

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
EZHILAGAM, CHENNAI-600 005**

**PRESENT: DR. T.V. SOMANATHAN, I.A.S.,
COMMISSIONER OF STATE TAX**

Circular No. 18/2018-TNGST
(RC No.151/2018/A1/Taxation)

Dated:29.03.2019

Sub:	Clarification on supplies made to the Indian Railways classifiable under any chapter, other than Chapter 86 – Reg.
Ref:	Circular No. 30/4/2018-GST, dated 25-01-2018 issued by the Department of Revenue, Ministry of Finance, Government of India, New Delhi

1. Representations have been received that certain suppliers are making supplies to the railways of items classifiable under any chapter other than chapter 86, charging the GST rate of 5%.
2. The matter has been examined. Vide notification No. II(2/CTR/532(d-4)/2017) Dt. 29/06/2017, read with notification No. II(2/CTR/532(d-8)/2017) Dt. 29/06/2017, goods classifiable under Chapter 86 are subjected to 5% GST rate with no refund of unutilised input tax credit (ITC). Goods classifiable in any other chapter attract the applicable GST, as specified under notification No. II (2/CTR/532(d-4)/2017) Dt. 29/06/2017 or notification No. II(2/CTR/532(d-5)/2017) Dt. 29/06/2017.
3. The GST Council during its 25th meeting held on 18th January, 2018, discussed this issue and recorded that a clarification regarding applicable GST rates on various supplies made to the Indian Railways may be issued.
4. Accordingly, it is hereby clarified that

- only the goods classified under Chapter 86, supplied to the railways attract 5% GST rate with no refund of unutilised input tax credit and
- other goods [falling in any other chapter], would attract the general applicable GST rates to such goods, under the aforesaid notifications, even if supplied to the railways.

5. This pari materia circular is issued with reference to the circular issued by the Government of India on the recommendation of the GST Council in the reference cited.

Sd/-T.V.Somanathan
Commissioner of State Tax

To

All the Joint Commissioners (ST) Territorial and Enforcement in the State.

Copy to: (1) Principal Secretary to CT& Regn. Department.
(2) All Additional Commissioners of State Tax in the Commissionerate.
(3) Joint Commissioner (CS) for hosting in Departmental site.
(4) All Deputy Commissioners (ST) in the State.
(5) All Assistant Commissioners (ST) in the State.