

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND
ADVANCE RULING**

ACAAR No.113/2015-16
Acts cell-II/2471/2016

Dated:24.02.2016

- Present:** 1.Thiru. S.K.Prabhakar, I.A.S.,
Principal Secretary / Commissioner of Commercial Taxes.
- 2.Thiru. A.Sarvar Allam,
Additional Commissioner (CT), (Public Relations)(FAC)
- 3.Thiru. K. Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Rajshree Sugars & Chemicals Ltd, 'THE UFFIZI' 338, Avanashi road, Peelamedu, Coimbatore - 641004
2.	Registration Certificate No.	:	TIN.No.33941780349 CST.267559
3.	Assessment Circle	:	Avanashi Road Assessment Circle
4.	Date of application	:	--
5.	Date of receipt of application	:	27-01-2016
6.	Clarification sought for	:	Rate of Tax on "Rectified Spirit, Extra Neutral Alcohol and Anhydrous Alcohol"
7.	Date of Personal Hearing	:	---
8.	Represented by	:	---

ORDER

Tvl. Rajshree Sugars & Chemicals Ltd, 'THE UFFIZI' 338, Avanashi road, Peelamedu, Coimbatore - 641004 (TIN.No. 33941780349),

registered dealers in the files of Avanashi Road Assessment Circle have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act, 2006 (TNVAT Act, 2006), read with Rule 12-A of Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2.1. The applicant-dealers have stated that they are licensed distillery manufacturer, Distillery License granted in Form II((P&E3(1)/2553/07 dated 20.04.2012 by the Commissioner of Prohibition and Excise, Chepauk, Chennai - 600005 and further renewed in Proc.No.P&E III(1)/1971/2015 dated 04.08.2015. The applicant-dealer pleaded the authority for clarification and advance ruling to clarify rate of tax on "**Rectified Spirit, Extra Neutral Alcohol and Anhydrous Alcohol**".

2.2. In order to support their claim, the applicant-dealers have also provide a certificate confirming the ethanol volume in their products viz., Rectified Spirit (@95% v/v) as per requirement in IS/6613/2002 and Neutral Spirit (@94-96% v/v) as per requirement in IS/323/59 by the Forensics Sciences Department, Excise Division, Chennai - 4.

2.3. In this regard, the applicant dealers have solicited attention of the Authority for Clarification and Advance Ruling to entry-1 of Part-C of First Schedule to the TNVAT Act, 2006 with the description "Absolute alcohol, methyl alcohol, rectified spirit, neutral spirit and denatured spirit". The applicant-dealers, under the above narrated facts and circumstances, have requested that they may be clarified as to whether "Rectified Spirit, Extra Neutral Alcohol and Anhydrous Alcohol" are liable to fall under Entry 1 of Part-C of First Schedule to the TNVAT Act, 2006.

3.1. This committee considered the above application and the documents filed along with the application carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006 and TNVAT Rules, 2007 and notifications issued under the Act.

3.2. The applicant dealers have sought for clarification regarding rate of tax on "Rectified Spirit, Extra Neutral Alcohol and Anhydrous Alcohol". Rectified Spirit contains 95% ethyl alcohol by volume and Extra Neutral Alcohol contains 96% of ethyl alcohol by volume and these products are used as raw materials for the production of alcoholic liquor for human consumption. They are also used as an antitussive agent, antiseptic and medicinal solvent. Anhydrous alcohol has 100% ethyl alcohol concentration and it is a standard product used as intermediate for producing other chemical products and blending agent in power fuels. Because of high concentration of ethyl alcohol in the above products, they are toxic and cannot be used for human consumption.

3.3. "Rectified Spirit" is directly covered under Entry 1 of Part-C of First Schedule to the TNVAT Act, 2006. "Extra Neutral alcohol" is nothing but "Neutral Spirit" and "Anhydrous Alcohol" is nothing but "Absolute Alcohol". Neutral Spirit and Anhydrous Alcohol also fall under the above Entry 1 of Part-C of First Schedule to the TNVAT Act, 2006.

4. In the above circumstances, it is clarified that "**Rectified Spirit, Extra Neutral Alcohol and Anhydrous Alcohol**" produced by the applicant-dealers are liable to tax at 14.5% under Entry 1 with the description "Absolute alcohol, methyl alcohol, rectified spirit, neutral

spirit and denatured spirit" of Part-C of First Schedule to the TNVAT Act, 2006.

Dated this the 24th day of February 2016.

Sd/- A. Sarvar Allam,
Additional Commissioner (PR)(FAC)

Sd/- K. Mahalingam,
Additional Commissioner (RP)

Sd/- S.K. Prabakar,
Principal Secretary/
Commissioner of Commercial Taxes

To
Tvl. Rajshree Sugars & Chemicals Ltd,
'THE UFFIZI'
338, Avanashi road, Peelamedu,
Coimbatore - 641004

Copy to:
The Assistant Commissioner (CT)
Avanashi Road Assessment Circle

The Joint Commissioner (CT),
Coimbatore Division.

The Joint Commissioner (CS)

To host in the Department Website

The Principal Secretary to Government, Commercial Taxes & Registration Department, Chennai - 9.

All Joint Commissioners (CT) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (CT), Territorial, Assessment and Enforcement

All Head of Offices (Assessment)

The State Representative, Sales Tax Appellate Tribunal, Chennai- 104.

The Addl. State Representative, (AB) Chennai, Madurai and Coimbatore.

The Director, CTSTI, Greams Road, Chennai - 6.

The Executive Officer, Traders Welfare Board, Chennai - 5.

The Accountant General (Audit)-II, No.44, Greams Road, Chennai - 6.

The Additional Commissioners, Deputy Commissioners, Assistant Commissioners, Commercial Tax Officers in CCT's Office.

Personal Clerk to the CCT.

Stock File 3/ Acts Cell-II /Spare - 5.

//Forwarded/by Order//

M. Srinivasan
Additional Commissioner (PR)(FAC)