

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:2/2021 – TNGST
(PP6/35622/2020)

Date:27.01.2021

Sub:	Applicable GST rate on Priority Sector Lending Certificates (PSLCs), Renewable Energy Certificates (RECs) and other similar scrips -reg
Ref:	Circular no 46/20/2018-GST, dated 06-06-2018 issued by Tax Research Unit, Department of Revenue, Ministry of Finance , Government of India, New Delhi

Representations have been received seeking clarification regarding the classification and applicable GST rate on the Renewable Energy Certificates (RECs) and Priority Sector Lending Certificates (PSLCs).

2. Earlier, the Government of India vide advertisement dated 27.07.2017, clarified that MEIS and other scrips like SEIS and IEIS are goods classified under heading 4907 and attract 12% GST, which is the general GST rate for goods falling under heading 4907. Subsequently, the duty credit scrips classifiable under 4907 were exempted from GST, while stock, share or bond certificates and similar documents of title [other than Duty Credit Scrips], classifiable under heading 4907, attract 12% GST.

3. Later on, Circular No. 20(2018)/2019 dated 29.03.2019 (Sl.No.3) was issued by Commissioner of State Tax clarifying that PSLCs are taxable as goods at a standard rate of 18 % under the residual entry Sl.No. 453 of Schedule III of G.O. Ms.No.62, dated 29-06-2017

4. As a result, there is lack of clarity on the applicable rate of GST on various scrips/ certificates like RECs, PSLCs etc.

5. The matter has been re-examined. GST rate of 18 % under the residual entry at Sl.No. 453 of Schedule III of G.O. Ms.No.62, dt 29-06-2017 applies only to those goods which are not covered under any other entries of Schedule I, II, IV, V, or VI of the notification. In other words, if any goods

are covered under any of the entries of Schedule I, II, IV, V, or VI, the GST rate applicable on them will be decided accordingly, without resorting to the residual entry 453 of Schedule III.

6.As such, various certificates like RECs, PSLCs etc are classified under heading 4907 and will accordingly attract GST @ 12 %, though duty paying scrips classifiable under the same heading will attract Nil GST{under Sl.No.122A of G.O. Ms.No.63, dt 29-06-2017 , as amended vide G.O. Ms.No.133, dated 13-10-2017.

7. Accordingly, in modification of Sl.No. 3 of Circular No. 20(2018)/2019 dated 29.03.2019, it is hereby clarified that Renewable Energy Certificates (RECs) and Priority Sector Lending Certificates (PSLCs) and other similar documents are classifiable under heading 4907 and attract 12% GST. The duty credit scrips, however, attract Nil GST under Sl.No. 122A of G.O. Ms.No.63, dated 29-06-2017.

Sd/- M.A.Siddique
Commissioner of State Tax
Tamil Nadu

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
9. Stock file.

//forwarded/by order//


Assistant Commissioner