

GIB/KN/JAIRAJ/20.09.2019/AAR-222**Advance Ruling Category : HSN****State : Karnataka****Order No.:** GIB/KN/JAIRAJ/20.09.2019/AAR-222**Name of Entry :**

Jairaj Ispat Ltd

Date : 20-09-2019**Breif Issue :****Issue & Fact of the Case:**

Whether the char-Dolochar (waste emerged during the process of manufacturing sponge Iron) supplied by him is classifiable under which heading, either tariff item 2621 90 90 of custom tariff Act or Tariff item 2701 20 90 of customs Tariff Act, 1975?

The tax rate as per notification no 01/2017?

The applicant is engaged in process of manufacturing sponge Iron and in the process Char-Dolochar emerges as waste products.

The material is passed through magnetic separator and both the materials are separated.

Chapter 2619 shall cover slag, dross (other than granulated slag), scaling and other waste from the manufacture of iron or steel. Therefore the impugned by product Char-Dolochar/Dolochar (waste emerged during the process of manufacturing Sponge Iron) supplied by the Applicant is classifiable under **Tariff Item 2621 90 90 of Customs Tariff Act, 1975** and therefore, in view of **Entry 30 of Schedule III of [N/N 1/2017- Integrated Tax \(Rate\) dated 28.06.2017](#)** as amended from time to time, attract a levy of 18%.

product is covered under **Chapter Heading 2621 instead of 2701**. The same contention is supported by judgement rendered by the Hon'ble Supreme Court in the case Union of India Vs Ahmedabad Electricity Co. Ltd. reported in 2003 (158) ELT 3 (SC) where in un burnt or partly burnt pieces of coal in boiler and furnaces having no capacity to produce flame is cinder are held to be classifiable under chapter head 26.21 of CETA, 1985.

The same contention is supported by Bellary Steel 86 Alloys Ltd. Vs CCE, Belgaum reported in 2006 (199) ELT 808 (Tri-Bang), wherein it has been held that Coal

char/dust/shell arising during manufacture of iron and steel cannot be classified under 2701.00, because of low reduced caloric value.

Decision of Advance Ruling Authority :**Decision:**

The char-Dolochar supplied by the applicant is classifiable under Tariff item 26190090 of Customs Tariff Act, 1975.

As per notification no 1/2017- Integrated tax rate the product is taxed at 18% IGST the intra-state supply of the Same would attract CGST 9%.