

**AUTHORITY FOR ADVANCE RULING – CHHATTISGARH**  
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**Atal Nagar, District-Raipur (C.G.) 492002**

**Email ID – gst.aar-cg@gov.in**

**PROCEEDING OF THE AUTHORITY FOR ADVANCE RULING**  
**U/s. 98 OF THE CHHATTISGARH GOODS AND SERVICES TAX ACT, 2017**

Members Present are

Smt.Yachana Tambrey  
Joint Commissioner  
O/o Commissioner, State Tax  
(CGGST), Raipur, Chhattisgarh.

Dr. Bura Naga Sandeep  
Joint Commissioner,  
O/o Principal Commissioner,  
CGST & Central Excise, Raipur (C.G)

**Subject :-** Chhattisgarh GST Act, 2017 – Advance Ruling U/s 98 Chhattisgarh GST Act, 2017 – Advance Ruling U/s 98 sought by **M/s Tarwani Soap Industries** having its registered office at Dhusera, Village-Dewarbhatta, Manabasti, Abhanpur, Raipur, Chhattisgarh (hereinafter referred to as “The Applicant”) is registered under GST, having GSTIN as 22AAOFT9412H1Z1, seeking advance ruling regarding :The definition or guiding principle for determining “toilet soap” under HSN 3401, as referred to in Schedule I, Entry No. 251 of Notification No. 9/2025-Central Tax (Rate), 2025; What constitutes “other soap (not toilet soap)” under Schedule II, Entry No.66 of the said notification; Whether, given the composition of the applicant’s soap (having TFM > 60%) and its dual- use nature (bathing and laundry), the product should be classified under HSN 3401 19 41 (“Toilet soap”) or HSN 3401 19 42 (“Laundry soap”) and the applicable GST rate thereon.

**Read :-** ARA-01 application 14.10.2025 (complete application with challan submitted on 17.10.2025) from **M/s M/s Tarwani Soap Industries** having its registered office at Dhusera, Village-Dewarbhatta, Manabasti, Abhanpur, Raipur, Chhattisgarh. [U/s 98 of the Chhattisgarh Goods & Services Tax Act, 2017 (herein- after referred to as CGGST Act, 2017)]

NO./STC/AAR/06/2025

Raipur Dated 12/01/2026

**M/s Tarwani Soap Industries** having its registered office at Dhusera, Village-Dewarbhatta, Manabasti, Abhanpur, Raipur, Chhattisgarh (hereinafter referred to as “The Applicant”) is registered under GST, having GSTIN as 22AAOFT9412H1Z1, seeking advance ruling as to The Applicant seeks advance ruling on the following questions:

- (i) The definition or guiding principle for determining “toilet soap” under HSN 3401, as referred to in Schedule I, Entry No. 251 of Notification No. 9/2025-Central Tax (Rate), 2025;
- (ii) What constitutes “other soap (not toilet soap)” under Schedule II, Entry No.66 of the said notification;
- (iii) Whether, given the composition of the applicant’s soap (having TFM > 60%) and its dual- use nature (bathing and laundry), the product should be classified under HSN 3401 19 41 (“Toilet soap”) or HSN 3401 19 42 (“Laundry soap”);  
The applicable GST rate thereon;



2. **Facts of the case:** -The applicant in the instant application has informed that they are engaged in the manufacture and supply of soap primarily serving rural markets. It has further been informed by the applicant that the soap manufactured is versatile and used both for personal hygiene (bathing) and laundry purposes depending on consumer preference. The soap contains more than 60% Total Fatty Matter (TFM) as per Lab reports attached in Annexure\_01, which aligns with the definition of "toilet soap" as per BIS Standards (IS 2888:2004) and trade parlance. That, pursuant to the decision taken in the 56th GST Council Meeting, the Central Government has issued **Notification No.9/2025-Central Tax(Rate)** dated 17th September 2025, effective from 22nd September 2025, amending the GST rate schedule for soaps under HSN Code 3401. The notification creates two distinct entries:

- Schedule I, Entry No.251— "Toilet soap" taxable at 5% GST.
- Schedule II, Entry No.66 — "Soap (other than toilet soap)" taxable at 18% GST.

