:	08ABPCS8202B1ZD
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. Ranjan Mehta (Advocate), Veena Babani (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 SGS PACKAGING PRIVATE LIMITED, E-1006, Ground Floor, RIICO Industrial Area SITAPURA, Jaipur Rural, JAIPUR -302022, 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:

1. M/s SGS Packaging Private Limited (hereinafter referred to as the "Applicant") is engaged in the manufacture and supply of paper bags used for packaging purposes. The Applicant is registered under the Goods and Services Tax (GST)

law.

2. The applicant seeks an Advance Ruling on the applicability of GST rate in respect of paper bags manufactured and supplied by them, and whether the same would fall under the 5% or 18% rate slab in terms of Notification No. 09/2025–Central Tax (Rate) dated 17.09.2025, which supersedes the earlier Notification No. 01/2017–Central Tax (Rate) dated 28.06.2017.

3. **Taxability**

The products manufactured by the Applicant, i.e., paper bags, are classifiable under Chapter 48, Heading 4819 of the First Schedule to the Customs Tariff Act, 1975, which covers

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

For heading 4819 there are 3 entries of taxation in notification no 09/2025 Central Tax (Rate) dated 17.09.2025, all of them are given below:-

Schedule–2.5%

S. No.	Chapter / Heading	Description of Goods	CGST rate
(1)	(2)	(3)	(4)
319	39,48	Paper Sacks/Bags and bio-degradable bags	2.5%
322	481910, 481920	Cartons, boxes and cases of, - (a) Corrugated paper or paper boards; or (b) Non-corrugated paper or paper board	2.5%

Schedule–9%

S. No.	Chapter / Heading	Description of Goods	CGST rate
(1)	(2)	(3)	(4)
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)	9%

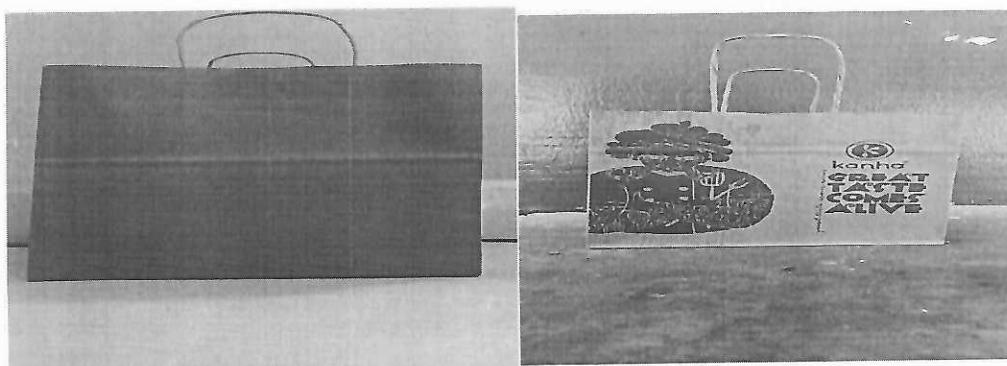
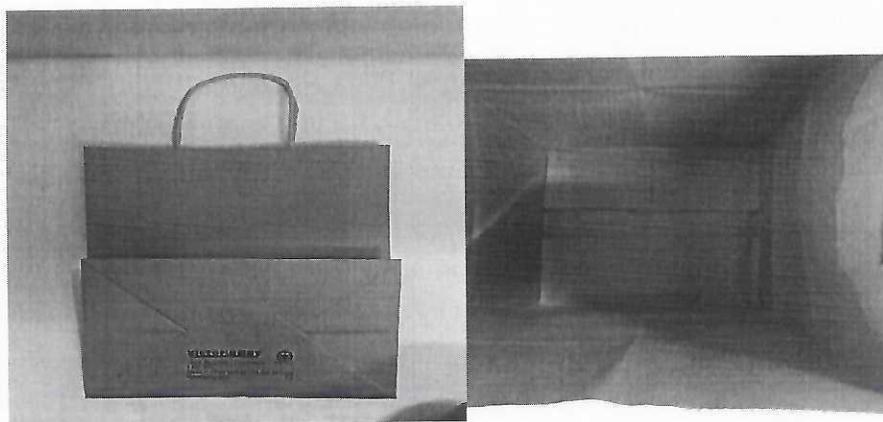
4. Entry 185 under Schedule II (9% CGST) covers “all goods other than cartons, boxes and cases” but does not explicitly exclude “paper sacks/bags.”
5. Entry 319 under Schedule I (2.5% CGST) clearly covers “Paper Sacks/Bags and bio-

degradable bags.

