

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND
UNDER SECTION 98(4) OF THE TNGST ACT, 2017**

Members present:

Shri C.Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.	Shri B.Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
--	--

Advance Ruling No. 34/ARA/2025, dated 01.09.2025

- 1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.*
- 2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*
 - (a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.*
 - (b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.*
- 3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*
- 4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*
- 5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.*

GSTIN Number, if any/User id	33BGOPS7967M1ZA
Legal Name of Applicant	Thesu Sankar
Trade Name of Applicant	M/s. SRS Industries
Registered Address/ Address provided while obtaining User id	1/B4, Village Road, Balaji Nagar Extension, Puzhuthivakkam, Chennai – 600 091
Details of Application	Application Form GST ARA-01 received from the Applicant on 03.03.2025.
Jurisdictional Officer	State : Nanganallur Assessment Circle South III Zone Chennai South Division. Center: Chennai South Commissionerate, Pallikaranai Division, Range - II
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	Factory / Manufacturing & Office / Sales Office The applicant is a proprietary concern engaged in the manufacture of Fly Ash Bricks, Cement Bricks. The applicant purchases the raw materials like fly ash, quarry dust, cement, etc. from registered persons within the state and supplies the finished goods within the State.
Issues on which advance ruling required	Classification of any goods or services or both. Determination of liability to pay tax on any goods or services or both.
Question(s) on which advance ruling is required	1. Classification and HSN Code for Fly ash bricks, fly ash solid block, bricks interlock bricks (more than 51% fly ash) 2. GST rate applicability for fly ash bricks (more than 51% fly ash) 3. Eligibility for exemption or reduced rate under GST 4. Input Tax Credit (ITC) on fly ash bricks manufacturing 5. GST treatment for sale of fly ash bricks in construction

	6. Special tax treatment for Government and PSU supply 7. Application of composition scheme to fly ash bricks manufacturer 8. Classification of fly ash as raw material and its taxability
--	--

1. M/s. SRS Industries, located at 1/B4, Village Road, Balaji Nagar Extension, Puzhuthivakkam, Chennai – 600 091 (hereinafter called as ‘the Applicant’) is a proprietary concern and is registered under the CGST Act, 2017 with GSTIN 33BGOPS7967M1ZA. The applicant is engaged in the manufacture of Fly Ash Bricks, Cement Bricks.

2. The Applicant has made a payment of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST Rules, 2017 and TNGST Rules, 2017.

3. The applicant has filed the application seeking advance ruling on the following questions:

1. What is the correct Harmonised System of Nomenclature (HSN) Code for Fly ash bricks made with more than 51% fly ash and how is GST applicable to these bricks under this classification?
2. What is the applicable GST rate for fly ash bricks containing more than 51% fly ash? Is there any difference in the rate as compared to bricks made with exactly 51% fly ash?
3. Are Fly ash bricks containing more than 51% fly ash eligible for any exemption or reduced GST rate due to the use of recycled or sustainable materials such as fly ash?
4. Can a manufacturer of Fly ash bricks with more than 51% fly ash claim Input Tax Credit (ITC) on purchase of raw materials such as fly ash, clay and other materials used to produce these bricks?
5. Is the sale of fly ash bricks containing more than 51% fly ash used in construction projects, including residential and commercial buildings subject to GST under normal taxation system or reverse charge?
6. Are Fly ash bricks made with more than 51% fly ash eligible for any special GST exemption or reduced rate when sold to Government or Public Sector Undertakings (PSU) for public infrastructure projects?
7. Can a manufacturer of Fly ash bricks with more than 51% fly ash opt for GST composition scheme provided the turnover is below the prescribed limit and if so, what would be the implications for the GST rate?

8. What is the GST rate on fly ash as a raw material used in the manufacture of Fly Ash Bricks and does the GST treatment differ when fly ash constitutes more than 51% of the product?

3.1 The applicant submits that the present application is maintainable under Section 97(2)(a) and (e) of the CGST / TNGST Act, 2017, i.e., 'Classification of any goods or services or both' and 'Determination of liability to pay tax on any goods or services or both'.

