**FAQs on Goods & Services Tax**

 **9. Job Work**

**Q 1. What is job-work?**

Ans. Section 2(62) of the MGL provides that “job-work” means undertaking any treatment or process by a person on goods belonging to another registered taxable person and the expression “job-worker” shall be construed accordingly. This definition is much wider than the one given in Notification No. 214/86 – CE dated 23rd March, 1986 as amended, wherein job-work has been defined in such a manner so as to ensure that the activity of job-work must amount to manufacture. Thus the definition of jobwork itself reflects the change in basic scheme of taxation relating to job-work in the proposed GST regime.

**Q 2. Whether goods sent by a taxable person to a job-worker will be treated as supply and liable to GST? Why?**

Ans. No. It will not be treated as a supply. In terms of proviso to Para 5 of Schedule I of the MGL the supply of goods by a registered taxable person (principal) to jobworker, in terms of Section 43A, shall not be regarded as supply of goods. Therefore, it can be inferred that no GST shall be applicable on the goods supplied by the registered principal to a job-worker.

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