WEST BENGAL APPELLATE AUTHORITY FOR ADVANCE RULING
AT 14, BELIAGHATA ROAD, KOLKATA-700015

Before:

Mr R. Srinivasa Naik, Member
Mr Surendra Kumar Meena, Member

In the matter of

Appeal Case No. 05/WBAAAR/APPEAL/2026

- And -

In the matter of:

An Appeal filed under Section 100(1) of the West Bengal Goods and Services Tax Act, 2017/ Central Goods and Services Tax Act, 2017, before the West Bengal Appellate Authority for Advance Ruling (hereinafter referred to as the WBAAAR) by M/s Swadeshi Soap Industries (19ABEFS2740L1ZV) against the Ruling passed by the West Bengal Authority for Advance Ruling (hereinafter referred to as the WBAAR) vide Advance Ruling Order No. 01/WBAAR/2026-27 dated 25.05.2026.

Present for the Appellant: Mr. Tarun Kumar Gupta, Advocate.

Present for the Respondent: None.

Matter heard on: 03.09.2026
Date of Order: 12.10.2026

At the outset we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 and West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively referred to as the "GST Act") are in pari materia and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act, 2017 would also mean reference to the corresponding similar provisions in the SGST Act, 2017.

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1. This appeal has been filed by M/s Swadeshi Soap Industries (19ABEFS2740L1ZV) (hereinafter referred to as the 'Appellant') against the Ruling passed by the WBAAR vide Advance Ruling Order No. 01/WBAAR/2026-27 dated 25.05.2026.

2. The Appellant submitted that it is a partnership firm having its place of business at Village Monohar Bahal, Post Ethora, P.S. Barabani, District Bardhaman, West Bengal - 713359. The Appellant is engaged in the manufacture of laundry soap in the form of bars weighing less than 500 grams, classifiable, according to the Appellant, under HSN 3401 19 42 and sold at a price below Rs. 20 per piece, catering predominantly to rural and low-income households in and around Bardhaman, West Bengal. In this background, the Appellant sought a ruling from the WBAAR by filing an application under sub-section (1) of section 97 of the GST Act, on the following questions:

(i) Whether the rate of GST of 5%, notified vide Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025, effective from 22.09.2025, is applicable to laundry soap bars weighing less than 500 grams under HSN 3401 19 42?

(ii) What is the applicable rate of GST on the laundry soap bars manufactured and supplied by the Appellant?

Submission of the Appellant before the WBAAR

3. The submissions made by the Appellant, then the Applicant, before the WBAAR may be summarised as follows:

i. The Appellant submitted that it manufactures and supplies laundry soap in the form of bars weighing less than 500 grams and priced below Rs. 20 per piece.

ii. It referred to Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025 and submitted that Sl. No. 251 of Schedule I covers "toilet soap (other than industrial soap) in the form of bars, cakes, moulded pieces or shapes", taxable at 5%, whereas Sl. No. 66 of Schedule II covers soap other than toilet soap, taxable at 18%. According to the Appellant, the issue was whether its product was covered by the former entry or the latter.

iii. The Appellant submitted that soap has historically been regarded as an essential commodity used for personal and household hygiene. Referring to the development of the soap industry and the widespread consumption of

soap bars, particularly in rural areas, it contended that soap is an article of mass consumption.

iv. The Appellant explained that soap is produced through the process of saponification, involving a reaction between an alkali and fatty substances such as oils. It submitted that glycerine is generated as a by-product of this process and imparts moisturising properties to the soap.

v. Referring to the standards prescribed by the Bureau of Indian Standards, including IS 2888:2004 for toilet soap and IS 13498:2020 for bathing bars, the Appellant submitted that the classification of soap is determined principally with reference to its Total Fatty Matter content. According to the Appellant, toilet soaps ordinarily contain Total Fatty Matter ranging from 60% to 80%, depending upon their grade, whereas bathing bars generally contain a comparatively lower percentage.

vi. The Appellant claimed that the soap manufactured by it contained Total Fatty Matter exceeding 60% and, therefore, satisfied the technical parameters prescribed for toilet soap under the applicable BIS standard. It further submitted that the presence of permissible ingredients such as perfumes, colouring matter, antioxidants, preservatives, germicides, humectants and other additives did not detract from its character as toilet soap.

