

M/s Easy Flux Polymers Private Limited, 704, Munglam Funsquare, Durga Nursery Road, Udaipur (Rajasthan) - 313001

Appellate Authority for Advance Ruling — Rajasthan

ORDER NO. 01/2026-27

Dated 02.04.2026

Q Questions Before the Authority

- 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.
- 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.

F Facts

The appellant manufactures and supplies compostable plastic bags, claiming them to be eco-friendly substitutes for conventional plastic bags. They hold various certifications, including CPCB, CIPET, and TÜVRheinland, confirming compostability and biodegradability. The appellant sought an advance ruling to determine the classification and eligibility for a concessional 5% GST rate under Notification No. 09/2025-CTR.

H Ruling

Classification/HSN	Classifiable under Chapter 39, Heading 3923, sub-heading 3923 29 90.	Classification is independent of whether the material is biodegradable or not.
Rate of tax & applicability of notification	Eligible for 5% GST if the bags are biodegradable; otherwise, the general rate applies.	The Advance Ruling Authority is not the competent body to verify biodegradability.

The Appellate Authority upheld the original ruling, confirming that the bags are classifiable under Chapter 39. It held that the authority lacks the jurisdiction to determine the scientific or technical standards of biodegradability, which falls under the purview of environmental authorities. Consequently, the benefit of the concessional rate is contingent upon the product actually being biodegradable, a fact that must be verified by field formations.

R Reasoning

The authority reasoned that while the classification under Chapter 39 is clear, the determination of whether a product meets the technical standards for 'biodegradability' is a scientific matter outside the scope of the GST

advance ruling forum. It noted that the appellant's certifications were self-drawn and that the exemption under Notification No. 09/2025-CTR is strictly conditional upon the product's actual characteristics. The authority emphasized that the jurisdictional GST field formation is the appropriate body to draw samples and verify compliance with environmental standards. It relied on Section 97(2) of the CGST Act, 2017, to define the limits of its jurisdiction.

P Provisions Relied On

Section 97(2) of the CGST Act, 2017	Section 100 of the CGST Act, 2017
Section 101 of the CGST Act, 2017	Notification No. 09/2025-CTR dated 17.09.2025
Plastic Waste Management Rules	

! For the Practitioner

This ruling clarifies that the **Advance Ruling Authority will not adjudicate on technical or scientific compliance** such as biodegradability, even if the applicant provides third-party certifications. Practitioners should note that while the classification of such bags is settled under Chapter 39, the **concessional tax benefit remains subject to verification** by field officers. It effectively shifts the burden of proving product characteristics to the taxpayer during regular assessment proceedings.

Source

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

Original order: www.gstcouncil.gov.in -> [easy flux polymers private limited.pdf](#)

Prepared 11-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com