GUJARAT AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,
AHMEDABAD – 380 009.

ADVANCE RULING NO. GUJ/GAAR/R/2026/33
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2026/AR/10)

Date: 17 /09/**2026**

Name and address of the applicant	:	M/s. Jignesh Kantilal Makadia (Trade name: Amee Industries) located at Plot G1029, 18, Metoda, GIDC, Rajkot
GSTIN of the applicant	:	24AEXPM9010K1Z1
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit 93, Range – 23, Division – 10, Rajkot.
Date of application	:	06.02.2026.
Clause(s) of Section 97(2) of CGST/GGST Act, 2017, under which the question(s) raised.	:	(a) & (e)
Date of Personal Hearing	:	06.08.2026
Present for the applicant	:	Shri Dwarkesh M. Ramoliya (Accountant).

Brief facts:

1. M/s. Jignesh Kantilal Makadia (Trade name: Amee Industries & hereinafter referred to as the applicant) located at Plot G1029, 18, Metoda, GIDC, Rajkot is engaged in the manufacture and supply of Papad Khar (also known as alkaline salt, sajji khar, or potassium carbonate-based alkaline compound).

2. The applicant has submitted that Papad Khar is a traditional Indian food ingredient used predominantly in the preparation of papad, khichdi, fafda, and other traditional food items; that it is a white/brownish crystalline powder derived from naturally occurring alkaline mineral deposits or manufactured through traditional methods; that the primary use of Papad Khar is as a food processing ingredient - it acts as a raising agent and alkalizing compound that provides crispness, puffing, and extended shelf life to papad and similar food products; that the product contains no artificial additives, preservatives, or harmful chemicals and is consumed as part of traditional Indian cuisine.

3. The applicant has further submitted that they have been classifying Papad Khar under HSN Code 2836 (Food Additives/Preparations) with 18% GST rate, however, based on the applicant's detailed product analysis and technical opinion, Papad Khar should be correctly classified under either: HSN Code 2501 (Common Salts - Natural/Rock Salt) @ 5% GST, OR HSN Code 2102 (Prepared Food Additives/Condiments) @ 5% GST. The applicant seeks advance ruling on the correct classification and applicable GST rate, which would result in significant reduction from the currently applied 18% rate.

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4. The applicant has submitted that they specifically contest the current HSN 2836 classification @ 18% GST and seeks binding clarification that the product should be taxed at 5% (not 18%) under the correct HSN code. The applicant has submitted the complete manufacturing process (stage-wise) for papad khar production, from initial preparation through final packaging as under:

i. Water Preparation: Water is heated and brought to the required temperature for the manufacturing process. Proper temperature control ensures optimal chemical reactions in subsequent steps.

ii. Salt Addition (NaCl): Sodium Chloride (salt) is added to the boiled water when it reaches the specified temperature. This creates the base solution for the mixture.

iii. Soda Ash Addition (Na_2CO_3): Once the salt dissolves completely in the water, sodium carbonate (soda ash) is introduced to the mixture. This step is critical for chemical composition.

iv. Bicarbonate Addition ($NaHCO_3$): Sodium bicarbonate is added in the required proportion to the existing mixture. This completes the chemical preparation phase.

v. Consolidation (Transfer to Container): When the mixture reaches the appropriate thickness, it is transferred to strong, durable containers for cooling and solidification. Proper container selection ensures product integrity.

vi. Drying Process (Break and Dry): After sufficient cooling time, the solid material is broken into manageable pieces and dried completely. Complete drying is essential for shelf-life and quality.

vii. Final Preparation (Packaging and Storage): The dried papad khar is packaged in appropriate containers suitable for distribution and customer use. Proper packaging ensures product protection.

Process Summary Table:

Stage	Steps	Key Activity
1-2	Water & Salt	Boil Water → Add Salt (NaCl)
3-4	Chemical Mix	Add Soda Ash → Add Soda Bicarbonate
5-6	Solidification	Transfer to Container → Break & Dry
7	Finishing	Package & Ready for distribution

Quality Control Points:

Control Point	Stage	Requirement
Temperature	Steps 1-2	Maintain specified temperature range
Chemical Ratio	Steps 3-4	Accurate proportions of soda ash and bicarbonate
Mixture Consistency	Step 5	Proper thickness before transfer
Drying Level	Step 6	Complete moisture removal
Packaging	Step 7	Appropriate container selection and sealing

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A. Chemical Composition:

Component	Percentage Range	Function
Sodium Carbonate (Na2CO3)	15%	Alkalinity, dough setting
Sodium Bicarbonate (NaHCO3)	15%	CO_2 release during frying (puffing)
Sodium Chloride (NaCl)	70%	Flavor enhancement, preservation
Potassium Carbonate (K2CO3)	0-10%	Regional variations
Moisture	< 2%	---

B. Physical Specifications:

Parameter	Specifications
Appearance	White crystalline powder
Particle size	100-200 mesh
Bulk density	0.8 – 1.2 g/cm3
pH (1% solution)	8.3 – 9.5 (Strongly alkaline)
Solubility	Freely soluble in water
Purity	98% minimum (Food grade)