Further that the primary intention of the Government, as evident from the above notification, is to distinguish "toilet soap" from other soaps and to levy GST at a concessional rate of 5% for toilet soaps, while other soaps attract 18% GST. However, the term "toilet soap" is not defined anywhere in the CGST Act, 2017, or in the relevant notifications. That the wrapping/packaging of said soap at present does not contain any marking or declaration as to whether the product is "toilet soap" or "laundry soap," being multipurpose soap, although the Total Fatty Matter content exceeds 60%, as is clearly evident from the Lab report and raw materials used in the manufacturing of the said soap and Lab Reports. The soap is manufactured using the following raw materials:

Sr.No.	Raw Material	HSN Code	Rate
1	Cotton Seed Soap Stock	1522 0020	5%
2	Palm Oil	1511 9030	18%
3	Palm Fatty Acid	3823 1900	18%
4	Mango Fatty Acid	1522 0090	5%
5	Caustic Soda	2815 1200	18%

The applicant has in their application informed that they manufacture primarily soap by the process of Saponification used for both bathing and washing, as the soap contains more than 60% Total Fatty Matter (TFM), which aligns with the definition of "toilet soap" as per BIS Standards (IS 2888:2004) and trade parlance, however it is important to note that their product being primarily consumed in rural and backward areas is used by population residing in rural areas for washing too.

### 3. APPLICANT'S INTERPRETATION OF LAW AND/OR FACTS: -

In the absence of a statutory definition, the applicant relies on common parlance and industry standards, particularly BIS definition (IS 2888:2004), which treats soap as "toilet soap" if it has TFM content of 60% or more. The applicant submits that classification should be based on composition and trade parlance rather than consumer usage patterns, which may vary in rural



#### 4. Personal Hearing: -

Shri Uttamchand Tarwani (partner), Kaushal Tarwani (partner) along with their legal authorized representatives Shri Chetandas Tarwani (C.A.) and Shri Chetandas Tarwani (C.A.) of the applicant M/s Tarwani Soap Industries Raipur, attended the personal hearing in the matter before us on 10-11-2025. It was informed by the authorized representative that the applicant is engaged in the manufacture and supply of soap primarily serving rural markets. The soap manufactured is versatile and used both for personal hygiene (bathing) and laundry purposes depending on consumer preference. The soap contains more than 60% Total Fatty Matter (TFM) as per Lab reports attached in Annexure\_01, which aligns with the definition of "toilet soap" as per BIS Standards (IS 2888:2004) attached in Annexure\_02 and trade parlance. Pursuant to the decision taken in the 56th GST Council Meeting, the Central Government has issued Notification No.9/2025-Central Tax (Rate) dated 17th September 2025, effective from 22nd September 2025, amending the GST rate schedule for soaps under HSN Code 3401. The notification creates two distinct entries:

- Schedule I, Entry No.251— "Toilet soap" taxable at 5% GST.
- Schedule II, Entry No.66 — "Soap (other than toilet soap)" taxable at 18% GST.

They reiterated their submissions as made in the ARA-01 and it was their contention that they manufacture primarily soap by the process of Saponification used for both bathing and washing, as the soap contains more than 60% Total Fatty Matter (TFM), which aligns with the definition of "toilet soap" as per BIS Standards (IS 2888:2004) and trade parlance, and that their product being primarily consumed in rural and backward areas is used by population residing in rural areas for washing too. With reference to the Advance Ruling Application, the applicant also submitted the additional information regarding laboratory report from an independent authority, namely QA Testing Laboratories Pvt Ltd, to determine whether the Total Fatty Matter (TFM) percentage contained in the soap manufactured by us exceeds 60%, in accordance with the specifications prescribed by the Bureau of Indian Standards (BIS) to determine whether the soap manufactured is Toilet soap. They also furnished test reports in this regard and that as per the findings of the independent laboratory, all the tested samples of their products contain TFM greater than 60%. Also, that as per the certified findings of the laboratory, FM of different products are: **Bosky Black: TFM 70.01%, Mitan White: TFM 72.41%, Mitan Sandal: TFM 71.** They, also submitted that in the absence of such a definition of "toilet soap" under GST law, reliance may be placed on BIS standards, which classify soaps containing more than 60% TFM as toilet soaps. Based on the above BIS technical criteria and certified laboratory results, it was their submission that their products merit classification as toilet soap under HSN 3401. Accordingly, as per Notification No. 9/2025, toilet soap under this HSN is chargeable to GST at the rate of 5%, irrespective of its multipurpose usage by end consumers. Accordingly, they requested to consider the independent test reports and the above submissions while determining the correct classification and applicable tax rate under GST and sought the ruling in the matter.

