

30/10/2000

F.No. 117/1/2000-CX.3

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs**

Subject : Classification of Micronised Zircon sand / Zirconium Silicate (Opacifier)

A doubt has been raised whether "Micronised Zircon Sand / Zirconium Silicate" marketed as Zircon opacifier is classifiable under Chapter heading 26.15 as zirconium ores and concentrates, 2839.90 as silicates, 3207.90 as prepared opacifier or 2505.00 mineral substances (NES).

2. The matter has been examined. The manufacturing process of the product reportedly is that the zirconium silicate sand is wet grinded in the owl mills with flint pebbles and transferred to vibro mills/ attritors for further ultra fine grinding. Alumina grinding media is used under second stage milling operation. Slurry is dewatered with the help of centrifuge and the cake is dried in electric oven. The lumps are broken manually and ultra fined/powdered zircon sand obtained. Test report of samples and opinion of the Director, CRCL suggest that the product, zircon opacifier is obtained after subjecting the zircon sand to the purification process eg. dry beneficiation whereby iron bearing ferromagnetic impurities are removed and the product may be taken to be an "ore concentrate". However, the purified/concentrated Zircon Sand is subject to very fine grinding process known as micronisation, in ball mills. The reduction in particle size i.e. micronisation of zircon sand is very essential to make it fit for use as opacifier. This micronisation would not have been necessary for extraction zirconium metal for which ore/ore concentrate could be used. Thus, fine grinding/micronisation of zircon can not be considered a process normal to metallurgical industry. No chemical transformation of original material (zirconium silicate sand) is involved during micronisation, and there is only purification and a change in physical dimensions to make Zircon Sand fit for use as opacifier. Further, the HSN note to heading 2615.10 (ores and concentrates) excludes zircon sand micronised, when used as an opacifier in enamel manufacture from its scope and it is to be classified appropriately under Chapter 25 as a mineral substance.

3. The matter was also discussed in the Chief Commissioners' Conference held at Mumbai on 29th and 30th August, 2000. The Conference took note of various possible alternative classification of Micronised Zircon Sand marketed as Opacifier. It noted various classifications done in the past. 25.05, 26.15 and subsequent notices even proposing classification under Chapter 28 or under 32.07 as opacifier. Taking note of the process adopted on Zircon Sand, it was viewed that these basically were intended to change physical dimensions which micronised the zirconium sand and there is otherwise no chemical change. Such micronised sand could be used as opacifier in enamel manufacture but these were not "prepared opacifier" of Chapter Heading 32.07. Even in HSN such micronised sands were treated essentially as mineral substance NES and classified under Heading 25.30 (Explanatory note under 25.15). The Conference agreed with the view of the sponsoring Chief Commissioner that such micronised zircon sand would merit classification under 2505.00 of the Central Excise Tariff covering the mineral substances (NES) which corresponds to Heading 25.30 of HSN.

4. Board has accepted the decision of the Conference. It is therefore, clarified that the Micronised Zircon Sand / Zirconium Silicate (Opacifier) would be appropriately classifiable under 2505.00 of Central Excise Tariff covering the mineral substances (NES)

5. The above clarification may be brought to the notice of the lower field formations and the trade interests may also be suitably advised.

6. All pending disputes/assessments on the issue may be settled in the light of these guidelines.

7. Receipt of this circular may please be acknowledged.

8. Hindi version will follow.

Yours faithfully,

Mallika Mahajan

Officer on Special Duty (CX.3)