

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

**PRESENT: Thiru M.A. SIDDIQUE I.A.S,
PRINCIPAL SECRETARY/ COMMISSIONER OF STATE TAX**

**Circular No:12/2021 – TNGST
(PP6/GST-15003/28/2021)**

Dated:21.09.2021

- Sub: GST on service supplied by State Govt. to their undertakings or PSUs by way of guaranteeing loans taken by them –reg.
- Ref: Circular no 154/10/2021-GST, dated 17.06.2021 issued by Ministry of Finance, Department of Revenue, Government of India, New Delhi

Certain representations have been received requesting for clarification regarding applicability of GST on supply of service by State Government to their undertakings or PSUs by way of guaranteeing loans. The issue was examined by GST Council in its 43rd meeting held on 28th May, 2021.

2. Entry No. 34A of G.O. (Ms) No. 73 dated 29.06.2017 published in Tamil Nadu Government Gazette Extraordinary in Issue No.202 in Notification No.II (2)/CTR/532(d-15)/2017, dated 29.6.2017 exempts "*Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings (PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.*"

3. Accordingly, as recommended by the Council, it is re-iterated that guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under said entry No. 34A.

**Sd/-M.A.Siddique
Principal Secretary/
Commissioner of State Tax**

To

All the Joint Commissioners (ST) (Territorial) in the state including LTU

Copy to:

1. The Principal Secretary to Government, CT & R Department, Chennai - 600 009.
2. All Additional Commissioners, O/o the CCT, Ezhilagam, Chennai - 600 005.
3. The Joint Commissioner (CS) to host in the departmental website
4. The Director, Commercial Tax Staff Training Institute, Chennai-6
5. The Secretary, TNSTAT, Chennai 600 104.
6. All the Joint Commissioners (ST) (Intelligence) in the state
7. All the Deputy Commissioners (ST) in the State including intelligence
8. All the heads of assessment circles

Stock file

//Forwarded //by Order//

[Signature]
23/09/21
Deputy Commissioner (P&P)

[Signature]
23/09/21