5. They are seeking Advance Ruling on the following questions:

a) Whether Papad Khar should be classified under HSN Code 2501 (Common Salts) @ 5% GST based on its alkaline salt composition and food application; OR

b) Whether Papad Khar should be classified under HSN Code 2102 (Prepared Food Additives/Condiments) @ 5% GST based on its nature as a food processing ingredient; OR

c) Whether Papad Khar qualifies for GST exemption under: Notification No. 2/2017-Central Tax (Rate), Entry 96 (Papad and related food items); OR Entry 23 (Unpacked food items and basic food ingredients); OR Any other applicable exemption notification;

d) If the product is incorrectly classified under HSN 2836@ 18% GST, what is the correct classification and what relief/refund is available for past assessment

6. Applicant's interpretation of law is as under:

- Papad Khar is fundamentally a food ingredient/condiment that is an integral and essential component in the preparation of papad, a food item that enjoys GST exemption under Notification 2/2017, Entry 96. GST Council has issued binding clarification) that papad in all its forms and shapes attracts NIL GST. Multiple Advance Rulings (including Gujarat AAR/AAAR decisions) have confirmed that papad, irrespective of shape, size, or form, is exempt from GST. Following the principle established in GST jurisprudence, when a finished product (papad) is exempt from GST, essential raw materials and processing ingredients used in its manufacture should logically qualify for similar treatment or at minimum preferential treatment.

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- Papad Khar is not a standalone product but an ingredient integral to papad production. Papad Khar has been recognized in Indian food science and traditional cooking for centuries. It is mentioned in traditional food preparation manuals and is an established food ingredient, not a chemical compound or industrial salt.

- Entry 23 of Notification No. 2/2017-CT provides exemption for Cereals and millets (unpacked), Pulses (unpacked), Spices (unpacked), Oil seeds, Essential food ingredients. Papad Khar, when supplied in unpacked or basic form for food preparation, qualifies as an essential food ingredient similar to spices and condiments, which are traditionally exempt.

- The legal principle that goods intimately connected with exempt supplies should receive favorable treatment applies here. Since papad is exempt and Papad Khar is essential for papad manufacture, exemption should extend to this ingredient. In many countries (including earlier GST positions), alkaline salts used in food preparation are classified as food condiments or additives, which enjoy reduced/nil taxation. The same principle should apply under Indian GST.

- The applicant submits that the current classification under HSN 2836 is incorrect as it covers "Explosives, pyrotechnic products, matches, chemical substances for ignition and combustion-assisting preparations" - Papad Khar is a food ingredient, not a chemical explosive or pyrotechnic product.

- Papad Khar is a naturally occurring or manufactured alkaline salt (sodium sesquicarbonate or potassium carbonate compound), hence falls within HSN Chapter 25 (Salt; Sulphur; Earths and Stone; Plastering Materials, Lime and Cement). HSN 2501 covers "Common Salts (Rock Salt, Sea Salt, Refined Salt)" at 5% GST. This is the primary and correct classification based on product composition.

- If considered as a prepared food additive rather than raw salt, HSN 2102 (Prepared Food Additives/Condiments/Seasoning Preparations) applies. HSN 2102 specifically covers food preparation ingredients and condiments at 5% GST. This classification is also more appropriate than HSN 2836.

- HSN 2836 is intended for chemical explosives and pyrotechnic materials. Papad Khar has no explosive properties and is not regulated under explosives legislation. Using this classification creates cascading 18% GST on a basic food ingredient. No reasonable interpretation of HSN 2836 includes food additives or edible salts.

- The current 18% GST rate (HSN 2836) on Papad Khar is significantly higher than the correct rate of 5% (HSN 2501/2102), creating excessive tax burden on papad

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manufacturers. Input Tax Credit denial for papad (exempt item), forces manufacturers to absorb 18% cost.

- 18% GST on essential ingredient increases papad production cost by 15-20%.
- Small-scale and traditional manufacturers bear disproportionate burden. Indian papad becomes uncompetitive against imports taxed at lower rates. GST on food ingredient increases final cost of papad (an exempt product) and contradicts GST spirit of not taxing basic food items.

7. Personal hearing was held on 06.08.2026 wherein Shri Dwarkesh M. Ramoliya (Accountant) appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application.

Discussion and findings

8. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same, except for certain provisions. Therefore, 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 GGST Act.

9. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/views in respect of question on which the advance ruling is sought.

