

M/s. Madhucon Sugar and Power Industries Ltd

Authority for Advance Ruling — Telangana

TSAAR Order No. 6/2018 Date. 02-07-2018

Dated 02.07.2018

Q Questions Before the Authority

- Whether HSN Code 2207 covers both “denatured Ethyl alcohol and other spirits”(Not fit for human consumption) and “Un-denatured alcohol”(Fit for human consumption).
- 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?
- 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 ?

F Facts

The applicant is engaged in the manufacture of Extra Neutral Alcohol (ENA) and Rectified Spirits (RS). They supply ENA/RS to state distilleries and beverage manufacturers for potable applications to produce liquor fit for human consumption. The applicant sought an advance ruling to clarify the HSN classification, taxability under GST, applicable rate of duty, and eligibility of input tax credit on inputs and consumables.

H Ruling

The Authority held that since the core issue regarding the applicability of GST on Extra Neutral Alcohol (ENA) and Rectified Spirit is pending decision before the GST Council, **an Advance Ruling cannot be given at this juncture**. Consequently, the application filed by the applicant was disposed of without answering the substantive questions.

R Reasoning

The Authority observed that the issue of taxation of Rectified Spirit / Extra Neutral Alcohol (ENA) under GST was an agenda item placed before the GST Council during its 20th meeting held on 05.08.2017. Furthermore, in the 27th GST Council meeting on 04.05.2018, the Council decided to defer the decision regarding the applicability of GST on ENA to its subsequent meeting. Since the issue was actively **pending before the GST Council for a final decision**, the Authority concluded that it could not issue a ruling on the merits at that time.

P Provisions Relied On

Section 9(1) of CGST Act, 2017 / TGST Act, 2017

Section 96(1) of TGST Act, 2017

Section 97(1) of TGST Act, 2017

Section 100(1) of CGST Act, 2017 / TGST Act, 2017

Rule 103 of CGST Rules, 2017 / TGST Rules, 2017

Notification No.12/2012 dated 17.03.2012

! For the Practitioner

This order illustrates that Advance Ruling Authorities may decline to pass a substantive ruling when the subject matter—such as the **taxability of Extra Neutral Alcohol (ENA)**—is under active deliberation and deferred by the GST Council. It does not settle the rate, classification, or ITC eligibility for un-denatured ethyl alcohol, leaving the practitioner to rely on official GST Council decisions or statutory amendments.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [tsaar_06-2018_telangana.pdf](#)

Prepared 20-10-2026.

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Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com