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**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. 63/2019-TNGST**  
(RC No.26/2019/A1/Taxation)

**Dated:23.04.2019**

<b>Sub:</b>	Clarification on Nature of Supply of Priority Sector Lending Certificates (PSLC) – reg
<b>Ref:</b>	Circular No. 93/12/2019-GST, dated 08-03-2019 issued by the Department of Revenue, Ministry of Finance, Government of India, New Delhi.

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Representations have been received requesting to clarify whether IGST or CGST/ TNGST is payable for trading of PSLC by the banks on e-Kuber portal of RBI.

2. In this regard, it is stated that Circular No. 39 (2018) / 2019-TNGST, dated 05.04.2019 was issued clarifying that GST on PSLCs for the period 1.7.2017 to 27.05.2018 will be paid by the seller bank on forward charge basis and GST rate of 12% will be applicable on the supply. Further, Notification No. II (2)/CTR/481(f)/2018, dated 28.05.2018 was issued levying GST on PSLC trading on reverse charge basis from 28.05.2018 onwards to be paid by the buyer bank.

3. It is further clarified that nature of supply of PSLC between banks may be treated as a supply of goods in the course of inter-State trade or commerce. Accordingly, IGST shall be payable on the supply of PSLC traded over e-Kuber portal of RBI for both periods i.e 01.07.2017 to 27.05.2018 and from 28.05.2018 onwards. However, where the bank liable to pay GST has already paid CGST/SGST as the case may be, such

banks for payment already made, shall not be required to pay IGST towards such supply.

4. 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) Joint Commissioner (BIU) & MOU.  
(5) Director/ CTS Training Institute, Chennai 6  
(6) All Deputy Commissioners (ST) in the State.  
(7) All Assistant Commissioners (ST) in the State.

// Forwarded by order//

  
Assistant Commissioner (Taxation)