

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND  
ADVANCE RULING**

**ACAAR No.50/2015-16**  
**Acts cell-II/20655/2015**

Dated:05.09.2015

**Present:** 1.Thiru. K.Rajaraman, I.A.S.,  
Principal Secretary / Commissioner of Commercial Taxes.

2.Thiru. R.Vayanaperumal,  
Additional Commissioner (CT), (Public Relations)

3.Thiru. K.Mahalingam,  
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	: Tvl. Sastha Traders, No.34, Spurtank Road, Chetpet, Chennai - 600 031.
2.	Registration Certificate No.	: TIN.No.33530540284 CST. 635532
3.	Assessment Circle	: Nungambakkam Assessment Circle
4.	Date of application	: 20.06.2015
5.	Date of receipt of application	: 21.06.2015
6.	Clarification sought for	: <b>Rate of Tax on Ground Granulated Blast Furnace Slag</b>
7.	Date of Personal Hearing	: 17.08.2015
8.	Represented by	: Thiru. J. Suresh Babu

**ORDER**

Tvl. Sastha traders , Chennai - 600031 (TIN.No. 33530540284), the registered dealers in the files of Nungambakkam Assessment Circle have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.



2.1. The applicant-dealers have sought for clarification on the following:

Rate of Tax "**Ground Granulated Blast Furnace Slag**"

2.2. The Brochure and Annexure provided by the applicant-dealer reveals that the **Ground Granulated Blast Furnace Slag (GGBS)** is the by-product obtained in the manufacture of pig Iron in blast furnaces at around 1400° to 1500° in the molten form. The slag is obtained by rapidly chilling the molten ash from the furnace by means of chilled water and is ground about 400 m<sup>2</sup>/kg of fineness. The GGBS is a non-metallic consisting essentially of glass containing silicates and Aluminium silicates of lime.

2.3. The applicant-dealer also stated that the GGBS does not attract Excise duty as per section 2(F) of the Central Excise Act, 1944.

3.1. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the relative entries regarding the commodities classified under the First and Fourth Schedule to the TNVAT Act, 2006. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

3.2. The applicant-dealers have sought for a personal hearing. The Authority for Clarification and Advance Ruling have convened a meeting for hearing on 17.08.2015 at 04.00 PM and the applicant-dealers were informed in writing to appear before the Authority on the above said date. Thiru. J. Suresh Babu, Authorized Representative has represented the Company before the Authority on 17.08.2015 and placed the facts relating to the clarification requested. The authorized representative for the applicant-dealers has reflected the grounds as given in the annexure to the application.

4. The applicant dealer had sought for clarification regarding rate of tax on "**Ground Granulated Blast Furnace Slag (GGBS)**". There is a relevant Entry in S.No.67-A (r) of Part-B of First Schedule with the description "**Granulated slag (slag sand) from manufacturing of iron or steel**". The **Blast Furnace Slag (BF Slag)** is formed when iron ore or iron pellets, coke and a flux (either limestone or dolomite) are melted together in a blast furnace. When the metallurgical smelting process is complete, the lime in the flux has been chemically combined with the aluminates and silicates of the ore and coke ash to form a non-metallic product called blast furnace slag. During the period of cooling



and hardening from its molten state, Blast Furnace slag can be cooled in several ways to form any of several types of Blast Furnace slag products. The **Ground Granulated Blast Furnace Slag (GGBS)** is one such product made out of **Granulated slag (slag sand)** obtained by rapidly cooling it by large quantities of water to produce a sand-like granule that is primarily ground into a cement commonly known as GGBS or Type S slag cement which confirms with the ISO standards IS: 12089-197 (as Reaffirmed in 2008). Hence it is construed that the **Ground Granulated Blast Furnace Slag (GGBS)** can be classified under "**Granulated slag (slag sand) from manufacturing of iron or steel**" are liable to tax @ 5% as per entry 67-A(r) of Part-B of First Schedule to the TNVAT Act, 2006.

5. It is therefore clarified that the "**Ground Granulated Blast Furnace Slag (GGBS)**" which is powdered form of Granulated slag (slag sand) without any additives obtained from manufacturing of iron or steel are liable to tax at 5% as per Entry in S.No.67-A(r) of Part-B of First Schedule to the TNVAT Act, 2006.

Dated this the Fifth day of September 2015.

Sd/- R. Vayanaperumal,  
Additional Commissioner (PR)

Sd/- K. Mahalingam,  
Additional Commissioner (RP)

Sd/- K. Rajaraman,  
Principal Secretary/  
Commissioner of Commercial Taxes

To  
Tvl. Sastha Traders,  
No.34, Spurtank Road,  
Chetpet, Chennai – 600 031.

Copy to:  
The Assistant Commissioner (CT)  
Nungambakkam Assessment Circle

The Joint Commissioner (CT),  
Chennai (Central) Division.

The Joint Commissioner (CS)

**To host in the Department Website**

The Principal Secretary to Government, Commercial Taxes & Registration Department, Chennai – 9.  
All Joint Commissioners (CT) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (CT), Territorial, Assessment and Enforcement

All Head of Offices (Assessment)

The State Representative, Sales Tax Appellate Tribunal, Chennai- 104.

The Addl. State Representative, (AB) Chennai, Madurai and Coimbatore.

The Director, CTSTI, Greams Road, Chennai - 6.

The Executive Officer, Traders Welfare Board, Chennai - 5.

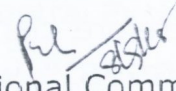
The Accountant General (Audit)-II, No.44, Greams Road, Chennai - 6.

The Additional Commissioners, Deputy Commissioners, Assistant Commissioners, Commercial Tax Officers in CCT's Office.

Personal Clerk to the CCT.

Stock File 3/ Acts Cell-II /Spare - 5.

//Forwarded/By order//

  
Additional Commissioner (PR)