3.2 Under the 'Statement of relevant facts having a bearing on the question raised' as in column No.15 of the Application, the Applicant has stated their buyers have informed that as per Hon'ble High Court's Order, rate of GST on Fly Ash Bricks is 5%. From the copy submitted by the applicant, it is seen that the Hon'ble High Court of Gujarat, vide its Order dated 25.09.2024 in respect of M/s. Shree Mahalaxmi Cement Products, passed judgement that fly ash bricks and fly ash blocks are liable to levy of GST @ 5% as per Notification No. 24/2018 – Central Tax (Rate) dated 31.12.2018. Therefore, the applicant wants a ruling to be issued clarifying classification and rate of GST on fly ash bricks.

3.3 On interpretation of law, the applicant stated that as per their view, the rate of tax on Fly Ash Bricks should be 5% as per the Hon'ble High Court's Order.

4 The applicant is under the administrative control of State Tax Authority. The concerned Authorities of the State and Centre were addressed to report the detailed remarks and no pendency report on the questions raised by the applicant in their ARA application.

4.1. Prima facie, we find that the queries raised by the applicant get covered under clause (a) and (e) of the Section 97(2) of the CGST Act, 2017, and as such are liable to be admitted.

4.2 Since, no remarks have been received from the Central and State GST jurisdictional Authorities, it is construed that there are no pending proceedings against the applicant on the questions raised by them in their advance ruling application

PERSONAL HEARING

5.1 Mr. T. Sankar, Proprietor and Mr. S. Ramanathan, Consultant appeared for the personal hearing on 11.08.2025 as the authorized representatives (AR) of M/s. SRS Industries. The AR reiterated the submissions made in their application for advance ruling.

5.2 The Members asked about the components of Fly Ash Bricks to which the AR responded that Fly Ash around 50%, Quarry Dust 45% and Cement 5% are the components of a Fly Ash Brick. The AR informed that all the inputs are procured from registered local suppliers within Tamil Nadu; that they avail ITC on these inputs. The AR informed that they supply the Fly Ash Bricks to Government Housing Boards, Private Builders and Contractors. The Members informed the AR that Question 8 of their application relating to the classification of Fly Ash as raw material and its taxability is out of purview of Advance Ruling as Advance Ruling can be provided in relation to the supply of goods / Services undertaken by the Applicant as per Section 95 (a) of the CGST Act, 2017. The AR agreed and accepted the fact and had no further query on the issue.

5.3 The Members asked the AR to provide copies of the Purchase Orders issued by the Government Agencies or Contract / Agreement copies entered with the Government for which the AR agreed to provide the same at the earliest. The applicant, vide email dated 12.08.2025, submitted copies of the Purchase Orders issued by their customers. From the copies of the Purchase Orders, it is seen that they are issued by the private or commercial contractors and not by any Government agency.

DISCUSSION AND FINDINGS

6.1 We have carefully considered the submissions made by the Applicant in their application, copies of the relevant documents furnished by them, the submissions made during the personal hearing. We find that they are engaged in the manufacture and supply of Fly Ash Bricks, cement bricks, etc. The contents of the fly ash bricks are Fly Ash around 50%, Quarry Dust 45% and Cement 5%. The applicant purchases the raw materials from registered persons within the state and avails ITC on these raw materials. The applicant supplies the fly ash bricks to builders and contractors.

6.2 The applicant has submitted copies of four Purchase Orders issued by their customers, from which it is observed that their customers are raising the Purchase Orders quoting the rate of GST at 12%.

We now proceed to take up the applicant's questions for discussion one by one.

Question No. 1: What is the correct Harmonised System of Nomenclature (HSN) Code for Fly ash bricks made with more than 51% fly ash and how is GST applicable to these bricks under this classification?