vii. The Appellant contended that Heading 3401 of the Customs Tariff covers different varieties of soap, including toilet soap, industrial soap and laundry soap. Since the expression “toilet soap” has not been specifically defined under the GST enactments or the relevant rate notification, it urged that the expression should be understood with reference to the BIS standards and accepted trade practice.

viii. According to the Appellant, a soap marketed or commonly described as laundry soap may nevertheless qualify as toilet soap if its Total Fatty Matter exceeds 60%. It argued that Sl. No. 251 of Schedule I specifically excludes only industrial soap and that, had the intention been to exclude laundry soap also, the notification would have expressly provided for such exclusion.

ix. On that basis, the Appellant submitted that Sl. No. 66 of Schedule II would cover only industrial soap expressly excluded from Sl. No. 251 and soap having Total Fatty Matter below 60%, which does not meet the BIS parameters for toilet soap. Since its product allegedly contained Total Fatty Matter exceeding 60%, the Appellant claimed classification under Sl. No. 251 of Schedule I.

x. The Appellant further submitted that toilet soap and laundry soap are produced through the same essential process of saponification, using substantially similar raw materials, such as vegetable or palm oils and caustic soda, and similar machinery, including mixers and duplex vacuum plodders. According to it, the differences between the two products principally relate to finishing characteristics such as fragrance and moisture content and not to their fundamental chemical composition.

xi. It was contended that both toilet soap and laundry soap serve the broad purpose of hygiene and cleanliness. The Appellant submitted that, from the perspective of an average consumer, toilet soap, laundry soap and bathing soap are commonly understood as household soaps and may be used interchangeably for bathing and washing fabrics. It claimed that its product performs both functions and is predominantly consumed in rural areas, where the use of the same soap for bathing and washing clothes is common. The Appellant further contended that retailers and consumers often use the expressions “toilet soap” and “laundry soap” interchangeably while referring to bar soap and regard such products as belonging to the same family of cleaning bars.

xii. The Appellant argued that, in the absence of a statutory definition, classification should be determined according to common parlance and trade understanding. It relied upon Commissioner of Central Excise v. Connaught Plaza Restaurants for the proposition that expressions used in taxing statutes should ordinarily be understood in the sense attributed to them by persons dealing in the goods.

xiii. The Appellant further contended that toilet soap and laundry soap fall under the same tariff heading, namely Heading 3401, and that subjecting products having similar composition and functional characteristics to

different rates of tax would be inconsistent with the principle of uniform taxation.

xiv. Reliance was also placed upon State of Gujarat v. Prakash Trading Co. for the proposition that the essential character of soap as a cleansing agent remains unchanged irrespective of whether it is used on the human body or for washing fabrics. The Appellant accordingly argued that differentiation based solely upon the intended use of the product would be inappropriate where its composition and manufacturing process remained substantially the same.

xv. Lastly, the Appellant submitted that laundry soap is principally consumed by rural and economically weaker households and that imposition of a higher rate of tax upon such a product would be inconsistent with the stated objective of making essential hygiene products affordable.

xvi. On the aforesaid grounds, the Appellant prayed that the soap manufactured by it be treated as toilet soap covered under Sl. No. 251 of Schedule I to Notification No. 09/2025-Central Tax (Rate) and consequently be held liable to GST at the rate of 5%.

Submission of the Revenue before the WBAAR

4. No written or oral submission on the merits of the questions raised by the Appellant was received from the concerned officer of the Revenue before the WBAAR.

Observation of the WBAAR and its Order

5. The WBAAR, upon consideration of the application, the documents placed on record and the submissions made by the authorised representative of the Appellant during the personal hearing, recorded the following observations and findings:

i. The WBAAR noted that the Appellant manufactures laundry soap in the form of bars weighing less than 500 grams and that the questions raised in the application concerned the rate structure introduced through Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025.

ii. The WBAAR examined Sl. No. 251 of Schedule I and Sl. No. 66 of Schedule II to Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, as amended by Notification No. 09/2025-Central Tax (Rate). It observed that

Sl. No. 251 covers toilet soap, other than industrial soap, in the form of bars, cakes, moulded pieces or shapes, whereas Sl. No. 66 covers soap and specified soap-like products other than toilet soap falling within the description contained therein.

