

Senthilkumar Thilagavathy [M/s. JVS Tex]

Authority for Advance Ruling — Tamil Nadu

Order No. 20/AAR/2018 dated 28.11.2018

Q Questions Before the Authority

- Classification of Bags made of Non-Woven Fabrics of Polypropylene / 100% Cotton (Grey Fabrics) used for the packing of goods, commonly called as 'Stick-bags / Wedding Gift Bags/ Re-usable Shopping Bags/ Draw-string Gift Bags/ Garment Bags, etc.
- Rate of tax payable on the above goods under the GST Acts.

F Facts

The applicant manufactures carry bags from non-woven polypropylene fabrics and 100% cotton fabrics. These bags are primarily purchased by retail outlets and showrooms for their customers to carry purchased goods. The applicant sought a ruling on the correct HSN classification and the applicable GST rate for these items.

H Ruling

Non-woven carry bags	CTH 4202 22 10	Taxable at 18% GST
Cotton carry bags	CTH 4202 22 20	Taxable at 12% GST from 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 determined that these items were taxable at 18% (9% CGST + 9% SGST) until 14.11.2017, and from 15.11.2017 onwards, cotton bags are taxable at 12% (6% CGST + 6% SGST) while non-woven bags remain taxable at 18% (9% CGST + 9% SGST).

R Reasoning

The authority rejected the applicant's contention that the bags fall under Chapter 6305, noting that 6305 covers sacks and bags used for the transport or storage of goods, whereas these items are **shopping bags** used for the convenience of customers. Relying on the Customs Tariff, it found that shopping bags are specifically covered under **Chapter Heading 4202**. The tax rates were determined based on the entries in Notification No. 01/2017-CT (Rate) and subsequent amendments, specifically noting the shift of cotton and jute bags to a lower tax bracket effective 15.11.2017.

P Provisions Relied On

Section 98 of the CGST Act 2017

Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 41/2017-Central Tax (Rate) dated 14.11.2017

Customs Tariff Act 1975

! For the Practitioner

This ruling clarifies that retail shopping bags are classified under **Chapter 4202** rather than the general packing category of 6305. It provides a clear distinction in tax treatment between cotton-based shopping bags and non-woven polypropylene bags. Practitioners should note that this order specifically addresses the classification of bags used for customer convenience rather than industrial bulk 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 -> [tn-20-aar-2018-st.pdf](#)

Prepared 21-10-2026.

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