#### The legal position, analysis, and discussion: -

At the very outset, we would like to make it clear that the provisions for implementing the GST Act and the Chhattisgarh GST Act, 2017 [hereinafter referred to as "the CGST Act and the



CGGST Act"] are similar and thus, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the CGGST Act, 2017. Now we sequentially proceed to discuss the issues involved in the ruling so sought by the applicant and the law as applicable in the present case.

5.1 Section 96 of CGST Act, 2017, Authority for advance ruling, stipulates as under: -

Subject to the provisions of this Chapter, for the purposes of this Act, the Authority for advance ruling constituted under the provisions of a State Goods and Services Tax Act or Union Territory Goods and Services Tax Act shall be deemed to be the Authority for advance ruling in respect of that State or Union territory.

Section 97(2) of CGST Act, 2017 stipulates that: -

The question, on which the advance ruling is sought under this Act, shall be in respect of—

- (a) classification of any goods or services or both;
- (b) applicability of a notification issued under the provisions of this Act;
- (c) determination of time and value of supply of goods or services or both;
- (d) admissibility of input tax credit of tax paid or deemed to have been paid;
- (e) determination of the liability to pay tax on any goods or services or both;
- (f) whether applicant is required to be registered;
- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

Further 103 of CGST Act, 2017 stipulates about the ruling pronounced as under: -  
The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter shall be binding only -

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

Thus, in view of the above section 103 of CGST Act, 2017, the ruling so sought by the Applicant would be binding only on the Applicant and on the concerned officer or the jurisdictional officer as stipulated above.

5.2 We have gone through the submissions made by the applicant and have examined the views expressed by them in this regard. At the outset, we find that the issue raised under Question no. 1 in the ARA-01 application filed by the applicant gets squarely covered under Section 97(2) (a), 97(2) (b) and 97(2) (e) of the CGST Act 2017 being a matter relating to classification, applicability of a notification issued under the provisions of this Act and determination of the liability to pay tax on any goods or services or both. We, therefore, admit the questions raised by the applicant for consideration on merits.

The comments on the issues raised by the Applicant in their ARA-01 application for Advance Ruling was sought for from the jurisdictional Central and State formations vide letter



dated 16.10.2025, and no report / comments in the matter has been received from either of the field formations.

5.4 Now we move on to address the primary concern of the applicant which primarily revolves round the issue of classification of soaps manufactured / supplied by them, as per the extant provisions of GST law.

In this context, it is worthwhile to mention here that Section 9 of the CGST Act and respective SGST Acts and Section 5 of IGST Act inter alia provides for levy of tax “ on all intra-State / inter-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption [and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption].....at such rates, not exceeding forty percent, as may be notified by the Government on the recommendation of the GST council and collected in such manner as may be prescribed .....” A plain reading of above provision categorically mandates Government's authority to notify rates of tax on recommendation of GST council. The combined rate of CGST and SGST or IGST cannot be more than 40 per cent.

Further, the Customs Tariff Act 1975 is based on Harmonised System of Nomenclature, HSN. The Customs Tariff Act 1975 is amended from time to time so as to align the same with HSN Tariff developed by World Customs Organisation. Harmonised System of Nomenclature (HSN). The Harmonised Commodity Description and Coding System generally referred to as "Harmonised System" or simply "HS" is a multipurpose international product nomenclature developed by the World Customs Organization (WCO). It is also referred to as "Harmonised System of Nomenclature" or HSN. The rules of Interpretation of Customs Tariff are also stipulated. The rules of interpretation, section notes and chapter notes as specified under Customs Tariff Act 1975 are also applicable for classification of Goods under GST regime.

5.5 Notifications regarding applicable Central tax (CGST) are issued by Central Government and Notification regarding State tax (SGST / CGGST), issued by respective State Government have identical provisions. The said Notifications are subject to amendments from time to time by the Government. In the case in hand, we are exploring the provisions stipulated under of Notification no. 9/2025-Central Tax (Rate) dated 17.9.2025, and the corresponding Notification no. 9/2025-Integrated Tax (Rate), both dated 17.9.2025 and both effective from 22.9.2025.