6.3 In GST regime, tax is levied on supply of goods or services or both as per Section 9(1) of the Central Goods and Services Tax ACT, 2017 (CGST

Act, 2017). Section 9(1) of the CGST Act, 2017 is reproduced below for reference:

(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

6.4 The Government issued a Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017 under Section 9(1) of the CGST Act, 2017, made effective from 1st of July 2017, notifying the rate of GST applicable to the goods listed in schedules to the said Notification, wherein Fly Ash Bricks is taxed vide S. No. 176B of Schedule II to the said Notification. Therefore, GST is applicable on Fly ash Bricks manufactured and supplied by the applicant and the corresponding HSN Code is 6815 99 10.

Question No. 2: What is the applicable GST rate for fly ash bricks containing more than 51% fly ash? Is there any difference in the rate as compared to bricks made with exactly 51% fly ash?

6.5 In order to determine the tax liability on the supply of 'Fly Ash Bricks' by the applicant, it is required to refer to the Notification No.01/2017-Central Tax (Rate) dated 28.06.2017, issued under Section 9(1) of the CGST Act, 2017 and as amended from time to time, containing the sub-headings as well as the rates of CGST applicable to various goods. Notification No:01/2017-Central Tax (Rate) dated 28.06.2017 was amended vide Notification No.6/2022-Central Tax (Rate) dated 13.07.2022 (effective from 18.07.2022). The relevant amendment is as follows:

C. In Schedule II – 6%, -

.....

(ix) against S. No. 176B, for the entry in column (3), the entry "Fly ash bricks; Fly ash aggregates; Fly ash blocks" shall be substituted

.....

6.6 Therefore, from 18.07.2022 onwards, Fly Ash Bricks are classifiable under HSN 6815 and attract CGST at the rate of 6% [12% overall GST i.e. CGST 6% + SGST 6%] vide S. No. 176B of Schedule II of Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017 as amended. It is also to be noted that the condition of fly ash content in the fly ash bricks has been omitted from 18.07.2022 vide Notification No.6/2022-Central Tax (Rate)

dated 13.07.2022. Now, fly ash bricks attract 12% GST (CGST 6% + SGST 6%) irrespective of fly ash content in the fly ash bricks.

6.7 Further, Notification No.02/2022-Central Tax (Rate) dated 31.03.2022 (effective from 01.04.2022), as amended, allowed the intra-state suppliers of fly ash bricks to pay CGST at the rate of 3% (6% GST overall i.e. CGST 3% + SGST 3%) with the following conditions:

(a) credit of input tax charged on goods or services used exclusively in supplying such goods has not been taken; and

(b) credit of input tax charged on goods or services used partly for supplying such goods and partly for effecting other supplies eligible for input tax credits, is reversed as if supply of such goods is an exempt supply and attracts provisions of sub-section (2) of section 17 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and the rules made thereunder.

6.8 Therefore, from 01.04.2022 onwards, the applicant has the following options:

1. Pay tax at the overall rate of 12% GST (CGST 6% + SGST 6%), claiming the Input Tax Credit (ITC) on the inputs and input services, as eligible
2. Pay tax at the overall rate of 6% GST (CGST 3% + SGST 3%) without claiming ITC on the inputs and input services and reverse the proportionate ITC under Section 17(2) of the CGST Act, 2017.

6.9 During the personal hearing dated 11.08.2025, the AR informed us that they are availing ITC on the purchase of raw materials used in the manufacture of the fly ash bricks, viz. Fly ash, Cement, etc. Therefore, we are of the view that the applicant is not eligible for payment of GST at the concessional rate of 6% (CGST 3% + SGST 3%).

Question No. 3: Are Fly ash bricks containing more than 51% fly ash eligible for any exemption or reduced GST rate due to the use of recycled or sustainable materials such as fly ash?

6.9 Section 2(47) of the CGST Act, 2017 defines exempted supply as:

(47) "exempt supply" means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes nontaxable supply;

6.10 Section 11 (1) and (2) of the CGST Act, 2017 state:

(1) Where the Government is satisfied that it is necessary in the

public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.

(2) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.