iii. On a comparison of the two entries, the WBAAR observed that toilet soap in the form of bars, cakes, moulded pieces or shapes is covered under Sl. No. 251 of Schedule I, subject to the exclusion of industrial soap. All other soap answering the description under Sl. No. 66, other than toilet soap covered by Sl. No. 251, falls under Schedule II.

iv. The WBAAR accordingly identified the principal issue as whether laundry soap could be regarded as toilet soap for the purpose of the aforesaid entries.

v. The WBAAR examined the products from the perspective of their commonly understood character and use. It observed that toilet soap, also referred to as bathing soap or personal-care soap, is ordinarily intended for cleansing the human body and is generally formulated to have a mild and moisturising effect upon the skin. Reference was made to dictionary meanings describing toilet soap as a mild, usually perfumed soap intended for washing the hands, face and body.

vi. The WBAAR noted certain characteristics ordinarily associated with toilet soap, including the use of fatty acids derived from vegetable oils or animal fats, manufacture through saponification, formation of soap molecules and glycerol, balanced pH, mild lather, and possible addition of fragrances, moisturisers and botanical extracts. It observed that the primary use of toilet soap is personal hygiene and cleansing of the skin.

vii. In contrast, the WBAAR observed that laundry soap is specifically intended for cleaning clothes and other fabrics and is formulated to remove stains, grease, dirt and odour. It referred to the presence of surfactants, enzymes, builders, bleaching agents and other additives, as well as the generally alkaline character of such products. On this basis, the WBAAR concluded that toilet soap and laundry soap differ in their ingredients and intended uses.

viii. The WBAAR considered the Appellant's contention that toilet soap and laundry soap are used interchangeably, particularly in rural areas, and that its product is used both for bathing and washing clothes. It declined to accept that contention. According to the WBAAR, consumers ordinarily distinguish between soap intended for bathing and soap intended for washing clothes and seek the particular product appropriate to the intended purpose.

ix. The WBAAR further observed that the use of the same soap by an individual for both bathing and washing clothes would be a matter of personal choice and would not make toilet soap and laundry soap identical products. It held that the two products are distinct both physically and commercially and that a trader would not ordinarily supply laundry soap when a consumer asks for toilet soap, or vice versa.

x. The WBAAR thereafter examined the BIS specifications relied upon by the Appellant. It noted that the Appellant had referred to IS 2888:2004 governing toilet soap and had principally relied upon the Total Fatty Matter content of its product. The test report produced during the personal hearing recorded the Total Fatty Matter of the tested product as 62%, corresponding to the minimum Total Fatty Matter prescribed for Grade 3 toilet soap.

xi. The WBAAR, however, considered the BIS specifications for both toilet soap under IS 2888:2004 and laundry soap under IS 285:1992 (Reaffirmed 2011). It observed that the specifications prescribe several characteristics apart from Total Fatty Matter. These include rosin acid, free caustic alkali, matter insoluble in alcohol, chlorides and other parameters. The specifications for toilet soap also prescribe free carbonated alkali and lather requirements, while the specifications for laundry soap refer, inter alia, to unsaponified fatty matter, glycerol and LSD/NSD content for the relevant types or grades.

xii. On comparing the two sets of BIS specifications, the WBAAR observed that toilet soap and laundry soap differ not only in respect of certain constituent parameters but also in the prescribed numerical limits for characteristics common to both products, including Total Fatty Matter, rosin acid, free caustic alkali and chloride content.

xiii. The WBAAR held that similarity in the numerical value of a single parameter, namely Total Fatty Matter, was insufficient to establish that the Appellant's laundry soap was toilet soap. It further recorded that no authentic report concerning the other relevant characteristics of the Appellant's product had been placed before it.

xiv. The WBAAR also took note of the fact that the Appellant marketed and sold the product as "laundry soap", as evidenced by its packaging. Having regard to the product description, its commercial identity and the absence of a comprehensive report covering the other relevant parameters, the WBAAR declined to accept that the product should be treated as toilet soap merely because its Total Fatty Matter was reported as 62%.

xv. On the basis of its examination of the common understanding of the products, their respective uses and the BIS specifications, the WBAAR concluded that laundry soap is not included within the category of toilet soap.

