

AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND
UNDER SECTION 98(4) OF THE TNGST ACT, 2017

Members present:

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| Shri C. Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101. | Shri B. Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006. |
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Advance Ruling No. 48/ARA/2025, dated 17.11.2025

1. *Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.*

2. *In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*

- (a) *On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.*
- (b) *On the concerned officer or the Jurisdictional Officer in respect of the applicant.*

3. *In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*

4. *Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*

5. *The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.*

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| GSTIN Number, if any/User id | 33AACCK1996Q1ZX |
| Legal Name of Applicant | M/s. Kaycee Industrial Chemicals Private Limited |
| Trade Name of Applicant | M/s. Kaycee Industrial Chemicals Private Limited |
| Registered Address/ Address provided while obtaining User id | 4/103, Saikanth Building, 3 rd Street, Muthammal Colony, Thoothukudi - 628 002. |
| Details of Application | Application Form GST ARA-01 received from the applicant on 11.04.2025. |
| Jurisdictional Officer | State - Tuticorin - I Assessment Circle Tuticorin Zone, Tirunelveli Division. Center - Madurai Commissionerate Vilathikulam Range Kovilpatti Division |
| Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief) | Factory / Manufacturing The Applicant is manufacturer of Quick Lime and Hydrated Lime. |
| Issues on which advance ruling required | 1. Classification of any goods or services or both 2. Whether applicant is required to be registered |
| Question(s) on which advance ruling is required | 1. We are collecting 5% GST on Quick Lime and Hydrated Lime having purity less than 98%. But there is lot of confusion regarding the GST rate whether GST rate is 5% or 18% |

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| | 2. GST rate of Quick Lime and Hydrated Lime having less than 98% purity – AAR Ruling required. |
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M/s. Kaycee Industrial Chemicals Private Limited, No. 4/103, Saikanth Building, 3rd Street, Muthammal Colony, Thoothukudi – 628 002 (hereinafter called as the “Applicant”) are registered under the GST Act with GSTIN 33AACCK1996Q1ZX. The applicant is engaged in manufacture of Quick Lime and Hydrated Lime. The applicant informed that they buy high purity limestone from Oman through importers and their agents; this limestone is burnt in a lime kiln wherein limestone gets converted to Quick Lime (CaO). The Quick Lime having 90% purity is sprayed with water to manufacture Hydrated Lime Ca(OH)₂. The purity of Hydrated Lime ranges from 85% to 95%.

2.0 The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and SGST Rules, 2017.

3.0 The applicant has sought advance ruling on the following questions :

1. We are collecting 5% GST on Quick Lime and Hydrated Lime having purity less than 98%. But there is lot of confusion regarding the GST rate whether GST rate is 5% or 18%.
2. GST rate of Quick Lime and Hydrated Lime having less than 98% purity – AAR Ruling required.

Interpretation of Law by the Applicant based on the statement of facts:

4.0 On interpretation of law, the applicant has stated that they consider Quick Lime and Hydrated Lime having less than 98% purity fall under heading 2522.

4.1 The applicant is under the administrative control of State Tax Authority. The concerned Authorities of the State and Centre were addressed to report the detailed remarks and no pendency report on the questions raised by the applicant in their ARA application.

4.2 It is reported by the Assistant Commissioner (ST) – 1, Tuticorin that no adjudication proceedings are pending against the applicant.

4.3 Prima facie, we find that the queries raised by the applicant get covered under clause (a) and (c) of the Section 97(2) of the CGST Act, 2017, and as such are liable to be admitted.

Personal Hearing

5.0 The applicant was given an opportunity to be heard in person on 23.09.2025. Mr. P. Chinnadurai, Managing Director, M/s. Kayceec Industrial Chemicals Pvt Ltd, Thoothukudi and Mr. D. Sudhirson, General Manager appeared for the personal hearing as the authorized representatives (AR) of M/s. Kayceec Industrial Chemicals Pvt Ltd, Thoothukudi. The AR reiterated the submissions made in their application for advance ruling. During the hearing, the AR provided copies of two supply orders issued by the Kerala Water Authority and copies of invoices raised by them on Executive Engineer, Kerala Water Authority. The AR also provided a copy of Indian Standard Quicklime and Hydrated Lime for Chemical Industries – Specification (Part 2 – Hydrated Lime). They further informed that they are charging total GST @ 5% on the hydrated lime having purity of 86% or less and GST @18% if the purity is more than 86%. Their customers, Kerala Water Authority, had asked them to seek clarification on rate of tax, as the Special Commissioner (ST), Rajasthan State GST had issued a clarification which stated that hydrated lime having purity upto 98% falls under Heading 2522 and attract total GST @ 5%. Therefore, they are seeking an Advance Ruling in this regard.