6.11 Based on the powers vested by Section 11 (1) of CGST Act, 2017, the Government notified the exempted goods vide Notification No. 02/2017 – Central Tax (Rate) dated 28.06.2017 and amended it from time to time. On perusal of the Notification, as amended, it is seen that Fly Ash Bricks do not figure in the said list of exempted goods and thus are not covered under exempted supplies. Fly ash bricks manufactured and supplied by the applicant attract GST @ 12% (CGST 6% + SGST 6%).

Question No. 4: Can a manufacturer of Fly ash bricks with more than 51% fly ash claim Input Tax Credit (ITC) on purchase of raw materials such as fly ash, clay and other materials used to produce these bricks?

6.12 The applicant can pay GST at the rate of 12% (CGST 6% + SGST 6%) and avail the ITC on the inputs and input services, if otherwise eligible. If the applicant opts for payment of GST on the outward supplies at the concessional rate of 6% (CGST 3% + SGST 3%), they cannot avail ITC on the inputs and input services and have to abide by the conditions prescribed in Notification No. 2/2022-Central Tax (Rate) dated 31.03.2022.

Question No. 5: Is the sale of fly ash bricks containing more than 51% fly ash used in construction projects, including residential and commercial buildings subject to GST under normal taxation system or reverse charge?

6.13 The supply of Fly Ash Brick by the applicant is neither notified under Section 9(3) nor the activity of the applicant falls under the category notified under Section 9(4) of the Act, the Sections governing payment of tax under reverse charge mechanism. In fact, fly ash bricks figure in the list of goods notified vide Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017 under Section 9(1) of the CGST Act, 2017, regulating liability on supplier of goods. Hence, the sale of fly ash bricks undertaken by the applicant is

subject to GST under the normal taxation system and not under Reverse Charge Mechanism.

Question No. 6: Are Fly ash bricks made with more than 51% fly ash eligible for any special GST exemption or reduced rate when sold to Government or Public Sector Undertakings (PSU) for public infrastructure projects?

6.14 As discussed in the preceding paras, list of goods which are exempted from payment of Tax are notified vide Notification No. 02/2017-Central Tax (Rate) dated 28.06.2017, issued under Section 11(1) of the CGST Act, 2017 and as amended from time to time. The exemption provided on the supply of goods vide this Notification is irrespective of the fact whether the supplies are made to a government agency or a private entity. Therefore, fly ash bricks supplied by the applicant are not eligible for any special GST exemption or reduced rate even when sold to Government or Public infrastructure projects.

Question No. 7: Can a manufacturer of Fly ash bricks with more than 51% fly ash opt for GST composition scheme provided the turnover is below the prescribed limit and if so, what would be the implications for the GST rate?

6.15 Notification No. 14/2019 – Central Tax dated 07.03.2019 as amended, states that, from 18th July 2022 onwards, the registered person shall not be eligible to opt for composition levy under Section 10(1) of the CGST Act, 2017 if such person is a manufacturer of certain commodities specified therein. Notification No.04/2022 dated 31.03.2022 which brought about an amendment to Notification No. 14/2019 – Central Tax dated 07.03.2019, inserted the following, viz., “Fly ash bricks or Fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks” as a commodity, whose manufacturer shall not be eligible to opt for composition levy under Section 10(1) of the CGST Act, 2017. Notification No. 16/2022-Central Tax (Rate) dated 13.07.2022 (made effective from 18.07.2022) substituted the entry “Fly ash bricks or Fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks” by the new entry “Fly ash bricks; Fly ash aggregates; Fly ash blocks”. Therefore, the applicant, being a manufacturer of fly ash bricks is not eligible for Composition Scheme under Section 10(1) of the CGST, Act, 2017.

Question No. 8: What is the GST rate on fly ash as a raw material used in the manufacture of Fly Ash Bricks and does the GST treatment differ when fly ash constitutes more than 51% of the product?

6.16 In this regard, it is to note that the Members informed the AR during the personal hearing that Question 8 of their application relating to the

classification of Fly Ash as raw material and its taxability is out of purview of Advance Ruling as Advance Ruling can be provided in relation to the supply of goods / Services undertaken by the Applicant as per Section 95(a) of the CGST Act, 2017, whereas under the instant query, the applicant is seeking a ruling in respect of the raw material received from a third party. The AR agreed and accepted the fact and had no further query on the issue.