xvi. The WBAAR then examined Heading 3401 of the First Schedule to the Customs Tariff Act, 1975. It observed that sub-heading 3401 11 covers soap and specified products in the form of bars, cakes, moulded pieces or shapes intended for toilet use, including medicated products. Sub-heading 3401 19 covers other soap and specified products in such forms which are not covered under sub-heading 3401 11, including household and laundry soaps not elsewhere specified or included.

xvii. It further observed that laundry soap is specifically covered under Tariff Item 3401 19 42 under the category "household and laundry soaps, not elsewhere specified or included". The WBAAR also referred to Tariff Item 3401 19 19 in relation to bars and blocks weighing not less than 500 grams.

xviii. From the structure of Heading 3401, the WBAAR concluded that toilet soap and laundry soap are separately recognised products under the Customs Tariff. Toilet soap in the form of bars, cakes, moulded pieces or shapes falls under sub-heading 3401 11 and is covered by Sl. No. 251 of Schedule I to the rate notification. Laundry soap, being distinct from toilet soap, falls under Sl. No. 66 of Schedule II.

xix. Since the Appellant had stated that the soap bars manufactured by it weighed less than 500 grams, the WBAAR classified the product under Tariff Item 3401 19 42. It consequently held that the product was liable to tax at 9% CGST and 9% SGST under Sl. No. 66 of Schedule II to Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, as amended by Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025.

xx. Accordingly, the WBAAR answered the questions raised by the Appellant as follows:

- The rate of GST of 5% applicable to toilet soap under Sl. No. 251 of Schedule I is not applicable to the laundry soap described in the application.

- Laundry soap in the form of bars weighing less than 500 grams is covered under Tariff Item 3401 19 42 and is taxable at 9% CGST and 9% SGST under Sl. No. 66 of Schedule II to Notification No. 01/2017-Central Tax (Rate), as amended by Notification No. 09/2025-Central Tax (Rate).

Submission of the Appellant before the WBAAAR

6. In the Grounds of Appeal, the Appellant reiterated the submissions made before the WBAAR and challenged the impugned ruling on the following grounds:

i. The Appellant submitted that classification of a product cannot be determined merely by the trade name or description printed on its packaging. According to it, the actual composition, characteristics and functional attributes of the product must prevail over the nomenclature adopted for marketing purposes.

ii. It was contended that the expression “laundry soap” had been used on the packaging as a marketing strategy directed towards rural and peri-urban consumers. The Appellant claimed that its product was a dual-purpose soap capable of being used both for bathing and for washing clothes and that describing it as laundry soap did not alter its chemical or technical character.

iii. The Appellant submitted that its product was manufactured through the saponification of vegetable or palm oils with caustic soda, using machinery

such as mixers and duplex vacuum plodders, which, according to it, were also used for manufacturing toilet soap. It further claimed that its product did not contain industrial surfactants, enzymes, builders or bleaching agents ordinarily associated with detergent-grade laundry bars.

iv. The Appellant contended that the WBAAR had referred to the characteristics prescribed for laundry soap under IS 285:1992 without establishing, through any test report, that the product manufactured by the Appellant contained the constituents or additives mentioned in that standard. According to the Appellant, the WBAAR compared the tested Total Fatty Matter value of its product with a general specification for a different category of product without undertaking a comparison based upon complete test results.

v. The Appellant submitted that the test report of Prodcontrol (India) Private Limited, which recorded Total Fatty Matter of 62%, had been accepted by the WBAAR. Since the minimum Total Fatty Matter prescribed for Grade 3 toilet soap under IS 2888:2004 is 60%, the Appellant argued that the test result supported classification of its product as toilet soap.

vi. It was argued that, having treated Total Fatty Matter as an important parameter for classification, the WBAAR could not disregard the reported value of 62% merely on the ground that test results for the remaining BIS parameters were unavailable. The Appellant characterised the rejection of the test report as unsupported by any contrary technical evidence or expert opinion.

vii. The Appellant relied upon the WBAAR's observation that no authentic report regarding the other characteristics of the product was available. It contended that, once the WBAAR found the evidentiary record incomplete on a question material to classification, it ought to have called for further evidence or granted the Appellant an opportunity to supplement the record instead of drawing an adverse conclusion on the basis of the product label.