6. Hence, there arises a classification overlap or interpretational conflict between these two entries.
7. The 56th Meeting of the GST Council held on 3rd September 2025, vide press release, recommended that the GST rate on paper sacks/bags and bio-degradable bags under Chapter 48 be reduced from 18% to 5%, effective 22nd September 2025, as shown below.

S. No.	Chapter / Heading /	Description of Goods	CGST rate
(1)	(2)	(3)	(4)
198	48	Paper Sacks/Bags and bio degradable bags	18% to 5%

8. The Applicant manufactures only paper bags falling under HSN 4819, which are specifically mentioned in Entry 319 of Schedule I.
9. The assessee seeks advance ruling on Whether "Paper Bags" manufactured and supplied by the Applicant, classifiable under Heading 4819 of the Customs Tariff Act, 1975, are covered under:
 - (a) Entry No. 319 of Schedule I to Notification No. 09/2025–Central Tax (Rate), attracting GST @ 5%,
 - (b) Entry No. 185 of Schedule II to the said Notification, attracting GST @ 18%.
10. For more clarity, the applicant is also providing herewith the images of product which are as under: -



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

1. The applicant understands that the paper bags manufactured and supplied by them falls in Entry No. 185 in Chapter heading 481920 of Schedule II of Notification No. 09/2025-Central Tax (Rate), attracting GST @ 18%.
2. The classification of the Applicant's product under Heading 481920 is also in consonance with the HSN, as adopted under the Customs Tariff Act, 1975. The said heading **specifically covers sacks and bags**, and therefore, there exists no interpretational ambiguity in this regard.

[Notification No. 09/2025- Central Tax (Rate),
dated 17.09.2025](Relevant Extracts)

GSR...(E)- In exercise of the powers conferred by sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) 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- Integrated 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. 666(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 integrated tax of-

- (i) 5 per cent. in respect of goods specified in Schedule I,
- (ii) 18 per cent. in respect of goods specified in Schedule II,
- (iii) 40 per cent. in respect of goods specified in Schedule III,
- (iv) 3 per cent. in respect of goods specified in Schedule IV,
- (v) 0.25 per cent. in respect of goods specified in Schedule V,
- (vi) 1.50 per cent. in respect of goods specified in Schedule VI, and
- (vii) 28 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 inter-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-2.5%

S. No.	Chapter Heading / Sub-heading	Description of Goods	CGST rate
(1)	(2)	(3)	(4)
319	39,48	Paper Sacks/Bags and bio-degradable bags	2.5%

322	481910, 481920	Cartons, boxes and cases of, - (a) Corrugated paper or paper boards; or (b) Non-corrugated paper or paper board	2.5%
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Schedule-9%

S. No.	Chapter Heading / Sub-heading	Description of Goods	CGST rate
(1)	(2)	(3)	(4)
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)	9%

[Press release of 56th Meeting of the GST Council held on 3rd September, 2025]
(Relevant Extracts)

Recommendations relating to GST rates on goods

The changes in GST rates of all goods except pan masala, gutkha, cigarettes, chewing tobacco products like zarda, unmanufactured tobacco and bidi, will be implemented with effect from 22 September 2025

S. No.	Chapter Heading / Sub-heading	Description of Goods	CGST rate
(1)	(2)	(3)	(4)
198	48	Paper Sacks/Bags and bio degradable bags	18% to 5%

C. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT:

Q- Whether "Paper Bags" manufactured and supplied by the Applicant, classifiable under Heading 4819 of the Customs Tariff Act, 1975, are covered under:

- (a) Entry No. 319 of Schedule I to Notification No. 09/2025-Central Tax (Rate), attracting GST @ 5%,
- (b) Entry No. 185 of Schedule II to the said Notification, attracting GST @ 18%.

