

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

**PRESENT: Dr. D.JAGANNATHAN I.A.S.,
COMMISSIONER OF STATE TAX**

**Circular No.18/2024
(PP6/GST- 82/2023)**

Dated 16.07.2024

Sub: Clarifications regarding applicability of GST on certain services-Regarding.

Ref: Circular No. 206/18/2023-GST, dated 31.10.2023, issued by Government of India, Ministry of Finance, Department of Revenue (Tax Research Unit)

In the reference cited, the Government of India, Ministry of Finance, Department of Revenue (Tax Research Unit), New Delhi, has issued Circular No 206/18/2023-GST, dated 31.10.2023 based on the recommendations of the GST Council. Hence, following *pari-materia* circular is issued.

2. Based on the recommendations of the GST Council in its 52nd meeting held on 7th October, 2023, at New Delhi, clarification, with reference to GST levy, related to the following issues are being issued through this circular.

- i. Whether 'same line of business' in case of passenger transport service and renting of motor vehicles includes leasing of motor vehicles without operators.
- ii. Whether GST is applicable on reimbursement of electricity charges received by real estate companies, malls, airport operators etc. from their lessees/occupants.
- iii. Whether job work for processing of "Barley" into "Malted Barley" attracts GST @ 5% as applicable to "job work in relation to food and food products" or 18% as applicable on "job work in relation to manufacture of alcoholic liquor for human consumption".

iv. Whether District Mineral Foundations Trusts (DMFTs) set up by the State Governments are Governmental Authorities and thus eligible for the same exemptions from GST as available to any other Governmental Authority.

v. Whether supply of pure services and composite supplies by way of horticulture / horticulture works (where the value of goods constitutes not more than 25 percent of the total value of supply) made to CPWD are eligible for exemption from GST under Sr. No. 3 and 3A of G.O. (Ms) No. 73, Commercial Taxes and Registration Department dated 29.06.2017 published in Tamilnadu Government Extra ordinary Notification No.II(2)/CTR/532(d-15)/2017 dated 29.06.2017 [Issue No. 202].

3. Whether 'same line of business' in case of passenger transport service and renting of motor vehicles includes leasing of motor vehicles without operators.

3.1 Services of transport of passengers by any motor vehicle (SAC 9964) and renting of motor vehicle designed to carry passengers with operator (SAC 9966), where the cost of fuel is included in the consideration charged from the service recipient attract GST at the rate of 5% with input tax credit of services in the same line of business.

3.2 Same line of business as stated in the G.O. (Ms) No. 72, Commercial Taxes & Registration Department dated 29.06.2017 published in Tamilnadu Government Extra ordinary Gazette Notification No. II(2)/CTR/532(d-14)/2017 dated 29.06.2017 [Issue No. 202] means "*service procured from another service provider of transporting passengers in a motor vehicle or renting of a motor vehicle*".

3.3 It is hereby clarified that input services in the same line of business include transport of passengers (SAC 9964) or renting of motor vehicle with operator (SAC 9966) and not leasing of motor vehicles without operator (SAC 9973) which attracts GST and/or compensation cess at the same rate as supply of motor vehicles by way of sale.