viii. The Appellant expressed its willingness to furnish a fresh and comprehensive report from a Government-approved or NABL-accredited laboratory covering the parameters prescribed under IS 2888:2004, including Total Fatty Matter, rosin acid, free caustic alkali, matter insoluble

in alcohol, chlorides, free carbonated alkali and lather value. It requested that such report be admitted as additional evidence or called for by the Appellate Authority so that the evidentiary deficiency noticed by the WBAAR could be addressed through technical examination.

ix. Referring to the dictionary meanings reproduced in the impugned ruling, the Appellant submitted that the expressions used therein—such as mild soap intended for washing the hands, face or body—were wide enough to cover its product. It argued that fragrance, colour and premium branding were described merely as usual or common features and not as mandatory conditions for treating a product as toilet soap. According to the Appellant, a plain and mild saponification-based soap used by rural consumers for washing the body would satisfy those meanings.

x. The Appellant further contended that Sl. No. 251 of Schedule I expressly excludes only industrial soap. In contrast, Sl. No. 66 of Schedule II specifically excludes toilet soap in the form of bars, cakes, moulded pieces or shapes. On the basis of this drafting distinction, the Appellant invoked the principle of expressio unius est exclusio alterius and argued that the absence of an express exclusion of laundry soap from Sl. No. 251 indicated its inclusion within that entry.

xi. The Appellant challenged the reliance placed by the WBAAR upon the tariff distinction between sub-heading 3401 11 relating to products “for toilet use” and Tariff Item 3401 19 42 relating to laundry soap. It submitted that the nomenclature employed in the Customs Tariff up to the six-digit level does not classify an article by using the expression “toilet soap” but refers to products “for toilet use”.

xii. According to the Appellant, the description contained in Sl. No. 251 of Schedule I to the rate notification is an independent fiscal description and should be interpreted on its own terms. It contended that the WBAAR had incorrectly combined the tariff classification with the wording of the GST rate notification.

xiii. The Appellant accordingly argued that products falling under sub-headings 3401 11 and 3401 19, other than industrial soap falling under Tariff Item 3401 19 11, should qualify for the rate of 5%, whereas industrial soap

under Tariff Item 3401 19 11 and products falling under sub-headings 3401 20 and 3401 30 should attract tax at 18%. On this construction, it claimed that its product, stated to fall under sub-heading 3401 19, was eligible for the rate of 5%.

xiv. The Appellant submitted that the GST Council had recommended reduction of the rate of tax on soap and essential personal-hygiene products from 18% to 5% with the objective of making them affordable to the common person, rural consumers and low-income households. It relied upon the press releases and frequently asked questions stated to have been issued in relation to the relevant GST Council meeting.

xv. It was contended that the Appellant's product was priced below Rs. 20 per bar and was sold predominantly in rural markets to economically weaker consumers. According to the Appellant, subjecting such a product to GST at 18%, while branded and higher-priced toilet soaps attracted GST at 5%, would produce an outcome contrary to the policy underlying the rate rationalisation.

xvi. The Appellant also challenged the WBAAR's application of the common-parlance test. It submitted that the finding that consumers across localities and economic groups distinguish between toilet soap and laundry soap was unsupported by any market survey, trade evidence or affidavit.

xvii. According to the Appellant, its assertion that rural consumers commonly use and purchase a single soap bar for both bathing and washing fabrics had not been controverted by the Revenue. It argued that classification under the common-parlance test should be based upon the understanding of persons actually dealing in the goods and not upon an assumed distinction unsupported by evidence.

xviii. The Appellant further submitted that the expression "toilet soap" has not been defined in the notification and that laundry soap has not been expressly excluded from Sl. No. 251. It contended that any ambiguity in a beneficial rate notification capable of two reasonable interpretations should be resolved in favour of the assessee and the consumer.

xix. It was additionally contended that the impugned ruling produced a regressive outcome inconsistent with the structure of GST rates applicable

to essential goods of mass consumption, since the Appellant's low-priced rural soap bar would bear tax at 18% while premium toilet soap would bear tax at 5%.

xx. The Appellant also referred to a departmental response stated to have been received against an application under the Right to Information Act, 2005, according to which the GST rate applicable to washing or laundry soap in the form of a bar or cake was 5% with effect from September 2025. It contended that the WBAAR had neither taken that response into consideration nor dealt with it in the impugned ruling.

xxi. On the aforesaid grounds, the Appellant prayed that the impugned advance ruling be set aside or modified, that an opportunity of personal hearing be granted and that such further order be passed as the Appellate Authority might consider appropriate in the facts and circumstances of the case.