10. The applicant has submitted that Papad Khar is a traditional Indian food ingredient used predominantly in the preparation of papad, khichdi, fafda, and other traditional food items and is a white/brownish crystalline powder derived from naturally occurring alkaline mineral deposits or manufactured through traditional methods; that the primary use of Papad Khar is as a food processing ingredient and acts as a raising agent and alkalizing compound that provides crispness, puffing, and extended shelf life to papad and similar food products; that the product contains no artificial additives, preservatives, or harmful chemicals and is currently being classified under HSN Code 2836 with 18% GST rate; that based on the detailed product analysis and technical opinion, Papad Khar should be correctly classified under either HSN Code 2501 (Common Salts - Natural/Rock Salt) @ 5% GST, OR HSN Code 2102 (Prepared Food Additives/Condiments) @ 5% GST. The applicant has also given the complete manufacturing process (stage-wise) for papad khar production, from initial preparation through final packaging as detailed in para-4 above.

11. Further, the applicant has submitted that multiple Advance Rulings (including Gujarat AAR/AAAR decisions) have confirmed that papad, irrespective of shape, size, or form, is exempt from GST and following the principle established in GST jurisprudence, papad khar, which is an essential ingredient in its manufacture, should logically qualify for similar treatment and be exempted; that Notification No.02/2017-CT (Entry 23) provides exemption for cereals and millets

(unpacked), pulses (unpacked), spices (unpacked), oil seeds & essential food ingredients and papad khar, when supplied in unpacked or basic form for food preparation, qualifies as an essential food ingredient similar to spices and condiments, which are traditionally exempt; that HSN 2836 (Explosives/Pyrotechnics) is wholly inappropriate for a food ingredient which creates cascading burden on entire papad manufacturing ecosystem by increasing papad production cost by 15-20%. The applicant has further submitted that alternative correct classification is either: (i) HSN 2501 (5% GST) as it is a naturally occurring or manufactured alkaline salt & falls within HSN Chapter 25 at 5% GST OR (ii) HSN 2102 - if considered as a prepared food additive rather than raw salt as HSN 2102 specifically covers food preparation ingredients and condiments at 5% GST.

12. Since, it is the applicant's contention that the right tariff heading of their product would be either heading 2501 or 2102 rather than heading 2836 which, in their view, covers explosives/ pyrotechnics, we find it prudent to refer to Chapter notes of Chapter 25 and 21 as well as headings 2501 and 2102 as appearing in the Customs Tariff Act, 1975 as also the HSN notes pertaining to these headings in order to explore whether the product of the applicant falls in these headings or otherwise. The same are reproduced hereunder:

Relevant portions of Chapter Notes of Chapter 25:

CHAPTER 25: Salt; sulphur; earths and stone; plastering materials, lime and cement.

NOTES:
1. 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 crystallization), but not products that have been roasted, calcined, obtained by mixing or subjected to processing beyond that mentioned in each heading.

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.

2. This Chapter does not cover: - - - - - - -
3. - - - - - - - -
4. - - - - - - - -.

TARIFF HEADING 2501 AS APPEARING IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975(51 OF 1975):

2501 SALT (INCLUDING TABLE SALT AND DENATURED SALT) AND PURE SODIUM CHLORIDE, WHETHER OR NOT IN AQUEOUS SOLUTION OR CONTAINING ADDED ANTI-CAKING OR FREE FLOWING AGENTS; SEA WATER
2501 00 - Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anticaking or free flowing agents; Sea water
2501 00 10 ---: Common salt (including iodised salt)
2501 00 20 --- Rock salt
2501 00 90 --- Other

HSN NOTES TO HEADING 2501:

25.01 - Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti-caking or free-flowing agents; sea water.

This heading relates to sodium chloride, commonly known as salt. Salt is used for culinary purposes (cooking salt, table salt), but it also has many other uses and, if necessary, may be denatured to render it unfit for human consumption.

The heading includes:
(A) Salt which is extracted from underground: either by conventional mining (rock salt), or by solution mining (water is injected under pressure into a layer of salt and returns to the surface as saturated brine).
(B) Evaporated salt: solar salt (sea salt) is obtained by evaporation of sea water by the sun; refined salt is obtained by evaporation of saturated brine.
(C) Sea water, brine and other saline solutions.

The heading also covers:
(1) Salt (e.g., table salt) which has been slightly iodised, phosphated, etc., or treated so that it will remain dry.
(2) Salt to which anti-caking agents or free-flowing agents have been added.
(3) Salt which has been denatured by any process.

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(4) Residuary sodium chloride, in particular that left after chemical processing (e.g., electrolysis) or obtained as a by-product of the treatment of certain ores.

This heading does not include:
(a) Salted condiments such as celery salt (heading 21.03).
(b) Sodium chloride solutions, including sea water, put up in ampoules, and sodium chloride otherwise put up as medicaments (Chapter 30), and sodium chloride solutions put up for hygiene use in packings for retail sale, other than medical or pharmaceutical, whether or not sterile (heading 33.07).
(c) Cultured sodium chloride crystals weighing not less than 2.5 g each (other than optical elements) (heading 38.24).
(d) Optical elements of sodium chloride (heading 90.01).