5.1 The Members asked the AR to provide a write up on the process of manufacture and also details of composition of their final product for which the AR agreed to provide the same. The applicant, vide letter dated 27.09.2025 submitted a brief description of process of manufacture of Quick Lime and Hydrated Lime along with the compositions of both the products.

6) Discussions and Findings:

6.1 We have considered the submissions made by the applicant in their application, copies of the relevant documents furnished by them, the submissions made during the personal hearing. We find that the applicant, is engaged in manufacture of Quick Lime and Hydrated Lime. The applicant informed that they buy high purity limestone from Oman through importers and their agents; this limestone is burnt in a lime kiln wherein limestone gets converted to Quick Lime (CaO). The Quick Lime having 90% purity is sprayed with water to manufacture Hydrated Lime Ca(OH)_2 . The purity of Hydrated Lime ranges from 85% to 95%.

6.2 The applicant claims the **composition** of Quick Lime and Hydrated Lime as follows:

| Quick Lime | | Hydrated Lime | |
|---------------------------------|-----|--------------------------------------|-----------|
| Quick Lime (CaO) | 90% | Hydrated Lime (Ca(OH) ₂) | 85 to 95% |
| Lime Stone (CaCO ₃) | 8% | Lime Stone (CaCO ₃) | 13 to 3% |
| Silica | 2% | Silica | 2% |

6.3 From the questions raised by the applicant, it is clear that the issue to be decided is the classification and the applicable tax rate of Quick Lime and Hydrated Lime supplied by the applicant.

6.4 In GST regime, tax is levied on supply of goods or services or both as per Section 9(1) of the Central Goods and Services Tax ACT, 2017 (CGST Act, 2017). Section 9(1) of the CGST Act, 2017 is reproduced below for reference:

(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

6.5 The Government had issued a Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017 under Section 9(1) of the CGST Act, 2017, made effective from 1st of July 2017, notifying the rate of GST applicable to the goods listed in schedules to the said Notification.

6.6 It is relevant to mention here that, to classify a product, we need to rely on explanation to the Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017 issued under Section 9(1) of the CGST Act, 2017 wherein the Government has made Schedule I of Customs Tariff Act, 1975 applicable to GST.

6.7 The relevant part of the explanation to the Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017 is reproduced below for reference:

Explanation. – For the purposes of this notification, -

(a) the expressions, -

iii. “Tariff item”, “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

iv. The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

6.8 Chapter 25 of the First Schedule to the Customs Tariff Act, 1975 covers *Salt; sulphur; earths and stone; plastering materials, lime and cement.* Heading 2522 of Chapter 25 reads as follows:

25.22 - Quicklime, slaked lime and hydraulic lime, other than calcium oxide and hydroxide of heading 28.25.

2522.10 - Quicklime

2522.20 - Slaked lime

2522.30 - Hydraulic lime

6.9 As per the Explanatory Notes to Chapter 25 of the Customs Tariff Act, 1975

***Quicklime** (an impure calcium oxide) is obtained by calcining limestone containing very little or no clay. It combines very rapidly with water, giving off considerable heat and producing slaked lime (calcium hydroxide). **Slaked lime** is usually employed for soil improvement or in the sugar industry.*

***Hydraulic lime** is obtained by low temperature calcination of limestone containing sufficient clay (although usually less than 20 %) to ensure that the product sets under water. Hydraulic lime differs from natural cement in that it still contains appreciable amounts of uncombined quicklime, which may be slaked with water.*

The heading excludes purified calcium oxide and calcium hydroxide (heading 28.25).

6.10 Note 1 to Chapter 25 says:

Except where their context or Note 4 to this Chapter otherwise requires, the headings of this Chapter cover only products which are in the crude state or which have been washed (even with chemical substances eliminating the impurities without changing the structure of the product), crushed, ground, powdered, levigated, sifted, screened, concentrated by flotation, magnetic separation or other mechanical or physical processes (except crystallisation), but not products which have been roasted, calcined, obtained by mixing or subjected to processing beyond that mentioned in each heading.