Submission of the Revenue made before the WBAAAR

7. The Revenue has not filed any written submission or advanced any additional contention before this Appellate Authority in response to the present appeal controverting the grounds urged by the Appellant.

Personal Hearing

8. The personal hearing of the case was held on **03.09.2026.** During the course of the personal hearing, the authorised representative of the appellant reiterated the submissions contained in the Grounds of Appeal and also advanced certain additional grounds. The authorised representative placed before the Appellate Authority a fresh test report bearing No. PCL/NN/2025-26/K1423 dated 02.09.2026, issued by Prodcontrol (India) Private Limited, stated in the report to be an ISO/IEC 17025 (NABL)-accredited laboratory, which relates to a client-submitted sample described as "Hilsa Brand Soap", received by the laboratory on 29.08.2026. During the hearing, the Appellant produced before us the soap in respect of which the advance ruling had originally been sought and another soap which, according to the Appellant, represented the same product in its newly introduced packaging. On a prima facie observation, however, the latter soap appeared to differ from the product originally placed before the WBAAR not only in its packaging and labelling but also in its physical appearance. The Appellant was accordingly directed to place its additional

submissions on record in writing. In compliance with the said direction, the Appellant furnished its additional written submissions by e-mail dated 12.09.2026.

9. The additional submissions furnished by the Appellant in course of personal hearing and vide e-mail dated 12.09.2026, may be summarised as follows:

i. The Appellant reiterated that it manufactures soap bars weighing less than 500 grams and priced below Rs. 20 per piece, which are sold under the brand name "Hilsa" and certain other brands, predominantly to rural and low-income households in and around Bardhaman, West Bengal.

ii. The Appellant referred to the test report earlier placed before the WBAAR, which recorded the Total Fatty Matter of the tested product as 62%. It submitted that this value exceeded the minimum requirement of 60% prescribed for Grade 3 toilet soap under IS 2888:2004.

iii. The Appellant claimed that its product is manufactured by the saponification of vegetable or palm oil with caustic soda, using mixers and duplex vacuum plodders. It further claimed that the product does not contain synthetic detergent-type builders such as Linear Alkyl Benzene Sulphonic Acid, Alpha Olefin Sulphonate, soda ash or sodium silicate, which, according to it, are ordinarily associated with detergent-type washing bars.

iv. The Appellant contended that although the WBAAR had recorded that classification of soap was primarily based upon Total Fatty Matter, it subsequently held that Total Fatty Matter alone was insufficient for classification and that no authentic report concerning the other characteristics of the product was available. According to the Appellant, the WBAAR ultimately treated the product as laundry soap principally because its packaging and trade description identified it as "identified it as laundry soap, notwithstanding its claimed dual use".

v. To address the evidentiary deficiency noticed by the WBAAR, the Appellant furnished a fresh test report bearing No. PCL/NN/2025-26/K1423 dated 02.09.2026, issued by Prodcontrol (India) Private Limited in respect of a client-submitted sample described as "Hilsa Brand Soap". The report states that the sample was received on 29.08.2026, testing commenced on 31.08.2026 and was completed on 02.09.2026.

vi. The Appellant submitted that the fresh report covered all the parameters prescribed for Grade 3 toilet soap under IS 2888:2004. The values recorded in the report were as follows:

- Total Fatty Matter: 62.40%, against the stated minimum requirement of 60%;
- Rosin acid: 1.86%, against the stated maximum of 3%;
- Matter insoluble in alcohol: 9.10%, against the stated maximum of 10%;
- Chlorides as sodium chloride: 1.45%, against the stated maximum of 1.50%;
- Free caustic alkali as sodium hydroxide: 0.04%, against the stated maximum of 0.05%;
- Free carbonate alkali: 0.95%, against the stated maximum of 1%; and
- Lather: 260 ml, against the stated requirement of 200.

vii. Relying upon these results, the Appellant claimed that the tested Hilsa-brand soap satisfied all the parameters prescribed for Grade 3 toilet soap and that the fresh report conclusively addressed the absence of technical evidence noticed by the WBAAR.