RELEVANT PORTIONS OF CHAPTER NOTES TO CHAPTER 21 OF THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975 (51 OF 1975):

CHAPTER 21 Miscellaneous edible preparations

NOTES:

1. - - - - - - - - - -
2. - - - - - - - - - -
3. - - - - - - - - - -

SUPPLEMENTARY NOTES :
1.- - - - - - - -
4. - - - - - - -
5. Heading 2106 (except tariff items 2106 90 20 and 2106 90 30), inter alia, includes:
- - - - - - - - - -
6. Tariff item 2106 90 99 includes - - - - - - - -

TARIFF HEADING 2102 AS APPEARING IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975 (51 OF 1975):

2102 YEASTS (ACTIVE OR INACTIVE); OTHER SINGLE CELL MICRO-ORGANISMS, DEAD (BUT NOT INCLUDING VACCINES OF HEADING 3002); PREPARED BAKING POWDERS
2102 10 - Active yeasts :
2102 10 10 --- Culture yeast
2102 10 20 --- Bakers yeast
2102 10 90 --- Other
2102 20 00 - Inactive yeasts, other single-cell micro-organisms, dead
2102 30 00 - Prepared baking powders

HSN NOTES TO HEADING 2102:

21.02- Yeasts (active or inactive); other single-cell micro-organisms, dead (but not (including vaccines of heading 30.02); prepared baking powders.
2102.10 - Active yeasts
2102.20 -Inactive yeasts; other single-cell micro-organisms, dead
2102.30 -Prepared baking powders

(A) YEASTS:

The yeasts of this heading may be in the active or inactive state. Active yeasts generally provoke fermentation. They consist essentially of certain micro-organisms (almost exclusively of the genus Saccharomyces), which multiply during alcoholic fermentation. Yeasts may also be produced by partial or total prevention of fe1mentation, according to the aeration process.

The active yeasts include:
*(1) **Brewery yeast.** This forms in beer fermentation vats. It is presented as a yellowish-brown paste or solid generally with the bitter flavour of hops and the odour of beer.*
*(2) **Distillery yeast.** This is produced during the fermentation, of, e.g., grain, potatoes or fruit, in distilleries. It is a firm cream-coloured paste varying in odour according to the product used in the distillation.*
*(3) **Bakers' yeast,** produced by the propagation under special conditions of specially cultured strains of yeast in a carbohydrate medium such as molasses. It is generally marketed in the form of pressed yellowish-grey cakes (pressed yeast) which sometimes have an alcoholic odour. It is, however, also marketed in the dried form (usually in grains) or as liquid yeast.*
*(4) **Culture yeast,** a pure strain of yeast prepared under laboratory conditions. It may be suspended in distilled water or in gelatin or agar-agar. It is usually marketed in measured quantities put up in sealed containers to protect it from contamination.*
*(5) **Seed yeast,** produced from culture yeast by successive fermentation processes, is used to "seed' commercial yeast. It is usually marketed in the form of a moist pressed and plastic mass or in the form of a liquid suspension.*

Inactive yeasts, obtained by drying, are generally brewery, distillery or bakers' yeasts which have become insufficiently active for further use in those industries. They are used for human consumption (source of vitamin B) or for feeding animals. It should, however, be noted that, owing to their growing importance, these dried yeasts are to an increasing extent being produced directly from specially prepared active yeasts.

The heading also covers other types of dried yeasts (e.g., Candida lipolytica or tropicalis, Candida maltosa) developed from the yeasts not belonging to Saccharomyces. They are obtained by drying the yeasts which have been cultivated on substrates containing hydrocarbons (such as gas-oils or n-paraffins) or carbohydrates. These dried yeasts are particularly rich in protein and are used in animal feeding. They are commonly known as petroproteins or yeast bioproteins.

(B) OTHER SINGLE-CELL MICRO-ORGANISMS, DEAD This category covers single-cell micro-organisms such as bacteria and unicellular algae, which are not alive. Inter alia, covered here are those which have been obtained by cultivation on substrates containing hydrocarbons or carbon dioxide. These products are particularly rich in protein and are generally used in animal feeding. Certain products of this group may be put up as food supplements for human consumption or animal feeding (e.g., in

powder or tablet form) and may contain small quantities of excipients, e.g., stabilising agents and anti-oxidants. Such products remain classified here provided that the addition of such ingredients does not alter their character as micro-organisms.

(C) PREPARED BAKING POWDERS The "prepared baking powders" classified in this heading consist of mixtures of chemical products (e.g., sodium bicarbonate, tartaric acid, ammonium carbonate, phosphates), with or without added starch. Under suitable conditions they evolve carbon dioxide and are therefore used in baking for leavening dough. They are usually sold in retail packings (sachets, tins, etc.) under various names (baking powder, Alsatian leaven, etc.).
The heading excludes, inter alia :
(a) Self-raising cereal flour, e.g., flour to which baking powder has been added (heading 11.01 or 11.02).
(b) Autolysed yeast (heading 21.06).
(c) Cultures of micro-organisms (other than yeasts) and vaccines (heading 30.02).
(d) Medicaments of heading 30.03 or 30.04.
(e) Enzymes (amylases, pepsin, rennet, etc.) (heading 35.07).

