

M/s Easy Flux Polymers Private Limited

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2025-26/15

Dated **17.12.2025**

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 applicant manufactures and supplies biodegradable/compostable bags and seeks clarification on their classification and applicable GST rate. They contend that their products are covered under the specific entry for biodegradable bags in Schedule I of the relevant notification. The applicant relies on certifications to support the claim that their products are environmentally friendly substitutes for plastic carry bags.

H Ruling

Classification/HSN	Chapter 39, Heading 3923, sub-heading 3923 29 90	Classification is independent of whether the material is biodegradable
Applicability of 5% GST rate	Applicable only if the goods are biodegradable	If not biodegradable, the general classification for plastic bags under Chapter 39 applies

The Authority held that the bags are classifiable under Chapter 39, specifically heading 3923, sub-heading 3923 29 90. Regarding the tax rate, it ruled that the 5% concessional rate applies only if the goods supplied are indeed biodegradable as understood in the context of the notification. The Authority explicitly stated it does not possess the jurisdiction to verify or certify the actual biodegradability or compostability of the applicant's products.

R Reasoning

The Authority determined that the bags are made of polymer materials and fall under Chapter 39, specifically heading 3923 for articles of conveyance or packing. It noted that while Notification No. 9/2025-Central Tax (Rate) provides a concessional 5% rate for biodegradable bags, this benefit is conditional upon the goods being biodegradable. The Authority clarified that it is not the competent body to verify environmental or technical standards of biodegradability. Therefore, it ruled that the concessional rate applies only if the goods meet the definition of biodegradable as intended by the notification.

P Provisions Relied On

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

Notification No. 9/2025-Central Tax (Rate) dated 17.09.2025

! For the Practitioner

This ruling confirms that the **concessional 5% GST rate** for biodegradable bags is strictly conditional on the product's actual biodegradability. Practitioners should note that the AAR will **not verify technical claims** regarding compostability, meaning the burden of proof remains with the taxpayer to substantiate their product's environmental status. It settles the HSN classification for such plastic-based bags under 3923 29 90.

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 -> 1-order easy flux polymers.pdf

Prepared 12-10-2026.

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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