6.11 General Notes to Chapter 25 state that:

As provided in Note 1, this Chapter covers, except where the context otherwise requires, mineral products only in the crude state or washed (including washing with chemical substances to eliminate impurities provided that the structure of the product itself is not changed), crushed, ground, powdered, levigated, sifted, screened or concentrated

by flotation, magnetic separation or other mechanical or physical processes (not including crystallisation). The products of this Chapter may also be heated to remove moisture or impurities or for other purposes, provided that the heat treatment does not modify their chemical or crystalline structures. However, other heat treatments (e.g., roasting, fusion or calcination) are not allowed, unless specifically permitted by the heading text. Thus, for example, heat treatment which could entail a change in chemical or crystalline structure is allowed for products of headings 25.13 and 25.17, because the texts of these headings explicitly refer to heat treatment.

The products of this Chapter may contain an added anti-dusting agent, provided that such addition does not render the product particularly suitable for specific use rather than for general use. Minerals which have been otherwise processed (e.g., purified by re-crystallisation, obtained by mixing minerals falling in the same or different headings of this Chapter, made up into articles by shaping, carving, etc.) generally fall in later Chapters (for example, Chapter 28 or 68).

In certain cases, however, the headings:

- (1) Refer to goods which by their nature must have been subjected to a process not provided for by Note I to this Chapter. Examples include pure sodium chloride (heading 25.01), certain forms of refined sulphur (heading 25.03), chamotte earth (heading 25.08), plasters (heading 25.20), quicklime (heading 25.22) and hydraulic cements (heading 25.23).*
- (2) Specify conditions or processes which are admissible in those cases in addition to those allowed generally under Note I to this Chapter. For example, witherite (heading 25.11), siliceous fossil meals and similar siliceous earths (heading 25.12) and dolomite (heading 25.18) may be calcined; magnesite and magnesia (heading 25.19) may be fused or calcined (dead-burned (sintered) or caustic-burned). In the case of dead-burned (sintered) magnesia, other oxides (e.g., iron oxide, chromium oxide) may have*

been added to facilitate sintering. Similarly, the materials of headings 25.06, 25.14, 25.15, 25.16, 25.18 and 25.26 may be roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape.

6.12 Further, Chapter 28 of Section VI of the First Schedule to the Customs Tariff Act, 1975 covers *INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES.*

6.13 Heading 28.25 covers ***Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides and peroxides.*** The relevant part of the explanatory notes is reproduced below for reference:

(B) The metal oxides, hydroxides and peroxides of this Chapter not included in preceding headings.

(11) Calcium oxide, hydroxide and peroxide. This heading covers only the oxide (CaO) and the hydroxide (Ca(OH)₂), in the pure state (i.e., containing practically no clay, iron oxide, manganese oxide, etc.), such as the product obtained by calcining precipitated calcium carbonate.

The heading also covers fused lime obtained by fusing ordinary quicklime in an electric furnace. This product has a high degree of purity (approximately 98 % calcium oxide); it is crystalline and generally colourless. It is used, in particular, for refractory linings for furnaces, in the manufacture of crucibles and for addition to concrete, in small pieces, to increase its resistance to wear.

Calcium peroxide (CaO₂) is a white or yellowish powder, hydrated (usually with 8 H₂O), sparingly soluble in water. Used as a bactericide and as a detergent, in medicine and in the preparation of cosmetics.

Quicklime (calcium oxide) and slaked lime (calcium hydroxide) are excluded (heading 25.22).

6.14 The Notes to Chapter 28 state the following:

Notes:

1.- Except where the context otherwise requires, the headings of this Chapter apply only to:

(a) Separate chemical elements and separate chemically defined compounds, whether or not containing impurities;

6.15 As per the General Notes of Chapter 28:

Unless the context otherwise requires, Chapter 28 is limited to separate chemical elements and separate chemically defined compounds.

A separate chemically defined compound is a substance which consists of one molecular species (e.g., covalent or ionic) whose composition is defined by a constant ratio of elements and can be represented by a definitive structural diagram. In a crystal lattice, the molecular species corresponds to the repeating unit cell.

The elements of a separate chemically defined compound combine in a specific characteristic proportion determined by the valency and the bonding requirements of the individual atoms. The proportion of each element is constant and specific to each compound and it is therefore said to be stoichiometric.