13. We find that tariff heading 2501 covers three sub-headings i.e. Common Salt (HSN code – 25010010), Rock Salt (HSN code - 25010020) & others (HSN Code - 25010090). We also find that as per the applicant's submission, their product 'Papad khar' constitutes of 70% Sodium Chloride (NaCl), 15% Sodium Carbonate (Na_2CO_3) and 15% Sodium Bicarbonate ($NaHCO_3$). 'Common Salt' contains 100% Sodium Chloride whereas 'Rock Salt' contains of 90% to 98% Sodium Chloride. Thus, the percentage of various chemical constituents present in 'papad khar' itself indicates that the said product is NEITHER 'Common Salt' NOR 'Rock Salt'. Further, as per Chapter Notes to Chapter 25, the headings of this Chapter cover only those 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 crystallization), **but does not cover products** that have been roasted, calcined, **obtained by mixing or subjected to processing beyond that mentioned in each heading.**

14. Here, we find that the product of the applicant is NEITHER in crude state NOR has it been washed, crushed, ground, powdered, levigated, sifted, screened, concentrated by flotation, magnetic separation or other mechanical or physical processes. In fact, we find that the applicant's product has been obtained following **a manufacturing process involving mixing of sodium carbonate and sodium bicarbonate in to a mixture of heated water (containing common salt (sodium chloride) already dissolved in it)** and subsequent transfer to strong durable containers by cooling and solidification after the mixture reaches the appropriate thickness, and thereafter breaking of the resultant solid material (papad khar) into manageable pieces and drying it completely. Further, as per HSN notes to heading 2501, this heading also covers: (i) salts which have been slightly iodised, phosphated etc. OR (ii) salts to which anti-caking agents or free-flowing agents have been added OR (iii) salts which have been denatured by any process OR (iv) residuary sodium chloride, in particular that is left after chemical processing (e.g., electrolysis) or obtained as a by-product of the treatment of certain ores. However, from the manufacturing process given by the applicant, there is no evidence of the product being iodised OR phosphated OR denatured by any process OR being obtained as a by-product of the treatment of ores. We also do not find any evidence whatsoever, of any electrolysis taking place OR the addition of any anti-caking or free-flowing agents in the said product. From the above, it is very much obvious that the applicant's product does not fall under sub-heading 25010090 (others). Further, in view of the above discussion, it can be safely assumed that the product of the applicant does not fall within the ambit of heading 2501.

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15. We find that heading 2102 (which has been suggested as an alternative tariff heading for their product by the applicant) covers Active yeasts (sub-heading 210210), Inactive yeasts (sub-heading 210220) & prepared baking powders (sub-heading 210230). However, since the applicant has not clarified as to whether their product is covered under 'yeast' or 'baking powder', it becomes obligatory for us to examine the issue. We find that while papad khar (also known as sajji khar) of the applicant is an alkaline salt powder constituted of sodium chloride, sodium carbonate and sodium bicarbonate which acts as a raising agent and alkalizing compound that provides crispness, puffing, and extended shelf life to papad and similar food products i.e. it creates a chemical reaction that immediately expands the dough and gives snacks like papad and khichiya their signature crunch and flaky texture, yeast is a living, single-celled organism (a type of fungus) that ferments sugars to create carbon dioxide gas, which causes dough to rise. Further, a plain comparison of the details/particulars of yeasts given in the HSN notes with the manufacturing process of 'papad khar' indicates that the said product is completely different from 'yeast'. Also, yeasts are mainly constituted of proteins (40 to 60%) and carbohydrates (30-35%) with small proportions of nucleic acids, lipids and minerals which is completely different from 'papad khar' that constitutes of 70% sodium chloride, 15% sodium carbonate & 15% of sodium bicarbonate. Thus, we conclude that 'papad khar' does not have the characteristics of 'yeast'.

15.1 As far as baking powder is concerned, we find that it is primarily a leavening agent for baked goods, while papad khar, is an alkaline salt powder which acts as a raising agent and alkalizing compound that provides crispness, puffing, and extended shelf life to papad and similar food products i.e. it acts as an alkaline salt used to add crispiness and elasticity to traditional Indian snacks like papad, khichiya etc. While baking powder is a leavening agent primarily used in making of cakes, muffins, and breads making it soft, airy and fluffy, papad khar, an alkaline salt powder is used in the making of papads, fafda, mathiya, and gathia making it crunchy, crisp and slightly elastic. Further, they serve fundamentally different purposes in cooking. If you use baking powder in papad dough, it will make the papad soft and cakey instead of thin and crisp. If you use papad khar in a cake, the batter will taste highly chemical, bitter, and may turn yellow, while failing to rise properly. Further, if there is a need to substitute papad khar, baking soda (sodium bicarbonate) in a 1:1 ratio is to be used, since baking soda is chemically identical to the primary active ingredients in papad khar. However, if there is a need to substitute baking powder, a combination of baking soda and an acid (like yogurt or lemon juice) has to be used to mimic the leavening reaction of baking powder. Thus, we conclude that 'papad khar' is completely different from 'baking powder' and does not have the characteristics of baking powder. The above detailed discussion also leads to the conclusion that 'papad khar' does not fall within the ambit of heading 2102.

