

M/s. Kaycee Industrial Chemicals Private Limited

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 48/ARA/2025

Dated 17.11.2025

Q Questions Before the Authority

- 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%.
- GST rate of Quick Lime and Hydrated Lime having less than 98% purity - AAR Ruling required.

F Facts

The applicant manufactures Quick Lime and Hydrated Lime by burning imported limestone in a kiln and subsequently spraying the Quick Lime with water. The resulting products have a purity level ranging from 85% to 95%, with the remainder consisting of impurities like silica and calcium carbonate. The applicant sought clarification on the applicable GST rate for these products, specifically whether they fall under the 5% or 18% tax bracket.

H Ruling

GST rate for Quick Lime and Hydrated Lime (<98% purity)

5% (CGST - 2.5% and SGST - 2.5%)

Applicable to products under heading 2522

The Authority ruled that the products supplied by the applicant fall under HSN 2522 and attract a total GST rate of 5%. This classification is based on the fact that the products contain significant impurities and are not pure chemical compounds as defined under Chapter 28.

R Reasoning

The Authority determined that because the products contain 10% to 15% impurities, they do not qualify as separate chemically defined compounds under Chapter 28. Instead, they are classified under **Heading 2522** of the Customs Tariff Act, 1975, which covers quicklime, slaked lime, and hydraulic lime. The ruling relies on Notification No. 1/2017 - Central Tax (Rate) dated 28.06.2017, which specifies a **2.5% Central Tax rate** (total 5%) for goods under this heading. The Authority noted that this rate remained unchanged despite subsequent notifications.

P Provisions Relied On

Section 9(1) of the CGST Act, 2017

Section 97(2) of the CGST Act, 2017

Notification No. 1/2017 - Central Tax (Rate) dated 28.06.2017

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

Chapter 25 of the Customs Tariff Act, 1975

Chapter 28 of the Customs Tariff Act, 1975

! For the Practitioner

This ruling provides clarity for manufacturers of lime products with purity levels below 98%, confirming they are subject to a **5% GST rate** under HSN 2522. It distinguishes these products from high-purity chemical compounds that would otherwise fall under Chapter 28 and attract higher taxation. Practitioners should note that this ruling is specific to products containing significant impurities and does not apply to high-purity (98%+) lime products.

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 -> 4-ms-kayee_industrial.pdf

Prepared 15-10-2026.

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