

Commissionerate of CT and GST, Odisha (At Cuttack)
(Finance Department, Government of Odisha)

To, No. 16851 CT
POL-41/1/2017-Policy

Dated 20/12/2019

Heads of all CT & GST Territorial Ranges
Heads of all CT & GST Enforcement Ranges & Units
Heads of all CT & GST Territorial Circles & AUs

CIRCULAR

Subject- Clarification on scope of the notification entry at item (id), related to job work, under heading 9988 of Finance Department Notification No. 19869-FIN-CT1-TAX-0022-2017 dated 28.06.2017 -reg.

Madam/Sir,

I am directed to say that doubts have been raised with regard to scope of the notification entry at item (id) under heading 9988 of Notification No. 19869-FIN-CT1-TAX-0022-2017 dated 28.06.2017 issued by Finance Department 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 Finance Department Notification No. 19869-FIN-CT1-TAX-0022-2017 dated 28.06.2017 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), (iia) and (iii) above.	9	-

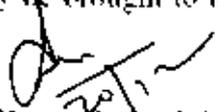
3. Job work has been defined in OGST Act as under.

"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 Finance Department Notification No. 19869-FIN-CT1-TAX-0022-2017 dated 28.06.2017. Entry at

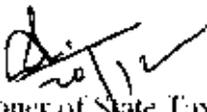
item (id) covers only job work services as defined in section 2 (68) of OGST Act, 2017, that is, services by way of treatment or processing undertaken by a person on goods belonging to another registered person. On the other hand, the entry at item (iv) specifically excludes the services covered by entry 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 OGST Act.

5. Difficulty if any, in the implementation of this Circular may be brought to the notice of the undersigned.


(Sushil Kumar Lohani, I.A.S)
Commissioner of State Tax
Odisha, Cuttack

Memo No 16852/C.T Dated 20/12/2019

Copy to Additional Secretary in charge of CT-I Branch, Government of Odisha, Finance Department for information with reference to CBIC Circular No.126/45/2019-GST dated 22/11/2019.


Commissioner of State Tax
Odisha, Cuttack