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GOVERNMENT OF JAMMU AND KASHMIR
State Taxes Department
EXCISE AND TAXATION COMPLEX,
RAILHEAD PANAMA CHOWK, JAMMU

Subject: Clarification regarding manufacturing activities mentioned in the negative list of SRO - 519, 521 dated 21-12-2017 and SRO 63 dated 05-02-2018.

C I R C U L A R

1. Representations have been received for clarification regarding the interpretation of manufacturing activities under negative list of SRO - 519, 521 dated 21-12-2017 and SRO 63 dated 05-02-2018 in following cases.

S.No	Issue	Clarification
1.	Whether roasting of ground nuts will qualify for definition of the manufacturing activity as per definition of "manufacture" as mentioned in SRO 63 dated 05-02-2018, SRO 519 and SRO 521 dated 21-12-2017.	Manufacturing activity is defined as: <i>"Processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly"</i> Since the roasting of ground nuts involve reduction of moisture content only without any physical transformation as such the final product i.e ground nut will remain as ground nut even after it is roasted and the later cannot be treated as a product with distinct name and character. Therefore, the activity of processing/ roasting of ground nut will not qualify for the definition of the manufacture and hence will not be entitled for the benefit of reimbursement under SRO - 63 dated 05-02-2018, SRO - 519 and SRO 521 dated 21-12-

h/ni
25-1-19

2.	Whether the industrial units engaged in manufacturing of cement bricks and cement tiles shall be eligible for reimbursement scheme issued by the Finance Department vide SRO - 63 dated 05-02-2018, SRO 519 and SRO 521 dated 21-12-2017.	2017. Perusal of the negative list appended with SRO-63 dated 05-02-2018, SRO 519 and SRO 521 dated 21-12-2017 enlists " Bricks and tiles " at S.No.2 and by applying the principle of " <i>noscitur A Sociis</i> " it is construed that the said entry describes bricks and tiles made out of the backed clay and not from the cement. Thus, it is hereby clarified that the bricks and tiles made out of cement i.e. cement bricks and cement tiles do not qualify for the entry Bricks and Tiles notified in the SRO's as such are eligible for the reimbursement of taxes as per guidelines of SRO- 63 dated 05-02-2018, SRO 519 and SRO 521 dated 21-12-2017. <i>Explanation:</i> This clarification is issued on the analogy of clarification No.7 of 2006-07 dated 17.08.2006 under Jammu and Kashmir Value Added Tax Act 2005.
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2. The above clarifications are reiterated for the purpose of settlement of reimbursement claims made by the industrial units on supply of finished goods and shall not bear any consequence on the interpretation of statute under Goods and Services Tax Act.
3. Difficulty if any, in the implementation of the circular should be brought to the notice of the undersigned.

(P. K. Bhat) KAS

Commissioner State Taxes,
Jammu & Kashmir.

Dated 25.01.2019

No.GST/JCCA/Ind/839-47

Copy to the:

1. Principal Secretary to Government, Finance Department, Civil Secretariat, Jammu. This is in reference to the communication received from your office vide no: ET/Estt/2003/2017 dated 03/01/2019
2. Additional Commissioner State Taxes (Administration & Enforcement) Jammu/Kashmir/Tax Planning with the request to circulate among various stake holders.
3. Dy. Commissioner State Taxes (Appeals/Recovery/Enforcement/ IT, Data Analytics Economic Intelligence, Jammu/Kashmir.
4. General Manager, Government Press, Jammu. He is request to get the instant circular published in next government gazette.