

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING**
(Under Section 48-A of TNVAT Act, 2006)

**Present: 1. Dr. K. Manivasan, I.A.S.,
Commissioner of Commercial Taxes
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. B. Gnanasekar, M.A.,
Additional Commissioner (RP)**

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A.C.A.A.R 56/ 2012-13
D.Dis.Acts Cell II/28388/2012

Dated 26.10.2012

Ref: Application of Tvl.Bhavani Distilleries &
Chemicals Limited, T.Pudur Village, Thimiri,
Kalavai Road, Arcot Taluk, Vellore District
dated 27-08-2012.

Tvl.Bhavani Distilleries & Chemicals Limited, T.Pudur Village, Thimiri, Kalavai Road, Arcot Taluk, Vellore District (TIN: 33214581189) have filed an application and sought clarification under Section 48-A of the TNVAT Act, 2006 read with Rule 12-A of the TNVAT Rules, 2007.

2. The clarification was sought on the following in column 4 of Form VV;

“Molasses- raw material for ethanol”.

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act and Rules and clarification is given as under.

4. The applicant is purchasing molasses from sugar mills paying 30% tax and using it as a raw material for the production of ethanol.

5. The applicant in Annexure to column 6 of the application has stated that their manufactured product Ethanol is treated as a chemical and the 5% tax applicable to sale of molasses to Tvl.Chemplast Sanmar Limited, Chennai, Tvl.Lactochem Limited,

Chennai, Tvl.Malladi Drugs and Pharmaceuticals Limited, Chennai and Tvl.Trichy Distilleries and Chemicals Limited, Chennai as per Notification No.II(1)/CTR(30)A-7/2007, dated 23-03-2007 with effect from 01-01-2007, may be made applicable to their purchase of molasses from sugar mills.

6. At present, the dealers are paying 30% tax under Entry 10 of the Second Schedule to the Act on their purchase of molasses since Entry 10 of the Second Schedule reads as "Molasses".

7. The dealers request for reduction of the rate of tax as has been done in the case of other dealers by Government Notification lies outside the ambit of Section 48-A of the TNVAT Act, 2006.

8. The clarification therefore is that "**Molasses**" is taxable at 30% under Entry 10 of the Second Schedule to the TNVAT Act, 2006 and the request for reduction of rate of tax cannot be entertained by the Authority for Clarification and Advance Ruling.

Sd/- R. Chandramohan Sd/- B. Gnanasekaran Sd/- Dr.K. Manivasan
Additional Commissioner (PR) Additional Commissioner (RP) Commissioner of Commercial Taxes

To
Tvl.Bhavani Distilleries & Chemicals Limited,
No.4, 1st Cross Street,
R.A. Puram,
Chennai - 600 028.

Copy to:
The Commercial Tax Officer (CT)
Arcot Assessment Circle.
The Joint Commissioner (CT), Vellore Division.
The Joint Commissioner (CS) to host in the Department Website
The 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 File3 / Act Cell II / Spare - 5.

// forwarded by order //


Commercial Tax Officer.