In the instant case, Explanation at the end of the said Notifications [in this case Explanation a(iii) and (b) to above cited Notification no. 9/2025-Central Tax (Rate) and 9/2025-IT(Rate) dated 17.9.2025] inter alia provides that “Tariff item”, “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, subheading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and further that 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. Therefore, it is implied by virtue of above explanation that the classification of goods has to be done in accordance with Customs Tariff Act 1975. However, once the heading/tariff item is arrived at, the rate of GST would be governed by the relevant Notification.

In this backdrop, in the context of the questions raised by the applicant, we would first like discuss the relevant provisions of GST law which have a direct bearing on the matter.



Accordingly, the relevant text of GST Notification No.9/2025-CT(Rate) dated 17.9.2025, which stipulates the rate of tax applicable on goods relevant to the issue in hand, is reproduced here under for ready reference: -

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

NOTIFICATION  
NO. 9/2025-Central Tax (Rate)

New Delhi, the 17th September, 2025

In exercise of the powers conferred by sub-section (1) of section 9 and sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 (12 of 2017), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 01/2017-Central Tax (Rate), dated the 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 673(E), dated the 28th June, 2017, except as respects things done or omitted to be done before such supersession, the Central Government, on the recommendations of the Council, hereby notifies the rate of central tax of-

- (i) 2.5 per cent. in respect of goods specified in Schedule I;
- (ii) 9 per cent. in respect of goods specified in Schedule II;
- (iii) 20 per cent. in respect of goods specified in Schedule III;
- (iv) 1.5 per cent. in respect of goods specified in Schedule IV;
- (v) 0.125 per cent. in respect of goods specified in Schedule V;
- (vi) 0.75 per cent. in respect of goods specified in Schedule VI, and
- (vii) 14 per cent. in respect of goods specified in Schedule VII.

appended to this notification (hereinafter referred to as the said Schedules), that shall be levied on intra-State supplies of goods, the description of which is specified in the corresponding entry in column (3) of the said Schedules, falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Schedules.

Schedule I – 2.5%

Sl.No.	Chapter/Heading/Sub-heading/Tariff item	Description of goods
(1)	(2)	(3)
1.	0101 21 00, 0101 29	Live horses
2.	202, 0203, 0204, 0205, 0206, 0207, 0208, 0209, 0210	All goods, other than fresh or chilled, pre-packaged and labelled
3.	303, 0304, 0305, 0306, 0307, 0308, 0309	All goods, other than fresh or chilled, pre-packaged and labelled
.....	.....	.....
251.	3401	Toilet Soap (other than industrial soap) in the form of bars, cakes, moulded pieces or shapes
.....	.....	.....



Schedule II – 9%

Sl.No.	Chapter/Heading/Sub-heading/Tariff item	Description of goods
(1)	(2)	(3)
1.	1702	Artificial honey, whether or not mixed with natural honey
2.	2207	Ethyl alcohol and other spirits, denatured, of any strength [other than ethyl alcohol supplied to Oil Marketing Companies or petroleum refineries for blending with motor spirit (petrol)]
3.	22071012	Spirits for industrial use
.....	.....	.....
66.	3401	Soap; organic surface-active products and preparations for use as soap, in the form of cakes, moulded pieces or shapes, whether or not containing soap[other than toilet soap in the form of bars, cakes, moulded pieces or shapes]; organic surface active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent
.....	.....	.....

5.7 Now for arriving at the correct classification of the goods in question, we would also like to go through the text as is forthcoming in the HSN relating to CHAPTER 34 relating to SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPARATIONS, LUBRICATING PREPARATIONS, ARTIFICIAL WAXES, PREPARED WAXES, POLISHING OR SCOURING PREPARATIONS, CANDLES AND SIMILAR ARTICLES, MODELLING PASTES, "DENTAL WAXES" AND DENTAL PREPARATIONS WITH A BASIS OF PLASTER.