16. The applicant has submitted that they are presently classifying their product 'papad khar' under heading 2836. We therefore need to refer to the Chapter Notes of Chapter 28, tariff heading 2836 as well HSN notes of heading 2836 in order to explore whether the product of the applicant falls under the said heading or otherwise. The same are reproduced hereunder:

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Relevant portions of Chapter Notes of Chapter 28 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975):

CHAPTER 28 Inorganic chemicals, organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes

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;
(b) the products mentioned in (a) above dissolved in water;
(c) the products mentioned in (a) above dissolved in other solvents provided that the solution constitutes a normal and necessary method of putting up these products adopted solely for reasons of safety or for transport and that the solvent does not render the product particularly suitable for specific use rather than for general use;
(d) the products mentioned in (a), (b) or (c) above with an added stabiliser (including an anticaking agent) necessary for their preservation or transport;
(e) the products mentioned in (a), (b), (c) or (d) above with an added anti-dusting agent or a colouring substance added to facilitate their identification or for safety reasons, provided that the additions do not render the product particularly suitable for specific use rather than for general use.

2. In addition to dithionites and sulphoxylates, stabilised with organic substances (heading 2831), carbonates and peroxocarbonates of inorganic bases (heading 2836), cyanides, cyanide oxides and complex cyanides of inorganic bases (heading 2837), fulminates, cyanates and thiocyanates, of inorganic bases (heading 2842), organic products included in headings 2843 to 2846 and 2852 carbides (heading 2849), only the following compounds of carbon are to be classified in this Chapter:
(a) oxides of carbon, hydrogen cyanide and fulminic, isocyanic, thiocyanic and other simple or complex cyanogen acids (heading 2811);
(b) halide oxides of carbon (heading 2812);
(c) carbon disulphide (heading 2813);
(d) thiocarbonates, selenocarbonates, tellurocarbonates, selenocyanates, tellurocyanates, tetrathiocyanatodiamminochromates (reineckates) and other complex cyanates, of inorganic bases (heading 2842);
(e) hydrogen peroxide, solidified with urea (heading 2847), carbon oxysulphide, thiocarbonyl halides, cyanogen, cyanogen halides and cyanamide and its metal derivatives (heading 2853) other than calcium cyanamide, whether or not pure (Chapter 31).

3. Subject to the provisions of Note 1 to Section VI, this Chapter does not cover:
(a) sodium chloride or magnesium oxide, whether or not pure, or other products of Section V;
(b) organo-inorganic compounds other than mentioned in Note 2 above;
(c) products mentioned in Note 2, 3 , 4 or 5 to Chapter 31;
(d) inorganic products of a kind used as luminophores, of heading 3206; glass frit and other glass in the form of powder, granules or flakes, of heading 3207;
(e) artificial graphite (heading 3801); products put up as charges for fire extinguishers or put up in fire-extinguishing grenades, of heading 3813; ink removers put up in packings for retail sale, of heading 3824; cultured crystals (other than optical elements) weighing not less than 2.5 g each, of the halides of the alkali or alkaline-earth metals, of heading 3824;
(f) precious or semi-precious stones (natural, synthetic or reconstructed) or dust or powder of such stones (headings 7102 to 7105), or precious metals or precious metal alloys of Chapter 71;
(g) the metals, whether or not pure, metal alloys or cermets, including sintered metal carbides (metal carbides sintered with a metal), of Section XV; or
(h) optical elements, for example, of the halides of the alkali or alkaline-earth metals (heading 9001).

4. - - - - - - -.

5. Headings 2826 to 2842 apply only to metal or ammonium salts or peroxysalts. Except where the context otherwise requires, double or complex salts are to be classified in heading 2842.

6. Heading 2844 applies only to:
(a) - - - - - - -
(b) - - - - - - -
(c)- - - - - - --
(d) - - - - - - -
(e) - - - - - - -
(f) - - - - - - -
(g)- - - - - - -
(ii)- - - - - - -

7. - - - - - - - -
8.- - - - - - - -

SUB-HEADING NOTE: - - - - - - -

SUPPLEMENTARY NOTE:
1. - - - - - - - - -.
2. In this Chapter, reference to any standard of the Bureau of Indian Standards refers to the last published version of that standard.

