

**GOVERNMENT OF ASSAM**  
**OFFICE OF THE PRINCIPAL COMMISSIONER OF STATE TAX**  
**CUM COMMISSIONER OF TAXES, ASSAM**  
**KAR BHAWAN :: DISPUR, GUWAHATI-6**

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**CIRCULAR NO. 107/2021-GST**

Dated Dispur the 21st June, 2021.

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

**No. CT/GST-15/2017/474.**— 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. 12/2017-(Rate) [FTX.56/2017/25 dated 29th June, 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 reiterated that guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under said entry No. 34A.
4. This Circular is clarificatory in nature and not meant for any interpretation of provisions of the Act and rules.
5. Difficulties, if any, in implementation of the above instructions may be brought to the notice of the Commissioner at an early date.
6. This Circular shall be deemed to have been issued on 17th June, 2021.

Sd/= Rakesh Agarwala, IAS.,  
Principal Commissioner of State tax, Assam,  
Dispur, Guwahati

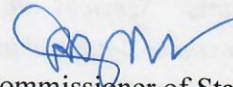


Memo No. CT/GST-15/2017/472-A

Dated Dispur the 21st June, 2021.

Copy to :

1. The Commissioner & Secretary to the Government of Assam, Finance (Taxation) Department, Dispur, Guwahati-6 for favour of kind information.
2. The Commissioner of Central GST, Guwahati / Dibrugarh for information.
3. The Special Commissioner of State tax (All) / Additional Commissioner of State tax (All)/ Joint Commissioner of State tax (All) / Deputy Commissioner of State tax (All) / Assistant Commissioner of State tax (All) / Superintendent of State tax (All) for information and necessary action.
4. The Information Technology Officer, Office of the Commissioner of State tax, Assam for uploading it on the website of the Commissionerate for information of all concerned.



Principal Commissioner of State tax, Assam,  
Dispur, Guwahati