In this regard, it is seen that Heading no. 3401 covers in its ambit, *SOAP; ORGANIC SURFACE-ACTIVE PRODUCTS AND PREPARATIONS FOR USE AS SOAP, IN THE FORM OF BARS, CAKES, MOULDED PIECES OR SHAPES, WHETHER OR NOT CONTAINING SOAP; ORGANIC SURFACE ACTIVE PRODUCTS AND PREPARATIONS FOR WASHING THE SKIN, IN THE FORM OF LIQUID OR CREAM AND PUT UP FOR RETAIL SALE, WHETHER OR NOT CONTAINING SOAP; PAPER, WADDING, FELT AND NONWOVENS, IMPREGNATED, COATED OR COVERED WITH SOAP OR DETERGENT Soap and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes and paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent:*

Further, H.S Code 3401 11 pertains to goods for toilet use (including medicated products). As per ITC (HS) Code 3401 11 10 is for Medicated toilet soaps, 3401 11 20 ITC (HS) Code pertains to Shaving soaps other than shaving cream and 3401 11 90 is for Other. Further it is seen



that H.S 3401 19 is for *Other: Bars and blocks of not less than 500 gm in weight*: which includes 3401 19 11 ITC (HS)Code for *Industrial soap*. Furthermore, it is seen that under the *Household and laundry soaps not elsewhere specified or included:ITC(HS) Code 3401 19 42* is for *Laundry soaps*.

5.8 We also find that the applicant in the instant application has informed that the wrapping/packaging of the soap being manufactured by them at present does not contain any marking or declaration as to whether the product is "toilet soap" or "laundry soap," being a multipurpose soap, although the Total Fatty Matter content exceeds 60%.In this context, although, this authority is not authorized to pass any decision in the matter, which is governed by other legal provisions, the above contention of the applicant that they are not making any declaration regarding their product, does not appear to be in consonance with the extant provisions of law as discussed hereunder. Any manufacturer of goods, especially those manufacturing goods which have a direct bearing on the health and well-being of a recipient consumer, appears obligated to declare / display at least the very basics regarding the goods being manufactured and sold/ supplied by them in open market i.e. in this case whether it is a toilet bathing soap or a soap meant for fabric cleaning, its ingredients etc. It is also observed that the applicant has themselves in the instant ARA-01 application seeking advance ruling, filed under Section 97 of CGST Act, 2017 under the heading "Details of Applicant", has specifically mentioned their "Nature of business" as "Manufacture and supply of toilet and laundry soap", evidencing therein that they are very much engaged in manufacture and supply of both "toilet" and "laundry soap" i.e. they are engaged not only in the manufacturing of toilet soap, but also laundry soap.

In this regard, the common knowledge as regards Soaps and its types are that under the Drugs and Cosmetics Act, 1940 and the Cosmetic Rules, 2020, soap is generally considered a cosmetic if used for cleansing of skin. However, it is specifically defined as a product composed primarily of alkali salts of fatty acids. If a soap claims only to cleanse, it may not fall under the strict, comprehensive cosmetic regulations, but if it claims to treat skin (e.g., acne, germ-killing) or beautify, it becomes a regulated cosmetic or drug. The key aspects regarding soap under the regulations in vogue is that for a product to be classified or treated simply as "soap" and not a complex cosmetic, the product must consist of alkali salts of fatty acids (fats/oils combined with lye) and have no additional, therapeutic, or advanced beautifying claims. Further, that as per regulatory standing, if a soap has no additional claims (like moisturizing or deodorizing) and is marketed only for cleansing, it is generally exempt from the more stringent cosmetic regulations. Moreover, if the soap is marketed for purposes such as moisturizing, deodorizing, or treating diseases (e.g., anti-acne), it is considered a cosmetic or even a drug under the Drugs and Cosmetics Act, 1940 and Cosmetic Rules, 2020. It is also well known that for such products the ingredients must meet the established BIS standards. Thus, "soap" is defined by its composition—alkali salts of fatty acids—and its intended use for basic cleansing. Any claim beyond this makes it a regulated cosmetic product. Soap is also defined in common parlance, as a water-soluble sodium or potassium salt of fatty acids, typically produced through the saponification of natural oils or fats with an alkali (like sodium hydroxide for bars). It acts as a surfactant for cleaning and bathing, with quality often determined by Total Fatty Matter (TFM). In other words, the composition of Soap is that it is made from fatty acids derived from vegetable oils or animal fats and is manufactured / made by reacting fats with alkali, known as saponification by the reaction between sodium hydroxide or potassium hydroxide with vegetable or animal oil (fats). Sodium