D. COMMENTS OF THE JURISDICTIONAL OFFICER: -

Comments received from the Office of Assistant Commissioner, State Tax, Circle-H-I, Zone-JAIPUR-II, Room No. 319, Divisional Kar Bhawan, Jhalana dungri, JAIPUR, Rajasthan vide letter No.AC/ZONEII/H1/202526/367 dated 03.11.2025 are as under:

The taxpayer has sought AAR for determination of tax rate on paper bags. In this respect the taxpayer has submitted entry number 319 & 322 of Schedule I taxable at 5% and entry number 185 of schedule II taxable at 18%.

The taxpayer's query in ARA01 that {whether "paper bags" ... classifiable under heading 4819 of the custom Tariff Act 1975 are covered under: a. Entry number 319 of schedule I or entry number 185 of schedule II.}

The applicant has referred to the following entries from Notification No. 09/2025-Central Tax (Rate) dated 22.09.2025:

Schedule	Entry No.	Heading	Description	Rate
I	319	39,48	Paper Sacks/Bags and bio-degradable bags	5%
I	322	481910, 481920	Cartons, boxes and cases of, - (a) Corrugated paper or paper boards; or (b) Non-corrugated paper or paper board	5%
III	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)	18%

The extracts from Notification No. 09/2025-Central Tax (Rate) (effective September 22, 2025) is as under:

5%

S. No.	Chapter Heading / Sub-heading	Description of Goods
(1)	(2)	(3)
319	39,48	Paper Sacks/Bags and bio-degradable bags
322	481910, 481920	Cartons, boxes and cases of, - (a) Corrugated paper or paper boards; or (b) Non-corrugated paper or paper board

18%

S. No.	Chapter Heading / Sub-heading	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)

189	4823	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres [other than paper pulp moulded trays, Braille paper, Kites, Paper mache articles]
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The taxpayer details on GST portal were analysed and it was found that (08ABPCS8202B1ZD SGS PACKAGING PRIVATE LIMITED) has registered himself classifying the goods under 4823 and 481910 for cartons, boxes and cases, of corrugated paper or paperboard. The extract of the details of goods stated in registration is as under:

s.n.	HSN Code	Description of Goods
1	48236900	OTHER
2	48237010	PAPERPULP MOULDED TRAYS
3	48236000	OTHER PAPER, PAPERBOARD, CELLULOSE WADDING AND WEBS OF CELLULOSE FIBRES, CUT TO SIZE OR SHAPE; OTHER ARTICLES OF PAPER PULP, PAPER, PAPERBOARD, CELLULOSE WADDING OR WEBS OF CELLULOSE FIBRES TRAYS, DISHES, PLATES, CUPS AND THE LIKE, OF PAPER AND PAPERBOARD
4	481910	CARTONS, BOXES AND CASES, OF CORRUGATED PAPER OR PAPERBOARD:

The overall context may be seen in the rule of interpretation and chapter classification. The Notification No. 09/2025-Central Tax (Rate) (effective September 22, 2025) highlight the rationalization of rates in Chapters 48 (paper articles) and 39 (plastics).

A. Non applicability of chapter 39 and entry no. 319 (Sch-I)

The chapter 39 appears to be applicable as the Chapter 39 is related to "Plastic and articles thereof. The entry s.no. Number 319 of Chapter / Heading / Sub-heading / Tariff item 39, 48 for Paper Sacks/Bags and bio-degradable bags does not appears to be applicable as the Chapter 39 is related to "Plastic and articles thereof". In a conjoint reading too chapter 48 appears to be aligned with chapter 39 and thus, may not be considered as a specific entry 4819 is stated at entry number 322 (Sch I) and 185 (Sch-II). Chapter 39 pertains to "Plastics and articles thereof". Although Entry No. 319 covers "Paper Sacks/Bags and bio-degradable bags" under

Headings 39 and 48, the inclusion of Chapter 39 indicates an intent to cover plastic-based and bio-degradable variants. Therefore, this entry does not cover paper bags falling under Chapter 48.

