

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

**TRADE CIRCULAR No. 28/2018** (*Circular No. 34/08/2018-GST*)

**DATED: 17.09.2018**

**Subject: Clarifications regarding GST in respect of certain services**

I am directed to issue clarification with regard to the following issues as approved by the Fitment Committee to the GST Council in its meeting held on 9<sup>th</sup>, 10<sup>th</sup> and 13<sup>th</sup> January 2018: -

<b>S. No.</b>	<b>Issue</b>	<b>Clarification</b>
1.	Whether activity of bus body building, is a supply of goods or services?	In the case of bus body building there is supply of goods and services. Thus, classification of this composite supply, as goods or service would depend on which supply is the principal supply which may be determined on the basis of facts and circumstances of each case.
2.	Whether retreading of tyres is a supply of goods or services?	In retreading of tyres, which is a composite supply, the pre-dominant element is the process of retreading which is a supply of service. Rubber used for retreading is an ancillary supply. Which part of a composite supply is the principal supply, must be determined keeping in view the nature of the supply involved. Value may be one of the guiding factors in this determination, but not the sole factor. The primary question that should be asked is what is the essential nature of the composite supply and which element of the supply imparts that essential nature to

		<p>the composite supply.</p> <p>Supply of retreaded tyres, where the old tyres belong to the supplier of retreaded tyres, is a supply of goods (retreaded tyres under heading 4012 of the Customs Tariff attracting GST @ 28%)</p>
4.	<p>(1) Whether the activities carried by DISCOMS against recovery of charges from consumers under State Electricity Act are exempt from GST?</p> <p>(2) Whether the guarantee provided by State Government to state owned companies against guarantee commission, is taxable under GST?</p>	<p>1. Service by way of transmission or distribution of electricity by an electricity transmission or distribution utility is exempt from GST under notification No. 1136-F.T. [12/2017- ST (R)], Sl. No. 25. The other services such as,-</p> <ul style="list-style-type: none"> <li>i. Application fee for releasing connection of electricity;</li> <li>ii. Rental Charges against metering equipment;</li> <li>iii. Testing fee for meters/ transformers, capacitors etc.;</li> <li>iv. Labour charges from customers for shifting of meters or shifting of service lines;</li> <li>v. charges for duplicate bill;</li> </ul> <p>provided by DISCOMS to consumer are taxable.</p> <p>2. The service provided by Central Government/State Government to any business entity including PSUs by way of guaranteeing the loans taken by them from financial institutions against consideration in any form including Guarantee Commission is taxable.</p>

2. Difficulty, if any, in the implementation of this circular should be brought to the notice of the Commissioner.
3. This Circular shall be deemed to have come into force with effect from 01.03.2018.

Sd/-  
SMARAKI MAHAPATRA  
Commissioner, State Tax,  
West Bengal

Memo. No. 388 CT/PRO  
3C/PRO/2018

Date: 18.09.2018

Copy forwarded to the Additional Commissioner, Commercial Taxes/ ISD for information and for uploading it on the official website and internal website of the Directorate for information of all concerned.

Sd/-  
(Adesh Kumar)  
Spl.CST & PRO