viii. The Appellant also brought on record what it described as a material subsequent development concerning the packaging of the Hilsa-brand product. It submitted that the earlier packaging described the product as "Laundry Soap", whereas the revised packaging no longer bears those words.

ix. The photographs annexed to the additional submissions depict the earlier product as a brown-coloured, opaque and grooved rectangular bar. Its predominantly black and red wrapper prominently displays the brand name "HILSA" and the description "Laundry Soap".

x. The photographs described as the revised product show a markedly different presentation. One photograph depicts an orange, white and blue wrapper bearing the Hilsa branding and the description "Transparent Soap" in Hindi. Another photograph depicts several light-coloured or translucent soap bars bearing the expressions "Wash & Bath" and "Transparent Soap".

The words "Laundry Soap" visible on the earlier wrapper do not appear on the revised packaging shown in these photographs.

xi. On the basis of the fresh test report and the revised packaging, the Appellant submitted that the Hilsa-brand product falls within the category of toilet soap and is consequently eligible for GST at 5% under Sl. No. 251 of Schedule I to Notification No. 09/2025-Central Tax (Rate).

Discussions and Findings

10. We have examined the grounds of appeal, the impugned ruling passed by the WBAAR, the submissions made during the personal hearing, the additional written submissions and the documents placed on record. We have also considered the relevant statutory provisions, rate notifications, tariff entries and judicial authorities relied upon by the Appellant.

11. Briefly stated, the Appellant had sought an advance ruling on whether its laundry soap bars, weighing less than 500 grams and having a retail price below ₹20 per unit, were eligible for the concessional rate of GST under Notification No. 09/2025-Central Tax (Rate) and, if not, the rate of tax applicable thereto.

12. The WBAAR classified the product under tariff item 3401 19 42 as "Laundry soaps" and held that the concessional rate of 5% was not applicable. It ruled that the product was covered under serial number 66 of Schedule II to Notification No. 01/2017-Central Tax (Rate), as amended, and was consequently liable to GST at the rate of 18%, comprising 9% CGST and 9% SGST.

13. Aggrieved by the aforesaid ruling, the Appellant preferred the present appeal, principally contending that the product was capable of being used both for bathing and for washing clothes; that its classification ought to be determined with reference to its composition, functional characteristics, commercial understanding and use among the intended consumers; and that the WBAAR had placed undue reliance on the description "Laundry Soap" appearing on its packaging.

14. During the personal hearing, the Appellant produced before us two soap bars—one representing the product in respect of which the advance ruling had originally been sought and the other stated to be the same product in newly introduced packaging. The Appellant also furnished photographs of both products with its additional written submissions. The product forming the subject matter of the

advance-ruling application was an opaque brown soap bar with a grooved or ridged surface, and its wrapper prominently described it as "HILSA Laundry Soap". The other product was a pale or whitish, translucent soap bar having a comparatively smooth appearance, and its revised packaging bore the expressions "Wash & Bath" and "Transparent Soap", without the expression "Laundry Soap".

15. The differences between the two products are thus not confined to the colour scheme, graphics or presentation of the wrapper; they are also discernible in their description, labelling and physical appearance. Although the Appellant contended that the latter was the same soap in revised packaging, no contemporaneous technical or manufacturing record establishing the identity of the two products has been furnished before us. In particular, the record does not contain their respective batch records, manufacturing formulae, raw-material particulars, specifications or comparative test results from which it may be established that their composition and essential characteristics remained unchanged.

16. The Appellant also relied upon Test Report No. PCL/NN/2025-26/K1423 dated 02.09.2026, issued by Prodcontrol (India) Private Limited, 643B, Block "O", 1st Floor, New Alipore, Kolkata–700053, stated to be an ISO/IEC 17025 (NABL)-accredited laboratory. The report describes the client-submitted sample merely as "Hilsa Brand Soap" and records that the sample was received on 29.08.2026, tested from 31.08.2026 and reported on 02.09.2026.

17. The said report was obtained after the passing of the impugned ruling and was not available before the WBAAR. Further, it does not mention the batch number, date of manufacture, description appearing on the wrapper or any other identifying particulars from which it may be conclusively ascertained whether the tested sample was the product forming the subject matter of the advance-ruling application or the product subsequently produced before us. In the absence of a documented link between the tested sample and the original product, the report cannot establish the identity or equivalence of the two products.

