

**GOVERNMENT OF WEST BENGAL  
DIRECTORATE OF COMMERCIAL TAXES  
14, BELIAGHATA ROAD, KOLKATA-700015**

**TRADE CIRCULAR No. 14/2021**

*(Corresponding Central Circular No. 154/10/2021-GST)*

**DATED: 30.06.2021**

**Sub: GST on service supplied by State Govt. to their undertakings or PSUs by way of guaranteeing loans taken by them.**

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 43<sup>rd</sup> meeting held on 28<sup>th</sup> May, 2021.

2. Entry No. 34A of Notification no. 1136-F.T. dated 28.06.2017 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 Commissioner.

5. This Trade Circular shall be deemed to have come into force with effect from 17.06.2021.

Sd/-  
(Khalid Aizaz Anwar)  
Commissioner, State Tax,  
West Bengal

Memo. - 148 CT/PRO  
3C/PRO/2021

Date: 30.06.2021

Copy forwarded to the Additional CST/ISD for information and for uploading it on the official website of the Directorate for information of all concerned.

Sd/-  
(Nabanita Pal)  
Additional CST & PRO

