

No. 12-25/2018-19-EXN-GST-(575)-18426-18444
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, Una, Sirmour, Bilaspur, Hamirpur, Mandi, Kullu, Chamba, Kangra, Revenue Distt Nurpur and BBN Baddi, H.P.
4. The Asstt. Commissioner of State Taxes and Excise, Incharge Distt. Kinnour, H.P.

Dated

Shimla-9

2nd July, 2021.

Sir,

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

Various doubts have arisen 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-State Tax (Rate) dated 30.06.2017 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. This circular shall come into force w.e.f. 17.06.2021.
5. Difficulty if any, in the implementation of this circular may be brought to the notice of this office.

Yours Faithfully,

Sd/

Yunus, (IAS)

Commissioner of State Taxes and Excise,
Himachal Pradesh

Endst. No. 12-25/2018-19-EXN-GST-(575)-

Dated:

June, 2021

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.

Yunus, (IAS)
Commissioner of State Taxes and Excise,
Himachal Pradesh