

Recent changes in Jobwork under GST.



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Relevant Definitions

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

“Manufacture” means 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.

Rate of Job work under GST

Entry 26-NT 11/2017 CTR

Heading 9988

(Manufacturing services on physical inputs (goods) owned by others)

- Services by way of **job work** in relation to-...
- Services by way of any **treatment or process** on goods belonging to another person, in relation to-...
- Tailoring
- **Manufacturing** services on physical inputs (goods) owned by others, other than above.

NT 20/2019 CTR dated 30th Sept, 2019.

Inserted following entries

“(ib) Services by way of job work in relation to diamonds falling under chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

ic) Services by way of job work in relation to bus body building;

(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;

Confusion: 2 Like Entires

New Entry

(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;-12%

Existing Entry

(IV) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (id), (ii), (iia) and (iii) above-18%.

Circular 126/45/2019 Dated 22/11/2019

It is now clarified that item No. (id) covers only job work services as defined in section 2(68) of CGST Act, i.e. services by way of treatment or processing undertaken by a person on goods belonging to another **registered person**. Whereas, item No. (iv) under heading 9988 covers only such services which are carried out on physical inputs (goods) which are owned by persons **other than those registered under the CGST Act**.



THANK YOU

For any clarification
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