

18% GST APPLICABLE TO JOB WORK SERVICE TO FOREIGN CUSTOMER: AAR

M/S SYNTHITE INDUSTRIES VS. AAR ANDHRA PRADESH

CASE NO. - AAR/13(GST)/2018

DATE - 20.08.2018

Fact of the Case

1. M/s Synthite Industries is the applicant in the present case.
2. It entered into a contract with foreign company as Job Worker for processing of tea. Raw material /packing material and all other things are supplied by the foreign company & after completion of processing work it will be exported to the principal.
3. The applicant sought for a ruling on whether the process of providing job work service to foreign customer is taxable under GST.
4. The authority referred to section 2(68) of CGST Act 2017 that Job Work means the treatment /process undertaken by a person on goods belonging to another registered person. The ownership of goods is not transferred to the job worker but it remains with the principal.

Decision of the Case

The Bench held that the process of providing "Job Work" service to the foreign customer is taxable under the Andhra Pradesh GST Act @ 18%