Hence, reliance on Entry No. 319 (5%) does not appear appropriate in the present case.

B. Applicability of Chapter 48:

The chapter 48 relates to "**paper and paper board; articles of paper pulp**". The article "paper bags" under consideration appears to be primarily part of chapter 48. The chapter 48 was further analyzed and two entries in schedule I (entry 322) and Schedule II (entry 185) in respect of 4819 were identified.

Chapter 48 covers "Paper and paperboard; articles of paper pulp." Heading 4819 specifically includes "Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres."

Subheadings relevant to the present case are:

-**4819 10** - Cartons, boxes and cases, of corrugated paper or paperboard

-**4819 20**-Other cartons, boxes and cases, of non-corrugated paper or paperboard

-**4819 30** - Sacks and bags, having a base of width of 40 cm or more

-**4819 40**- Other sacks and bags, including cones

C. Non applicability of entry 322(Sch-I)

The entry specifies "Cartons, boxes and cases of..." and thus does not specifically identify paper bags. Entry No. 322 of Schedule I only covers "Cartons, boxes and cases of corrugated or non-corrugated paper or paperboard." Since "Paper Bags" are distinct from cartons, boxes, or cases, they are not clearly covered under this entry.

D. Applicability of entry 322 (Sch-II):

The chapter 48 relates to "paper and paper board; articles of paper pulp. The article "paper bags" does not gets covered under 4819 10, 4819 20. According to S.no. 185 "All goods (other than cartons, boxes and cases of corrugated or non-corrugated paper or paper board)" falling in chapter 4819 (**except 4819 10, 4819 20**) are taxable at 18%.

It is pertinent to mention that the taxpayer's application has itself submitted and identified its supplies under HSN code 4819. In this respect the classification HSN number 481030 00 and 4819 40 00 were analyzed:

- **481030 00** specifying "sacks and bags, having a base of a width of 40cm or more and
- **4819 40 00** other sacks and bags, including cones

In view of the above, it is submitted that the supply of "Paper Bags" made by M/s SGS Packaging Private Limited merits classification under Heading 4819, subheading 4819 30 00/4819 40 00, and is liable to GST at the rate of 18% as per Entry No. 185 of Schedule II of Notification No. 09/2025-Central Tax (Rate) dated 22.09.2025.

In view of the above, it is submitted that the supply of "Paper Bags" made by M/s

SGS Packaging Private Limited merits classification under Heading 4819, subheading 4819 30 00/4819 40 00, and is liable to GST at the rate of 18% as per Entry No. 185 of Schedule II of Notification No. 09/2025-Central Tax (Rate) dated 22.09.2025.

E. PERSONAL HEARING:

In the matter, personal hearing was granted to the applicant on 04.11.2025. Mr. Ranjan Mehta (Advocate), Veena Babani (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 SGS PACKAGING PRIVATE LIMITED, E-1006, Ground Floor, RIICO Industrial Area SITAPURA, Jaipur Rural, JAIPUR -302022, Rajasthan is a firm/company (hereinafter "the applicant") and is registered with the GST department having GSTIN 08ABPCS8202B1ZD. The applicant is engaged in the manufacture and supply of paper bags used for packaging purposes.

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) ibid 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. The issue before us is to determine the correct GST classification and applicable rate of tax on "Paper Bags" manufactured and supplied by the applicant. The applicant has sought clarity on whether these paper bags fall under Entry 319 of Schedule I of Notification No. 09/2025-Central Tax (Rate) dated 22.09.2025, which prescribes GST at 5%, or under Entry 185 of Schedule II of the same notification, which prescribes GST at 18%. The matter requires examination of the relevant tariff headings, the specific wording of the notification entries, and the scope of the Council's recommendations to ascertain the proper classification.

Under the Customs Tariff Act, Chapter 48 covers paper and paperboard and the articles made there from, and within this chapter, the heading 4819 is the specific heading relevant to the present matter, as it deals with 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 10 10 | -- Boxes |

4819 10 90	--- Other
4819 20	- Folding cartons, boxes and cases, of non-corrugated paper or paperboard:
4819 20 10	--- Cartons, boxes, cases, intended for the packing of match sticks.