Small deviations in the stoichiometric ratios can occur because of gaps or insertions in the crystal lattice. These compounds are described as quasi-stoichiometric and are permitted as separate chemically defined compounds provided that the deviations have not been intentionally created.

6.16 The applicant has claimed that the Hydrated lime supplied by them has 85% to 95% of Calcium Hydroxide, 3% to 13% of Calcium Carbonate and 2% Silica. Therefore, it is clear that the Hydrated Lime supplied by the applicant is not a separate chemically defined compound as intended in Chapter 28 of the Customs Tariff Act, 1975. The applicant is not supplying Calcium Hydroxide in the purest form, with negligible impurities, but Hydrated Lime with impurities to the level of 10% to 15%.

6.17 The heading 2825 covers Calcium Oxide and Calcium Hydroxide in the pure state i.e., containing practically no clay, iron oxide, manganese oxide, etc. In the instant case, the products, Quick Lime and Hydrated Lime contain 10% to 15% of impurities in the form of Silica and Calcium Carbonate.

6.18 Heading 2522 covers Quicklime, an impure calcium oxide, obtained by calcining pure limestone. Slaked Lime (Calcium Hydroxide) is obtained by combining Quick Lime with water. The product in consideration has impurities up to 10% to 15%.

6.19 From the above it is seen that the goods supplied by the applicant contain impurities to the extent of 10% to 15%. Therefore, based on the applicant's claim of composition of the goods supplied, it can be concluded that the Quick Lime and Hydrated Lime supplied by the applicant fall under the Heading 2522 and not under the Heading 2825.

6.20 Now that the Heading / HSN code of the product supplied by the applicant is arrived at, next step would be to arrive at the rate of tax on Quick Lime and Hydrated Lime of claimed purity supplied by the applicant.

6.21 Notification 1/2017 – Central Tax (Rate) dated 28.06.2017, notified rate of Central Taxes on the goods in various Schedules. Schedule – I to the said Notification lists the goods taxed at the Central Tax rate of 2.5%, wherein Sl. No. 131 mentions Quick Lime, Slaked Lime and Hydraulic Lime. The relevant part of the table in Schedule – I of Notification 1/2017 – Central Tax (Rate) dated 28.06.2017 is reproduced below:

Schedule I – 2.5%

| S. No. | Chapter/Heading/Sub heading/Tariff item | Description of goods |
|--------|---|---|
| (1) | (2) | (3) |
| 131. | 2522 | Quicklime, slaked lime and hydraulic lime, other than calcium oxide and hydroxide of heading 2825 |

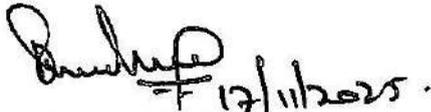
6.22 It is seen that the said Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017 was superseded by Notification No. 9/2025 – Central Tax (Rate) dated 17.09.2025 but the rate of tax on Quick Lime and Hydrated Lime remained unchanged even as per the new Notification.

6.23 Therefore, under the facts and circumstances of the instant case presented before us by the applicant, it can be concluded that the goods supplied by the applicant, namely, 90% Quick Lime and 85% to 95% Hydrated Lime, fall under the heading 2522 and attract GST at the rate of 5% (CGST – 2.5% + SGST – 2.5%).

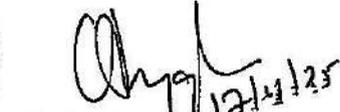
7. Based on the above discussion, we rule as under:

RULING

The rate of tax on 90% Quick Lime and 85% to 95% Hydrated Lime supplied by the applicant is 5% (CGST – 2.5% and SGST – 2.5%).


(B. Suseel Kumar)
Member (SGST)




(C. Thiyagarajan)
Member (CGST)

To

M/s. Kaycee Industrial Chemicals Private Limited
4/103, Saikanth Building, 3rd Street,
Muthammal Colony, Thoothukudi – 628 002.

(By RPAD)

Copy submitted to

1. The Principal Chief Commissioner of GST and Central Excise,
26/1, Uthathamar Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai 600 005.

3. The Commissioner of GST and Central Excise,
Madurai Commissionerate,
No.4, Lal Bahadur Shastri Road,
Bibi Kulam, Madurai – 625 002.

Copy to

1. Assistant Commissioner (ST),
Tuticorin – I Asscssment Circle,
Integrated Commercial Taxes Office Building,
281/A, North Beach Road,
Tuticorin, Tamil Nadu – 628 001.
2. Stock File – A1