

GIB/TG/MADHUCON SUGAR/02.07.2018/AAR-04

Advance Ruling Category : Classification

State : Telangana

Order No.: GIB/TG/MADHUCON SUGAR/02.07.2018/AAR-04

Name of Entry :

Madhucon Sugar and Power Industries Ltd

Date : 02-07-2018

Product/ Service Involve :

Denatured Ethyl alcohol and other spirits

Breif Issue :

- i. Whether HSN Code 2207 covers both “z” (Not fit for human consumption) and “Un-denatured alcohol” (Fit for human consumption).
- ii. If Un-denatured ethyl alcohol of any strength of percentage or higher by volume i.e., ENA/RS being sold by them for potable application to State Distilleries & Beverages / Manufacturers, in turn who is making liquor for human consumption shall be covered under GST? or it is out of the purview of GST?, If covered under GST what is the rate of duty to be charged by them?
- iii. If Un-denatured alcohol is not under purview of GST, i.e., ENA/RS sold by them for potable purpose to State distilleries and beverages used for human consumption, what is their obligation and eligibility of Input credit taken on materials/ consumables?

Decision of Advance Ruling Authority :

The advance ruling sought in the application has been examined in detail and found that the issue of “Taxation of Rectified Spirit/ Extra Neutral Alcohol (ENA) under GST” is one of the agenda points placed before GST council for deliberation in the 20th meeting of the GST council held on 05.08.2017. The decision on the “applicability of GST on ENA” is pending before GST council and even in the 27th GST council meeting held on 04.05.2018 it was decided to defer the agenda point on the “applicability of GST on ENA” to the next meeting. Since the issue raised by the applicant is pending before GST Council for a

decision, Advance Ruling on the issues raised in the application cannot be given at this juncture.