18. An appeal under section 100 of the CGST Act and the WBGST Act lies against the advance ruling pronounced under section 98(4). Under section 101(1), the Appellate Authority may pass such order as it thinks fit, confirming or modifying the ruling appealed against. The exercise of such appellate jurisdiction necessarily relates to the ruling actually pronounced and to the factual foundation upon which that ruling was rendered. It does not contemplate the exercise of original jurisdiction over

a materially different product or a substantially altered factual matrix introduced for the first time at the appellate stage.

19. In Warner Hindustan Ltd. v. Collector of Central Excise, Hyderabad, (1999) 6 SCC 762: 1999 (113) E.L.T. 24 (S.C.), the Hon'ble Supreme Court held that it was impermissible for the Tribunal to consider a case made out for the first time in appeal. The Court observed that where the Revenue considered a different classification to be appropriate, the proper course was to initiate fresh proceedings in accordance with law. The principle emerging from the decision is that an appellate forum cannot convert an appeal concerning one factual and legal case into an original determination of another case that was not examined by the primary authority.

20. Likewise, in SACI Allied Products Ltd. v. Commissioner of Central Excise, Meerut, (2005) 7 SCC 159: 2005 (183) E.L.T. 225 (S.C.), the Hon'ble Supreme Court held that the Appellate Tribunal could not sustain the case against the assessee on a totally new and different basis that had formed neither the case stated in the show-cause notice nor the basis of the adjudicating authority's order.

21. In Commissioner of Customs and Central Excise, Goa v. Dempo Engineering Works Ltd., 2015 (319) E.L.T. 359 (S.C.), the Hon'ble Supreme Court set aside an order of the Tribunal which had allowed an appeal principally on the ground of non-marketability, although that issue had neither been raised before nor examined by the adjudicating authority. These decisions establish that an appellate forum must remain confined to the dispute and factual foundation arising from the original proceedings.

22. The same principle has been applied under the GST advance-ruling mechanism. In Maddi Seetha Devi, Order-in-Appeal No. AAAR/03/2025 dated 20.02.2025, the Telangana Appellate Authority for Advance Ruling declined to entertain a new issue which had not been raised before the Authority for Advance Ruling. Relying, inter alia, upon the decision of the Hon'ble Supreme Court in Dempo Engineering Works Ltd., the Telangana AAAR upheld the ruling of the AAR and dismissed the appeal.

23. Applying the aforesaid principles to the present case, we find that the subsequently produced soap, its revised packaging and Test Report No. PCL/NN/2025-26/K1423 dated 02.09.2026 introduce a materially altered factual matrix. Determination of the classification of that product would require an

independent examination of its composition, manufacturing specifications, labelling, intended use and commercial identity—matters which were not examined by the WBAAR. The said product and report cannot, therefore, be substituted for the product and materials on the basis of which the impugned ruling was pronounced.

24. The classification and rate of tax applicable to the subsequently presented product do not fall for determination in the present appeal. If the Appellant seeks an advance ruling in respect of that product, it may pursue such remedy as is available under law on the basis of a complete and consistent disclosure of its composition, specifications, manufacturing process, packaging and intended use.

25. The impugned ruling was rendered exclusively in respect of the product described in the advance-ruling application and marketed as "HILSA Laundry Soap", whereas the product presented and relied upon before us is materially different in its physical appearance, description and packaging. The latter product and the subsequently obtained test report were never presented before the WBAAR. The present appeal, therefore, cannot be decided on the altered factual matrix and we refrain from examining the impugned ruling on merits.

26. In view of the foregoing, the appeal is liable to be rejected.

27. Accordingly, we pronounce our ruling as under:

Ruling:

The appeal filed by M/s Swadeshi Soap Industries against Advance Ruling Order No. 01/WBAAR/2026-27 dated 25.05.2026 is hereby rejected.

Send a copy of this order to the Appellant and the Respondent for information.

Sd/-
(**Surendra Kumar Meena**)
Member, West Bengal Appellate
Authority for Advance Ruling

Sd/-
(**R. Srinivasa Naik**)
Member, West Bengal Appellate
Authority for Advance Ruling