salts usually make hard soap bars, while potassium salts are used for liquid soaps. The types of soap are Toilet Soap which is used for personal bathing, often containing fragrances and emollients, Laundry/Washing Soap which is used for cleaning fabrics and Antibacterial Soap which meets the specific BIS (Bureau of Indian Standards) requirements for antiseptic properties. Besides, this the Bureau of Indian Standards sets guidelines for the manufacturing and quality of toilet soaps in India (e.g., IS 2888:2004). Unlike soaps, detergents are synthetic, better for hard water, and do not form scum.

The main difference between toilet / bathing and laundry / washing soap is that Toilet / Bathing soaps are typically potassium salts of fatty acids, making them softer, while washing soaps (laundry soaps) are sodium salts of fatty acids, resulting in a harder consistency, with the key difference stemming from the use of potassium hydroxide (KOH) for bathing soaps versus sodium hydroxide (NaOH) for washing soaps during their production.

Whereas, Industrial soap refers to heavy-duty cleaning agents specifically formulated to remove industrial-grade grime, grease, and contaminants, often in manufacturing, automotive, or construction settings. Unlike household soap, it contains stronger surfactants, solvents, and abrasives, and is mass-produced in liquid, powder, or bar forms to handle severe, large-scale cleaning tasks.

Further it is well known that laundry soap is not the same as toilet soap (bathing soap). They are formulated for entirely different purposes. Laundry soap is designed to clean fabrics with strong detergents and high alkalinity, whereas toilet soap is manufactured to be gentle on human skin, often containing moisturizers and a lower pH. Laundry soap has a higher, more alkaline pH to break down dirt on fabrics. Toilet soap has a neutral or slightly acidic pH to match the skin. Laundry soap often contains bleaching agents, enzymes, and fillers (e.g., sodium silicate, borax). Toilet soap uses higher-quality oils and contains perfumes and moisturizing agents. It also needs to be mentioned here that using laundry soap on the body can cause skin irritation or damage due to high alkalinity. While both are technically soaps, they are not interchangeable for skin cleaning.

It is also known that in India, the Drugs and Cosmetics Act, 1940, along with the Cosmetics Rules, 2020, and the Legal Metrology (Packaged Commodities) Rules, 2011, mandate detailed ingredient lists, manufacturing details, expiry dates, and other crucial information on soap labels, ensuring transparency for consumers about ingredients, origin, and safety, enforced by agencies like CDSCO and State Drug Control Departments. We also find that Controller, Foods and Drugs Administration Chhattisgarh are the authority that grants approval for undertaking the manufacturing of Soaps in Chhattisgarh.

As mentioned above, although it is not within the jurisdiction of this authority to pronounce any decision as regards the mandatory requirement for displaying the crucial information on soap labels ensuring transparency for consumers regarding the type of soap being manufactured and supplied, the contention of the applicant in the instant ARA-01, that the wrapping/packaging of the soap being manufactured by them at present does not contain any marking or declaration as to whether the product is "toilet soap" or "laundry soap", appears not to be in adherence /compliance with the procedures as mandated under the law in vogue, as discussed above.



It also needs mention here that the above Notification no. 9/2025 CT(Rate) dated 17.9.2025 and the corresponding Notification no. 9/2025-Integrated Tax (Rate), both dated 17.9.2025 and both effective from 22.9.2025. stipulates the effective rate of tax on goods to be levied on intra-State and inter-State supplies of goods. Thus, it is the goods that are manufactured and subsequently declared and supplied by the applicant, that attains significance leading to the determination the correct classification of goods and its effective rate of tax. Further, there is no mention of any TFM content or for that matter about any composition, in the HSN code or in the Notification supra, accordingly there is no concept of classification of soaps on the basis of TFM content, as opined by the applicant.

5.9 Thus, from the abovediscussion and on the basis of information furnished by the applicant in the instant ARA-01, we come to the considered conclusion that toilet soaps for washing the body /skin aptly falls under ITC(HS)Code 3401 11 90, whereas laundry soaps for washing purpose (other than toilet soap), merits classification under 3401 19 42.

