



05.04.2022

Smt Nirmala Sitharaman
Hon'ble Union Finance Minister &
Chairperson of GST Council
Government of India
New Delhi.

Dear Srimati Nirmalaji,

Sub: Notification No. 03/2022-Central Tax dt. 31st March 2022 revising taxes on fly ash bricks (6815);

This Institute has worked for the promotion of fly ash bricks over last three decades by developing the patented 'FaL-G technology' but desisted from invoking the patent in view of its service to the Nation. Thus our concern is justifiable when the promotional efforts of fly ash bricks are jeopardized due to communication gap on the part of Government. We furnish salient points of the issue as follows:

1. Fly ash bricks production is eco-friendly activity as against eco-hostile activity of clay bricks. Hence at any level of Governance it needs to extend preferential treatment to fly ash brick activity for its tangible and intangible contribution to the Nation and mother Earth.
2. We avail the pleasure in quoting the commitment of our Hon'ble Prime Minister at COP-26, "*Despite being a developing nation with a large population base, India has showcased commendable leadership in augmenting the economy-wide carbon intensity reduction target from 33-35% to 45% by 2030.*" Please Note, fly ash brick activity alone can contribute reduction of carbon footprint by 8.4% (2.52% at National net) at 30% target level. Considering conservative cost of US\$ 20 per ton for reducing carbon foot print (as against US\$ 50 of global average) the contribution of fly ash brick activity to the Nation is US\$ 1,452 millions ie., Rs. 10,164 crores.



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3. The intangible costs accrued due to mineral and coal conservation, pollution abatement, Environment-Ecology-Empowerment-Economic (E⁴) welfare, runs to several trillions. As against these colossal contributions by fly ash bricks the GST collected is miniscule which kindly observe.
4. Fly ash brick activity is conducted by and large by micro and small scale entrepreneurs that include farmers, masons and artisans for whom claiming ITC, spending on audits and filing monthly returns would be very costly affair. Hence it is essential to keep this industry in 'Composition Scheme with 1% tax structure', rather than subjecting gullible entrepreneurs to undue pressure with 6% GST, since they cannot collect GST in the bill under Composition Scheme but need to pay to Government. As ruled by a learned economist, *"Imposition of Tax devoid of concern for socio-political and techno-scientific logistics of stakeholders (including environment and the Nation) is nothing but extortion and distortion"*. Taxation on fly ash bricks and blocks appears to have no exception to this learned ruling.
5. As per our guesstimate over 27,000 fly ash brick units are operated throughout the Nation in micro and Small scale sector creating direct employment to over 3.24 lakh work force notwithstanding the indirect employment to several lakhs of people. Our conservative target is to promote at least 100,000 units (to penetrate by over 50% in clay brick) for which the potential is immense in multiple segments.
6. The entry against 6815 defining 'fly ash bricks and aggregate with 90% or more fly ash content' is nothing but high handed interference disregarding science and process of the product. Fly ash does not set on its own but needs lime/OPC in association with gypsum together with fillers to make brick with economic edge against clay bricks. *Concrete slabs of our buildings contain only 15-25% cement along with aggregate, but it is called cement-concrete slab only.* So this 90% ceiling has to be rationalized to min 15%. Even at this small content total fly ash output can be consumed by brick segment alone with its penetration by 50% into clay bricks.



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Though a lot can be mentioned about the service of fly ash brick activity to the Nation and Ecology, we limit this appeal with selected above points. Attached monograph (on this industry published by your Ministry along with the World Bank) and the brochure speak volumes on this issue. We solicit audience with you to furnish more on this issue personally.

An opinion is popularly gaining momentum that your government is pro-capitalist and do not bother for SMEs and micro enterprises. You may kindly extend your judicious analysis in helping the fly ash brick segment in order to dispel these notions. Our final appeal is that those who work for the welfare of the Nation and robustness of exchequer cannot be penalized, more so by a judicious government under the leadership acumen of Shri Modiji and learned fiscal administration of Smt Nirmalaji.

With Warm Regards,

Sincerely yours,

Dr N Bhanumathidas and N Kalidas
98483-69930 98481-91453
(Founder Directors)

(Electronic Message; hence no signature)

Enc:

- 1) Monograph on Fly ash Bricks: from Min. of Finance & The World Bank
- 2) FaL-G-CDM Brochure with E⁴ Technology

Copy to:

- 1) PMO, New Delhi.
- 2) All fly ash brick manufacturing Associations in India.



TO PMO on Portal Dt. 07 Apr 2022

Dear Aadarneey Pradhanmanthri, Shri Modiji,

Our Institute has worked for the promotion of fly ash bricks over last three decades by developing the patented 'FaL-G technology' but desisted from invoking the patent in view of its service to the Nation. Thus our concern is justifiable when the promotional efforts of fly ash bricks are jeopardized due to communication gap on the part of Government. While Ministry of Power is trying to sell fly ash, denying the right of industry to get fly ash as easy as clay (for brick production), Ministry of Finance has enhanced the GST from 1% to 6% in Composite scheme.

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A) Please advise Min. of Power to make available fly ash to brick industry 'as easy as clay' without any costs and controls on quantities.

B) Please advise Min. of Finance to continue the fly ash brick industry in 'Composition Scheme with 1% tax' in order to relieve micro entrepreneurs from the hassles of GST documentation and audit works.

With warm regards
Dr N Bhanumathidas

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PMOPG/E/2022/0102001