

M/s. Canpac Trends Private Limited

Authority for Advance Ruling — Gujarat

GUJ/GAAR/R/2026/24

Dated 03.07.2026

Q Questions Before the Authority

- Whether the supply of 'Paper Bags' made out of paper or paper board, classifiable under Heading 4819 and more specifically under Tariff Item 48194000, is liable to GST at the rate of 18% under Entry No. 185 of Schedule II to Notification No. 01/2017-Central Tax (Rate), as amended, 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.

F Facts

The applicant is engaged in the manufacture and supply of paper-based packaging products, including paper bags, mono cartons, and trays. They sought an advance ruling to determine the correct GST classification and applicable tax rate for their paper bags, specifically whether they attract 18% GST under Entry 185 or 5% GST under the newly inserted Entry 319.

H Ruling

Paper Bags (HSN 48194000)

5% GST

Covered under Entry No. 319 of Schedule I

The Authority ruled that the applicant's paper bags are covered under Entry No. 319 of Schedule I of Notification No. 09/2025-Central Tax (Rate). Consequently, the supply of these paper bags is liable to GST at the **concessional rate of 5%**.

R Reasoning

The Authority examined the legislative intent behind the insertion of Entry 319, which was to promote eco-friendly alternatives to plastic bags. They concluded that this specific entry, covering paper sacks/bags and biodegradable bags, takes precedence over the general entry for packing containers under Heading 4819. The ruling relied on the interpretation of Notification No. 09/2025-Central Tax (Rate) and the **specific inclusion of paper sacks/bags** in the 5% tax bracket to encourage environmental sustainability.

P Provisions Relied On

Section 97(2)(b) of the CGST/GGST Act, 2017

Notification No. 01/2017-Central Tax (Rate)

Notification No. 09/2025-Central Tax (Rate)

Heading 4819 of the Customs Tariff Act, 1975



For the Practitioner

This ruling provides clarity for manufacturers of paper bags by confirming they qualify for the **reduced 5% GST rate** under the newer notification. It settles the conflict between the residual entry for paper sacks/bags and the general entry for packing containers. Practitioners should note that this decision is specific to the interpretation of the 2025 notification and its intent to favor eco-friendly packaging.

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 -> 24 canpac trends pvt ltd 0001 gujarat 1.pdf

Prepared 10-09-2026.

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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