4819 30 00	- Sacks and bags, having a base of a width of 40 cm or more
4819 40 00	- Other sacks and bags, including cones
4819 50	- Other packing containers including record sleeves:
4819 50 10	--- made of corrugated paper or paper board
4819 50 90	--- Other
4819 60 00	- Box files, letter trays, storage boxes and similar articles

5. We further examine the relevant entries of Notification No. 09/2025- CT(R). Entry 319 of Schedule I prescribes a GST rate of 5% for “Paper Sacks/Bags and bio-degradable bags” under Chapters 39 and 48. However, its wording does not extend to ordinary paper bags falling under Heading 4819 unless the goods specifically qualify as biodegradable bags. We observe that no material has been submitted to establish that the applicant’s product is a biodegradable bag or that it falls within an environmentally-classified category under the said entry. Even no claim has been made of biodegradability for the product by the applicant. Therefore, Entry 319 cannot be applied merely because the product is a paper bag.

6. In the case of Safari Retreats Pvt. Ltd. v. Chief Commissioner of CGST, the Hon’ble Supreme Court observed that the expression “plant or machinery” used in the statute must be interpreted in its natural disjunctive sense, meaning that the two expressions operate independently and cannot be blended or substituted. The Court contrasted this with the phrase “plant and machinery,” which carries a conjunctive meaning and requires both elements to be read together. Applying this interpretative logic to Entry 319, the phrase “Paper Sacks/Bags and bio-degradable bags” must similarly be understood conjunctively, so that the expressions appearing on either side of “and” are read in continuity. In this sense, the applicant contends that the entry covers paper bags which are biodegradable, and that the conjunction indicates a combined reading rather than separate product categories.

7. We examine Entry 322 of Schedule I, which grants 5% rate only to “Cartons, boxes and cases” of corrugated or non-corrugated paper or paperboard. Since the applicant manufactures “bags” and not cartons or cases, this entry is not applicable as applicant submitted that they are engaged in making paper bags.

8. We also examine Entry 185 of Schedule II, which covers “All goods” of Heading 4819 except those falling under subheadings 4819 10 and 4819 20. Since the applicant’s product is neither a corrugated carton (4819 10) nor a non-corrugated carton (4819 20), the product falls under the residual category of Heading 4819. Entry 185 therefore applies, attracting GST at 18% (9% CGST + 9% SGST).

9. Accordingly, we find that “paper bags” of the applicant are appropriately classifiable under Heading 4819 and are covered under Entry 185 of Schedule II of Notification No. 09/2025–Central Tax (Rate), attracting GST at 18%.

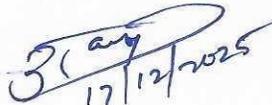
G. In view of the foregoing facts, circumstances and provisions of the GST law, we pass the following ruling:

RULING

Question- Whether "Paper Bags" manufactured and supplied by the Applicant, classifiable under Heading 4819 of the Customs Tariff Act, 1975, are covered under:

- (a) Entry No. 319 of Schedule I to Notification No. 09/2025-Central Tax (Rate), attracting GST @ 5%,
- (b) Entry No. 185 of Schedule II to the said Notification, attracting GST @ 18%.

Answer- As discussed in Para 9 above.


(Utkarsha)
MEMBER
CENTRAL TAX




(Dr. Akhedan Charan)
MEMBER
STATE TAX

F. No. AAR/SF/2025-26/178-183

Date: 17.12.2025

SPEED POST

o/c

M/s SGS PACKAGING PRIVATE LIMITED,
E-1006, Ground Floor, RIICO Industrial Area SITAPURA, Jaipur Rural,
JAIPUR -302022, 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 Pr. Commissioner, CGST and Central Excise (Jaipur Zone), NCRB, Statue Circle, Jaipur, Rajasthan-302005.
4. Assistant Commissioner, State Tax, Circle-H-I, Zone-JAIPUR-II, Room No. 319, Divisional Kar Bhawan, Jhalana Dungri, JAIPUR,
5. The Deputy/Assistant Commissioner, CGST Division-Sitapura, JAIPUR, Rajasthan.