

Balu Ramamoorthy Sekar, Proprietor of M/s. Savani Screens

Authority for Advance Ruling — Tamil Nadu

ORDER No. 19/AAR/2018 DATED 28.11.2018

Q Questions Before the Authority

- The applicable HSN Code and the Rate of Tax for Non-woven Bags and Cotton Bags.

F Facts

The applicant manufactures non-woven bags and cotton bags by cutting, printing, and stitching fabric rolls according to customer requirements. These bags are supplied to textile showrooms and jewelry shops to be used by customers for carrying purchased goods. The applicant sought a ruling on the correct classification and tax rate for these products.

H Ruling

Non-woven carry bags	CTH 4202 22 10	Taxable at 9% CGST and 9% SGST
Cotton carry bags	CTH 4202 22 20	Taxable at 6% CGST and 6% SGST effective 15.11.2017

The authority ruled that non-woven carry bags are classifiable under CTH 4202 22 10 and cotton carry bags under CTH 4202 22 20. It further determined that cotton bags are taxable at 6% CGST and 6% SGST, while non-woven bags are taxable at 9% CGST and 9% SGST.

R Reasoning

The authority rejected the applicant's contention that the bags fall under CTH 6305, which covers sacks and bags used for the transport or storage of goods. Instead, it determined that because these are shopping bags used for the convenience of carrying items, they fall under CTH 4202. The classification and tax rates were determined based on the material of the bags and the amendments made to the tax rates via Notification No. 41/2017-C.T.(Rate).

P Provisions Relied On

Section 98 of the CGST Act 2017

Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 41/2017-C.T.(Rate) dated 14.11.2017

Customs Tariff Act 1975

! For the Practitioner

This ruling clarifies that **shopping bags** are classified under CTH 4202 rather than CTH 6305. It provides a clear distinction in tax rates between cotton and non-woven bags based on the specific schedule entries. Practitioners can use this to advise clients on the correct **HSN classification** for retail carry bags.

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 -> [tn-19-aar-2018-ss.pdf](#)

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