5.10 Now on having arrived at the classification of the products manufactured by the applicant as above, we come to the conclusion that toilet soap(other than industrial soap) in the form of bars, cakes, moulded pieces or shapes manufactured and subsequently supplied by the applicant for washing of skin classifiable under Heading no. 3401, attracts tax @ 5% [ CGST @2.5% + CGGST@2.5%] in terms of Sr. no. 251 of Schedule-I to Notification no. 9/2025-Central Tax (Rate) 2025 effective from 22.9.2025 read with the corresponding IGST Notification, whereas Laundry soaps in the form of cakes, moulded pieces or shapes, whether or not containing soap[other than toilet soap in the form of bars, cakes, moulded pieces or shapes], manufactured and subsequently supplied by the applicant for washing purposes classifiable under Heading no. 3401 attract tax @ 18% [ CGST @9% + CGGST @9%]in terms of Sr. no. 66 of Schedule-II to Notification no. 9/2025-Central Tax (Rate) 2025, effective from 22.9.2025, read with the corresponding IGST Notification.

5.11 This authority would like to mention here that every transaction in itself is subject to the conditions and stipulations as mentioned in the work orders / contract / agreement and the facts governing the said transaction. Further, the legality and technicality as regard the manufacture and supply / sale of products which affect the general well-being of public at large[in this case Soaps], is a subject matter of such laws and procedures governing the said manufacturing and sale activity under taken by the applicant, as is in vogue.

6. Having regard to the facts and circumstances of the case and discussions as above, we pass the following order: -

### ORDER

(Under section 98 of the Chhattisgarh Goods and Services Tax Act, 2017)

No.STC/AAR/06/2025

Raipur Dated 12/01/2026

The ruling so sought by M/s **Tarwani Soap Industries** having its registered office at Dhusera, Village-Dewarbhata, Manabasti, Abhanpur, Raipur, Chhattisgarh registered under GST, having GSTIN as 22AAOFT9412H1Z1, the Applicant is accordingly answered as under:



## RULING

- i. The principle for determining "Toilet soap" under heading no. 3401, as referred to in Schedule I, Entry No. 251 of Notification No. 9/2025-Central Tax (Rate), 2025 dated 17.9.2025, is that H.S Code 3401 11 pertains to goods for toilet use (including medicated products).
- ii. "Laundry soaps" constitutes "other soap (not toilet soap)", specified under entry No.66 of Schedule II to Notification No. 9/2025-Central Tax (Rate), 2025 dated 17.9.2025.
- iii. On the basis of information furnished by the applicant, it follows that "Toilet soaps" for washing the skin, manufactured and sold/supplied by the applicant aptly falls under ITC(HS)Code 3401 11 90, whereas "Laundry soaps" (other than toilet soaps) for washing purpose, manufactured and sold / supplied by the applicant merits classification under 3401 19 42.
- iv. Toilet soaps(other than industrial soaps) in the form of bars, cakes, moulded pieces or shapes manufactured and sold/supplied by the applicant for washing of skin classifiable under Heading no. 3401, attracts tax @ 5% [CGST @2.5% + CGGST@2.5%] in terms of Sr. no. 251 of Schedule-I to Notification no. 9/2025-Central Tax (Rate) 2025, read with the corresponding Integrated Tax (Rate) Notification,both effective from 22.9.2025. Laundry soaps in the form of cakes, moulded pieces or shapes, whether or not containing soap [other than toilet soap in the form of bars, cakes, moulded pieces or shapes] manufactured and sold/suppliedby the applicant for washing purposes classifiable under Heading no. 3401, attract tax @ 18% [ CGST @9% + CGGST @9%] in terms of Sr. no. 66 of Schedule-II to Notification no. 9/2025-Central Tax (Rate) 2025, read with the corresponding Integrated Tax (Rate) Notification, both effective from 22.9.2025.

*sd*  
Smt. Yachana Tambrey  
(Member)

*sd*  
Dr. Bura Naga Sandeep  
(Member)

Place: - Raipur  
Date:-12/01/2026  
Seal: -

TRUE COPY

*Yachana*  
12/01/26  
MEMBER

ADVANCE RULING AUTHORITY  
CHHATTISGARH, RAIPUR

TRUE COPY

*KB*  
12/01/26  
MEMBER  
ADVANCE RULING AUTHORITY  
CHHATTISGARH, RAIPUR