RELEVANT PORTIONS OF TARIFF HEADING 2836 (AS APPEARING IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975 (51 OF 1975)):

2836 CARBONATES; PEROXOCARBONATES (PERCARBONATES); COMMERCIAL AMMONIUM CARBONATE CONTAINING AMMONIUM CARBAMATE
2836 20 - Disodium carbonate:
2836 20 10 --- Disodium carbonate, dense
2836 20 20 --- Disodium carbonate, light

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2836 20 90 --- Other
2836 30 00 - Sodium hydrogen carbonate (sodium bicarbonate) - - - - -
- - - - - - -
2836 99 90 --- Other

Relevant portions of HSN Notes to heading 2836:

28.36- Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate.
2836.20 - Disodium carbonate
2836.30 - Sodium hydrogencarbonate (sodium bicarbonate) - - - - - -
- - - - - - -
2836.99 - - Other

Subject to the exclusions mentioned in the introduction to this sub-Chapter, this heading covers:
(I) Carbonates (neutral carbonates, hydrogen carbonates or bicarbonates, basic carbonates) - metal salts of the non-isolated carbonic acid (H,CO,), whose anhydride (CO,) falls m heading 28.11.
(II) Peroxocarbonates (percarbonates), i.e., carbonates containing an excess of oxygen, such as (Na,C04) (peroxomonocarbonates) or (Na,C,06) (peroxodicarbonates); these result from the action of carbon dioxide on metal peroxides.

(A) CARBONATES

(1) Ammonium carbonates. - - - - - - - - -

(2) Sodium carbonates.

(a) Disodium carbonate (neutral carbonate) (Na_2C0_3). Improperly called "carbonate of soda" or "commercial soda"; not to be confused with sodium hydroxide (caustic soda) of heading 28.15. May be obtained by heating a solution of sodium chloride and ammonia with carbon dioxide, and decomposing by heating the resulting acid sodium carbonate.

Occurs as an anhydrous (or dehydrated) powder, or in hydrated crystals (soda crystals, washing soda) with 10 H,O, effloresing in the air to give a monohydrate (with I H,O). Used in numerous industries : as a flux in glass-making and in ceramics; in the textile industry; in the manufacture of washing preparations; in dyeing; in the tin-sizing of silk (with stannic chloride); as an anti-scaling product (see Explanatory Note to heading 38.24); in the preparation of sodium hydroxide, sodium salts and indigo; in the metallurgy of tungsten, bismuth antimony or vanadium; in photography; for purifying industrial water (lime soda process) and, mixed with lime, for purifying coal gas.

(b) Sodium hydrogen carbonate (acid carbonate, sodium bicarbonate) ($NaHCO_3$). Usually a crystalline powder or white Crystals, soluble in water, especially when hot, and liable to deteriorate in a humid atmosphere. Used in medicine (for treating gravel); for manufacturing digestive tablets and aerated beverages; in the preparation of baking powders; in the porcelain industry, etc. Natural sodium carbonate (natron, etc.) is excluded (heading 25.30).

(3) - - - - - - - -
(4) - - - - - - - -
(5) - - - - - - - -
(6) - - - - - - - -.
- - - - - - - - - - -

(B) PEROXOCARBONATES (PERCARBONATES)

(1) Sodium peroxocarbonates. Prepared by treating sodium peroxide, hydrated or not, with liquid carbon dioxide. White powders, dissolving in water to form oxygen and neutral sodium carbonate. Used for bleaching, in the preparation of domestic detergents and in photography.
(2) Potassium peroxocarbonates. Obtained by electrolysing at -10° C or -15° C a saturated solution of neutral potassium carbonate. White crystals, very hygroscopic, turning blue in a humid atmosphere and soluble in water. Strong oxidising agents sometimes used for bleaching.
(3) Other peroxocarbonates, e.g., ammonium or barium peroxocarbonates.

17. On going through the above details, we find that heading 2836 covers disodium carbonate (dense & light), sodium hydrogen carbonate (sodium bicarbonate), potassium carbonates, calcium carbonate, barium carbonate as well as carbonates and bicarbonates of some other metals. Further, chemical composition of 'papad khar' as submitted by the applicant, shows that it is constituted of 15% sodium carbonate, 15% sodium bicarbonate and 70% sodium chloride. Further, although sodium chloride (NaCl) constitutes 70% of the product, it acts only as a diluent/carrier providing bulk and flavour but is not the functionally active component. It is the carbonate and the bicarbonate (forming 30% combined) which is the chemically active component in the product. Papad khar largely consists of carbonates, bicarbonates, and chlorides, alongside minor amounts of sulphates and iron. Further, a standard chemical analysis of papad khar ash usually constitutes of the following constituents in the range shown against them:

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- **Carbonates:** 1.6% to 58.3% (often present as sodium carbonate)
- **Chlorides:** 1.2% to 72.0%
- **Bicarbonates:** 0% to 18.9% (often present as sodium bicarbonate)
- **Sulphates:** 0.9% to 2.6%
- **Iron & Impurities:** 0% to 5.5%

From the details of the constituents given by the applicant in respect of papad khar, we find that the percentage of the constituents of sodium carbonate, sodium bicarbonate and sodium chloride falls within the range indicated above.

