

CCT/26-4/2017-18/E/857

Circular

(No. 7/2021-22-GST)

Subject: GST on service supplied by State Government to their undertakings or PSUs by way of guaranteeing loans taken by them-reg.

Certain representations have been received requesting for clarification regarding applicability of GST on supply of service by State Govt. 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 Notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30-06-2017 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.

4. Difficulty, if any, in the implementation of this circular may be brought to the notice of the undersigned.

Hemant Kumar, IAS, Commissioner State Tax, Goa.
Panaji, 6th July, 2021.

Note: Similar circular under Central Goods and Services Tax Act, 2017 is issued by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 154/10/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/858

Circular

(No. 8/2021-22-GST)

Subject: Clarification regarding GST rate on laterals/parts of Sprinklers or Drip Irrigation System—regarding.

Representations have been received seeking clarification regarding GST rate on parts of Sprinklers or Drip Irrigation System, when they are supplied separately (i.e. not along with entire sprinklers or drip irrigation system). This issue was examined in the 43rd meeting of GST Council held on the 28th May, 2021.

2. The GST rate on Sprinklers or Drip Irrigation System along with their laterals/parts are governed by S. No. '195B' under Schedule II of notification

No. 38/1/2017-Fin(R&C)(1/2017-Rate) dated 30-06-2017 which has been inserted vide notification No. 38/1/2017-Fin(R&C)(6/2018-Rate) dated 24-01-2018 and reads as below:

S. No.	Chapter heading/sub-heading/tariff item	Description of goods	SGST rate
195B	8424	Sprinklers; drip irrigation systems including laterals; mechanical sprayer	6%

3. The matter is examined. The intention of this entry has been to cover laterals (pipes to be used solely with sprinklers/drip irrigation system) and such parts that are suitable for use solely or principally with 'sprinklers or drip irrigation system', as classifiable under heading 8424 as per Note 2 (b) to Section XVI to the HSN. Hence, laterals/parts to be used solely or principally with sprinklers or drip irrigation system, which are classifiable under heading 8424, would attract a GST of 12%, even if supplied separately. However, any part of general use, which gets classified in a heading other than 8424, in terms of Section Note and Chapter Notes to HSN, shall attract GST as applicable to the respective heading.

4. Difficulty, if any, may be brought to the notice of the undersigned immediately.

Hemant Kumar, IAS, Commissioner State Tax, Goa.
Panaji, 6th July, 2021.

Note: Similar circular under Central Goods and Services Tax Act, 2017 is issued by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 155/11/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/859

Circular

(No. 9/2021-22-GST)

Subject: Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification No. 38/1/2017-Fin(R&C)(134), dated 30th March, 2020-Reg.

Notification No. 38/1/2017-Fin(R&C)(134), dated 30th March, 2020 had been issued which requires Dynamic QR Code on B2C invoice issued by taxpayers having aggregate turnover more than 500 crore rupees, w.e.f. 01-12-2020. Further, vide notification No. 38/1/2017-Fin(R&C)(193)/1379, dated 12th May, 2021, penalty has been waived for