

		<p>Phone No. 28331010/28335012  Fax No. 044-28331050/1015  email : <a href="mailto:ccu-cexchn@nic.in">ccu-cexchn@nic.in</a></p>
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**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE : DEPARTMENT OF REVENUE  
OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF GST & CENTRAL EXCISE  
TAMILNADU & PUDUCHERRY  
No.26/1, MAHATHMA GANDHI ROAD, CHENNAI - 600 034**

C.No. IV/16/10/2018-PCCO

Date: 16 -05-2018

**GST TRADE NOTICE No.021/2018**

Sub: **GST – Issue related to taxability of ‘tenancy rights’ under GST** – Circular No.44/18/2018-CGST dated 02.05.2018 - **Classification of Solar Panels/Modules equipped with Elements** - Customs Instruction No.08/2018-Customs dated 06.04.2018 - Communication thereof - Reg.

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The Central Board of Indirect Taxes and Customs [CBIC] has issued Circular No.44/18/2018-CGST dated 02.05.2018 pertaining to taxability of ‘tenancy rights’ under GST and Instruction No.08/2018-Customs dated 06.04.2018 pertaining to clarification regarding classification of Solar Panels/Modules. The gist of the same are detailed as hereunder:

2. **Taxability of ‘tenancy rights’ under GST:** Vide Circular No.44/18/2018-CGST dated 02.05.2018, the CBIC has clarified that the activity of transfer of ‘tenancy rights’ is covered under the scope of supply and taxable. It is further clarified that transfer of tenancy rights to a new tenant against consideration in the form of tenancy premium is taxable. However, renting of residential dwelling for use as a residence is exempt vide entry under Sl.No.12 of Notification No.12/2017-Central Tax(Rate). Hence, grant of tenancy rights in a residential dwelling for use as residence dwelling against tenancy premium or periodic rent or both is exempt. As regards services provided by outgoing tenant by way of surrendering the tenancy rights against consideration in the form of a portion of tenancy premium, it is clarified that it is liable to GST.

3. **Classification of Solar Panels/Modules equipped with Elements:** Vide Customs Instruction No.08/2018-Customs dated 06.04.2018, the CBIC has clarified that the solar panels or modules equipped with:

- i. bypass diodes are classifiable in heading 8541
- ii. blocking diodes are classifiable in heading 8501
- iii. blocking diodes and bypass diodes are classifiable in heading 8501

4. This Trade Notice is being issued so as to sensitize the trade and field formations about the contents of the aforesaid reference and for complete details, the respective reference may please be referred in the CBIC's website [www.cbec.gov.in](http://www.cbec.gov.in).

5. All the Commissioners are requested to bring the contents of the Trade Notice to the notice of all the officers working under their charge and the assesseees falling under their respective jurisdiction.

6. The Trade & Industry Associations/Chambers of Commerce are requested to bring the contents of the Trade Notice to the notice of all their members. Difficulty, if any faced, may be brought to the notice of this Office.



**[C.P. RAO]**  
**PRINCIPAL CHIEF COMMISSIONER**

To

- i. The Principal Commissioner / Commissioner of GST and Central Excise,  
Chennai North / Chennai South / Chennai Outer / Coimbatore / Salem /  
Tiruchirappalli / Madurai / Puducherry / Chennai Audit I / Chennai Audit II /  
Coimbatore Audit / Chennai Appeals I / Chennai Appeals II / Coimbatore Appeals  
Commissionerates
- ii. The Commissioner of Commercial Taxes, State CT Head Office, Ezhilagam,  
No.3, Kamarajar Salai, Chepauk, Chennai-600005      **[ By e-mail ]**
- iii. The Commissioner of State Tax, Puducherry  
First Floor, 100 Feet Road, Ellapillaichavadi, Puducherry-605005
- iv. Zonal RAC Members      **[ By e-mail ]**

✓ Copy to the Computer Section, Chennai North Commissionerate [For uploading in website]