17.1 **Papad khar** (also known as **saji khar** or **papad kharo**) is a traditional alkaline salt. Chemically, it is a (2:1) mixture of **sodium carbonate** ((Na2CO3) and **sodium bicarbonate** ((NaHCO3). Sodium Carbonate, often known as washing soda or soda ash, is the main alkaline agent that gives the dough its elasticity and crispiness whereas Sodium Bicarbonate, commonly known as baking soda, acts as a leavening agent that releases gas to expand the papad when fried. Papad Khar is often sold and referred to as **sodium sesquicarbonate a**nd is primarily used in Indian cuisine to give crispiness, volume, and an extended shelf life to papads and other crispy snacks and acts as a dough conditioner, helping the papad puff up beautifully when fried or roasted. Further, if you are cooking and need to substitute papad khar, the closest and most accessible alternative is baking soda. Baking soda, chemically known as **sodium bicarbonate** (or bicarbonate of soda), is a natural, alkaline white powder which acts as a leavening agent in cooking, reacting with acids to produce carbon dioxide bubbles that cause doughs and batters to rise. It also acts as an alkaline substitute for traditional papad khar, and helps in making the papad lighter, crispier, and more puffed up when cooked. Thus, it can be clearly inferred from the above discussions that there is a distinct similarity in utility of both papad khar and baking soda, when used in cooking. Further, papad khar (sodium sesquicarbonate), being carbonate/bicarbonate would naturally fall under heading 2836 which covers carbonates, peroxocarbonates (percarbonates) and the like. The above discussions leave no room for doubt that 'papad khar' would be aptly classifiable under heading 2836, more specifically under sub-heading 28362090 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). In view of the above, we find and conclude that the applicant's product namely 'papad khar' is correctly classifiable under heading 28362090 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

18. Having decided the classification of the product of the applicant, the rate of the said product needs to be ascertained for which a reference is required to be made to Notification No.09/2025-Central Tax (Rate) dated 17.09.2025. We find that Entry No.35 of Schedule II of Notification No.09/2025- Central Tax (Rate) covers Chapter 28 and reads as "All inorganic chemicals [other than those specified in Notification No.10/2025-Central Tax (Rate) dated 17.09.2025 or other schedules of this Notification]".

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Schedule II – 9%

S. No.	Chapter/Heading/Subheading/ Tariff item	Description of goods
(1)	(2)	(3)
35.	28	All inorganic chemicals [other than those specified in Notification No.10/2025-Central Tax (Rate) dated 17.09.2025 or other schedules of this Notification]

18.1 On verification, we find that the product "papad khar" of the applicant is NEITHER covered under the list of items/commodities falling under Notification No.10/2025-Central Tax (Rate) NOR falling under any other schedules of Notification No.09/2025-Central Tax (Rate). Hence, we find and conclude that the product of the applicant namely 'Papad Khar' is classifiable under sub-heading 28362090 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), falls under Entry No.35 of Schedule II of Notification No.09/2025- Central Tax (Rate) dated 17.09.2025 and is liable to GST at the rate 18% (9% CGST + 9% SGST).

19. The applicant is found to have contended that multiple Advance Rulings (including Gujarat AAR /AAAR decisions) have confirmed that papad, irrespective of shape, size, or form, is exempt from GST and following the principle established in GST jurisprudence, papad khar, which is an essential ingredient in its manufacture, should logically qualify for similar treatment and be exempted. In this regard, we do not find any such established principle in GST jurisprudence which suggests that raw materials used in the manufacture of the finished product should be exempt from GST when the finished product is exempt from GST. GST classification principles do not automatically indicate that raw materials should be charged at NIL rate of GST simply because the final product is exempt. GST is a value-added tax, and tax rates for inputs and final products are decided independently by the Government based on economic policies and the recommendations of the GST Council. A raw material and its final product are separate items with their own specific HSN codes and the rate for each is determined strictly by its specific tariff entry in the rate schedules, not by its position in a supply chain. We, therefore, find this contention of the applicant to be illogical and devoid of merit.

20. In view of the above, we rule as under: -

RULING

Question-(a): Whether Papad Khar should be classified under HSN Code 2501 (Common Salts) @ 5% GST based on its alkaline salt composition and food application?

Ans: No.

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Question-(b): Whether Papad Khar should be classified under HSN Code 2102 (Prepared Food Additives/Condiments) @ 5% GST based on its nature as a food processing ingredient?

Ans: No.

Question-(c): Whether Papad Khar qualifies for GST exemption under: Notification No. 2/2017-Central Tax (Rate), Entry 96 (Papad and related food items); OR Entry 23 (Unpacked food items and basic food ingredients); OR Any other applicable exemption notification?

Ans: No. Papad Khar does not qualify for GST exemption.

Question-(d): If the product is incorrectly classified under HSN 2836@ 18% GST, what is the correct classification and what relief/refund is available for past assessments?

Ans: Papad Khar is aptly classified under HSN 28362090 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). It is covered under Entry No.35 of Schedule-II of Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 and chargeable to GST @ 18% (9%CGST + 9%SGST).

(Sushma Vora)
Member (SGST)

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GGST-CGST, AHMEDABAD
सत्यमेव जयते

(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date: 11/09/2026