

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT
OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
EZHILAGAM, CHENNAI- 600 005**

PRESENT: THIRU DHEERAJ KUMAR I.A.S,

PRINCIPAL SECRETARY/ COMMISSIONER OF STATE TAX

**Circular No 5/2023
(PP6/GST-82/2023)**

Dated 28.03.2023

Sub: Clarification regarding GST rates and classification of certain goods based on the recommendations of the GST Council in its 48th meeting held on 17th December, 2022 –reg.

Ref: Government of India, Ministry of Finance, Department of Revenue, Circular No. 189/01/2023-GST dated 13.01.2023.

Based on the recommendations of the GST Council in its 48th meeting held on 17th December, 2022, the clarifications with reference to GST levy related to the following are being issued through this *pari-materia* circular:

2. Rab -classifiable under Tariff heading 1702:

2.1 Representation has been received by the GST Council, seeking clarification regarding the classification of "Rab". It has been stated that under the U.P. Rab (Movement Control Order), 1967, "Rab" means '*massecuite prepared by concentrating sugarcane juice on open pan furnaces, and includes Rab Galawat and Rab Salawat, but does not include khandsari molasses or lauta gur.*' Although, a product of sugarcane, Rab exists in semi-solid/liquid form, and is thus not covered under heading 1701. The Hon'ble Supreme Court in its order in *Krishi Utpadan Mandi Samiti vs. M/s Shankar Industries and others* [1993 SCR (1)1037] has distinguished Rab from Molasses. Thus, Rab being distinguishable from molasses is not classifiable under heading 1703.

2.2 Accordingly, it is hereby clarified that Rab is appropriately classifiable under heading 1702 attracting GST rate of 18% (Sl. No. 11 in Schedule III in Notification No.II(2)/CTR/532(d-4)/2017 dated 29.06.2017 published in Tamil Nadu Government Extraordinary Gazette issue No 202.

3. Applicability of GST on by-products of milling of Dal/ Pulses such as Chilka, Khanda and Churi/Chuni:

3.1 Representations have been received by the GST Council, seeking clarification regarding the applicable GST rate on by-products of milling of Dal/ Pulses such as Chilka, Khanda and Churi/Chuni.

3.2 The GST council in its 48th meeting has recommended to fully exempt the supply of subject goods, irrespective of its end use. Hence, with effect from the 1st January, 2023, the said goods shall be exempt under GST vide Sl. No. 102 C of schedule in Notification No. II(2)/CTR/532 (d-5)/2017, dated 29.06.2017 published in Tamil Nadu Government Extraordinary Gazette issue No. 202.

3.3 Further, as per recommendation of the GST Council, in view of genuine doubts regarding the applicability of GST on subject goods, matters that arose during the intervening period are hereby regularized on "as is" basis from the date of issuance of Principal Secretary/ Commissioner of State Tax Circular No. 18/2022-TNGST -(PP6/GST/145/2022 dated 27.09.2022), till the date of coming into force of the above-said Sl.No.102C and the entries relating thereto. This is in addition to the matter regularized on as is basis *vide* para 8.6 of the said Circular.

4. Clarification regarding 'Carbonated Beverages of Fruit Drink' or 'Carbonated Beverages with Fruit Juice':

4.1 Representations have been received by GST Council, seeking