



वस्तु एवं सेवा कर तथा केन्द्रीय उत्पाद शुल्क प्रधान आयुक्त कार्यालय, चेन्नै उत्तर आयुक्तालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF GST & CENTRAL EXCISE,
CHENNAI - NORTH COMMISSIONERATE

26/1, महात्मा गांधी मार्ग, चेन्नै-600034

26/1, MAHATMA GANDHI ROAD, CHENNAI- 600 034

TRADE NOTICE NO. 27/2018

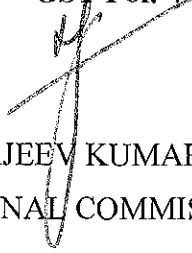
Dated: 07/06/2018

**Subject: Applicable GST rate on Priority Sector Lending Certificates
(PSLCs), Renewable Energy Certificates (RECs) and other similar
Scrips - Reg**

1. Attention of Trade is invited to Board's Circular No.46/20/2018-GST dated 06-06-2018, on Applicable GST rate on Priority Sector Lending Certificates (PSLCs), Renewable Energy Certificates (RECs) and other similar scrips. Copy of the circular is communicated for information and necessary action.

2. Contents of this circular may be brought to notice of all concerned.

(Issued in File C.No. IV/16/03/2018 – GST Pol. Vol- II)


(RAJEEV KUMAR/राजीव कुमार)
ADDITIONAL COMMISSIONER/अपर आयुक्त

To

As per Mailing List.
Trade and Department
Superintendent, Computer Section - For uploading on the website
All Divisions, Chennai North

Circular No. 46/20/2018-GST

F. No. 354/149/2017 –TRU
Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

**North Block, New Delhi
Dated the 6th June, 2018**

To

The Principal Chief Commissioner/ Principal Directors General/
Chief Commissioner/ Directors General/Principal Commissioner/
Commissioner of Central Excise and Central Tax (All) /
Director General of Systems

Madam / Sir,

**Subject: Applicable GST rate on Priority Sector Lending Certificates
(PSLCs), Renewable Energy Certificates (RECs) and other similar
Scrips – Reg.**

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, in response to a FAQ, it was clarified (vide advertisement dated 27.07.2017), 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. 34/8/2018- GST dated 01.03.2018 (S.No.3) was issued clarifying that PSLCs are taxable as goods at a standard rate of 18 % under the residual entry S. No. 453 of Schedule III of notification No. 01/2017-Central Tax (Rate).

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 S.No. 453 of Schedule III of notification No. 01/2017-Central Tax (Rate) 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 S.No. 122A of Notification No. 2/2017-Central Tax (Rate) dated 28.06.2017, as amended vide Notification No. 35/2017-Central Tax (Rate) dated 13.10.2017}.

7. Accordingly, in modification of S.No. 3 of Circular No. 34/8/2018- GST dated 01.03.2018, 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 S.No. 122A of Notification No. 2/2017-Central Tax (Rate) dated 28.06.2017.

8. If any difficulty is faced, the same should be brought to the notice of the Board.

Yours faithfully,

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(Dr. Ajay K. Chikara)
Technical Officer
Tax Research Unit