7. In view of the above mentioned discussion, we rule as under:

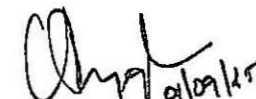
Ruling

Question No.	Question raised by the Applicant	Ruling of the Authority
1	What is the correct Harmonised System of Nomenclature (HSN) Code for Fly ash bricks made with more than 51% fly ash and how is GST applicable to these bricks under this classification?	The HSN code for Fly ash bricks is 6815 99 10 and the supplier of fly ash bricks has to pay the tax liability as per S. No. 176B of Schedule II to the Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017
2	What is the applicable GST rate for fly ash bricks containing more than 51% fly ash? Is there any difference in the rate as compared to bricks made with exactly 51% fly ash?	<u>The overall applicable rate of GST is 12% (CGST 6% + SGST 6%) with the availment of ITC.</u> The applicant can pay 6% GST (CGST 3% + SGST 3%) concessional rate without availment of ITC, abiding by the conditions prescribed in Notification 2/2022-Central Tax (Rate) dated 31.03.2022, as amended.
3	Are Fly ash bricks containing more than 51% fly ash eligible for any exemption or reduced GST rate due to the use of recycled or sustainable materials such as fly ash?	No, Fly ash bricks are not eligible for any exemption or reduced GST rate.
4	Can a manufacturer of Fly ash bricks with more than 51% fly ash claim Input Tax Credit (ITC) on purchase of raw materials such as fly ash, clay and other materials used to produce these bricks?	The applicant, as manufacturer of fly ash bricks can claim ITC on the purchase of raw materials such as fly ash, clay and other materials used to produce these bricks, if they are otherwise eligible. The applicant needs to pay overall GST @ 12% (CGST 6% + SGST 6%) when such ITC is availed.

5	Is the sale of fly ash bricks containing more than 51% fly ash used in construction projects, including residential and commercial buildings subject to GST under normal taxation system or reverse charge?	The sale of fly ash bricks used in construction projects, including residential and commercial buildings subject to GST under normal taxation system or forward charge and not under reverse charge. The supplier of the fly ash bricks needs to pay GST.
6	Are Fly ash bricks made with more than 51% fly ash eligible for any special GST exemption or reduced rate when sold to Government or Public Sector Undertakings (PSU) for public infrastructure projects?	No, Fly ash bricks are not eligible for any special GST exemption or reduced rate when sold to Government or Public Sector Undertakings (PSU)
7	Can a manufacturer of Fly ash bricks with more than 51% fly ash opt for GST composition scheme provided the turnover is below the prescribed limit and if so, what would be the implications for the GST rate?	The applicant is not eligible for Composition scheme as a manufacturer of Fly ash bricks.
8	What is the GST rate on fly ash as a raw material used in the manufacture of Fly Ash Bricks and does the GST treatment differ when fly ash constitutes more than 51% of the product?	The question is out of the purview of the Advance Ruling. Hence no Ruling is pronounced for the said question.


(B. Suseel Kumar)
Member (SGST)




(C. Thiyagarajan)
Member (CGST)

To
M/s. SRS Industries,
1/B4, Village Road, Balaji Nagar Extension,
Puzhuthivakkam, Chennai – 600 091 (By RPAD)

Copy submitted to

1. The Chief Commissioner of GST and Central Excise,
26/1, Uthamar Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai 600 005.
3. The Commissioner of GST and Central Excise,
Chennai South Commissionerate,
MHU Complex, 692, Anna Salai,
Nandanam, Chennai – 600 035.

Copy to

1. The Assistant Commissioner (ST),
Nanganallur Assessment Circle,
Room No. 224, 2nd Floor,
Integrated Commercial Taxes and Registration Dept. Building,
Nandanam. Chennai – 600 035.
2. Master File / Stock File – A1