

No. 12-25/2018-19-EXN-GST-(575)-16712-30
Government of Himachal Pradesh,
Excise and Taxation Department

To

1. The Additional/Jt. Commissioner of State Taxes and Excise, (South Zone, North Zone, Central Zone), Shimla, Palampur, Mandi, H.P.
2. The Joint Commissioner of State Taxes and Excise, Flying Squad, (Central Zone, North Zone, South Zone), Una, Palampur, Parwanoo, H.P.
3. The Dy. Commissioner of State Taxes and Excise, Shimla, Solan, BBN Baddi, Sirmour, Bilaspur, Hamirpur, Mandi, Kullu, Chamba, Kangra, Revenue Distt Nurpur and Una, H.P
4. The Asstt. Commissioner of State Taxes and Excise, Incharge Distt. Kinnour, H.P

Dated

Shimla-9

20-07-2020.

Sir,

Subject– Clarification on scope of the notification entry at item (id), related to job work, under heading 9988 of Notification No. 11/2017-State Tax (Rate) dated 30-06-2017-reg.

Various doubts have arisen with regard to scope of the notification entry at item (id) under heading 9988 of Notification No. 11/2017-State Tax (Rate) dated 30-06-2017 inserted with effect from 01-10-2019 to implement the recommendation of the GST Council to reduce rate of GST on all job work services, which earlier attracted 18 % rate, to 12%. It has been stated that the entry at item (id) under heading 9988 of Notification No. 11/2017-State Tax (Rate) dated 30-06-2017 inserted with effect from 01-10-2019, prescribes 12% GST rate for all services by way of job work. This makes the entry at item (iv) which covers “manufacturing services on physical inputs owned by others” with GST rate of 18%, redundant.

2 The matter has been examined. The entries at items (id) and (iv) under heading 9988 read as under:

(3)	(4)	(5)
(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;	6	-
(iv) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (id), (ii), (ia) and (iii) above.	9	-

3. Job work has been defined in HPGST Act as under.

*“Job work means any treatment or processing undertaken by a person on goods belonging to another **registered** person and the expression ‘job worker’ shall be construed accordingly.”*

4. In view of the above, it may be seen that there is a clear demarcation between scope of the entries at item (id) and item (iv) under heading 9988 of Notification No. 11/2017-State Tax (Rate) dated 30-06-2017. Entry at item (id) covers only job work services as defined in section 2(68) of HPGST Act, 2017, that is, services by way of treatment or processing undertaken by a person on goods belonging to another **registered** person. On the other hand, the entry at item (iv) specifically excludes the services covered by entry at item (id), and therefore, covers only such services which are carried out on physical inputs (goods) which are owned by persons other than those registered under the HPGST Act.

5. This circular shall come into force w.e.f. 22.11.2019.

6. Difficulty, if any, in the implementation of this Circular may be brought to the notice of this office immediately.

Dr. Ajay Sharma, (IAS)
Commissioner of State Taxes and Excise,
Himachal Pradesh

Endst. No. 12-25/2018-19-EXN-GST-(575)-16731-32 Dated: 20-07- 2020

Copy is forwarded to:

1. The GST Council Secretariat for information please.
2. The Principal Secretary (E&T) to the Government of Himachal Pradesh for information please.

Dr. Ajay Sharma, (IAS)
Commissioner of State Taxes and Excise,
Himachal Pradesh