

Job Work in GST



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Job Work Provisions



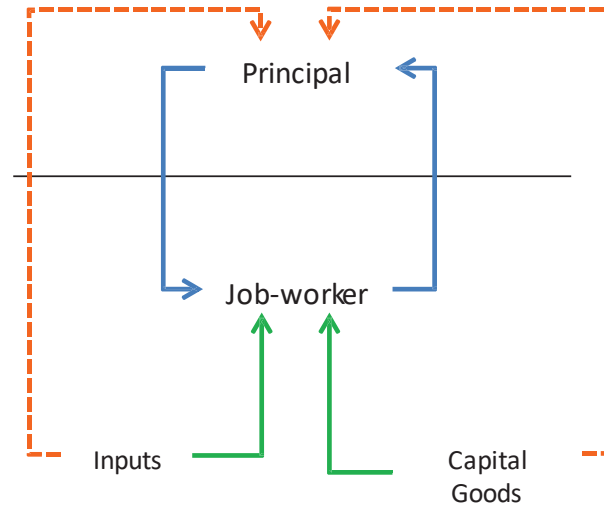
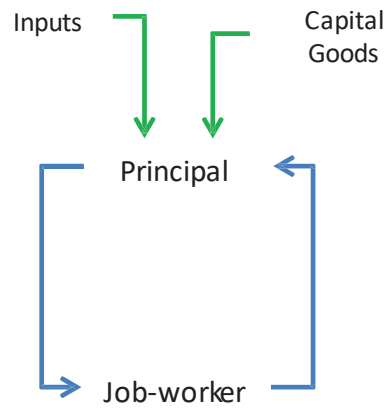
Job Work

- The term Job work is defined u/s 2(68) of the CGST Act as “Any ***treatment or process*** undertaken by a **person** on **goods** belonging to another ***registered person***”.
- A registered person [Principal] may send inputs or capital goods under intimation, without payment of tax to a job worker for job work.
- Inputs and Capital Goods are required to be brought back after completion of job work within one year and three years respectively from the date of sending.
- Moulds and dies, jigs and fixtures or tools are exception to above condition.
- He may supply inputs or capital goods from job worker's place.

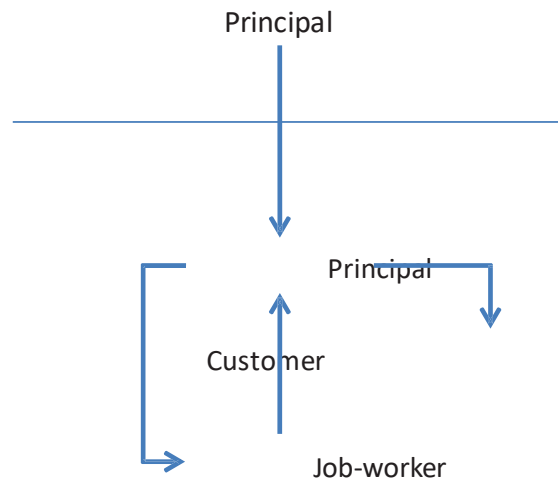
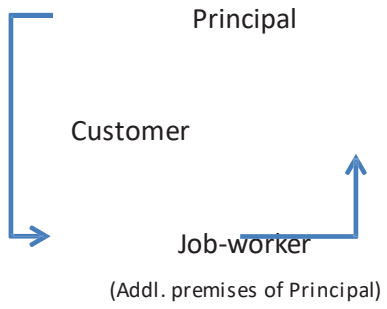
Job Work Procedure – Sec 143

- For supplying the goods from job worker's place, he has to declare the said place as his additional place of business, if job worker is not registered u/s 25.
- **Deemed Supply:** If the inputs / capital goods sent for job work are not received back by the principle within period of 1 year / 3 years respectively, it will be treated as deemed supply on the original date of sending.
- If the job worker is registered, then the waste and scrap generated during the job work may be supplied by the job worker directly from his place of business on tax payment.
- If job worker is un registered, then principal has to pay tax on supply of waste and scrap.

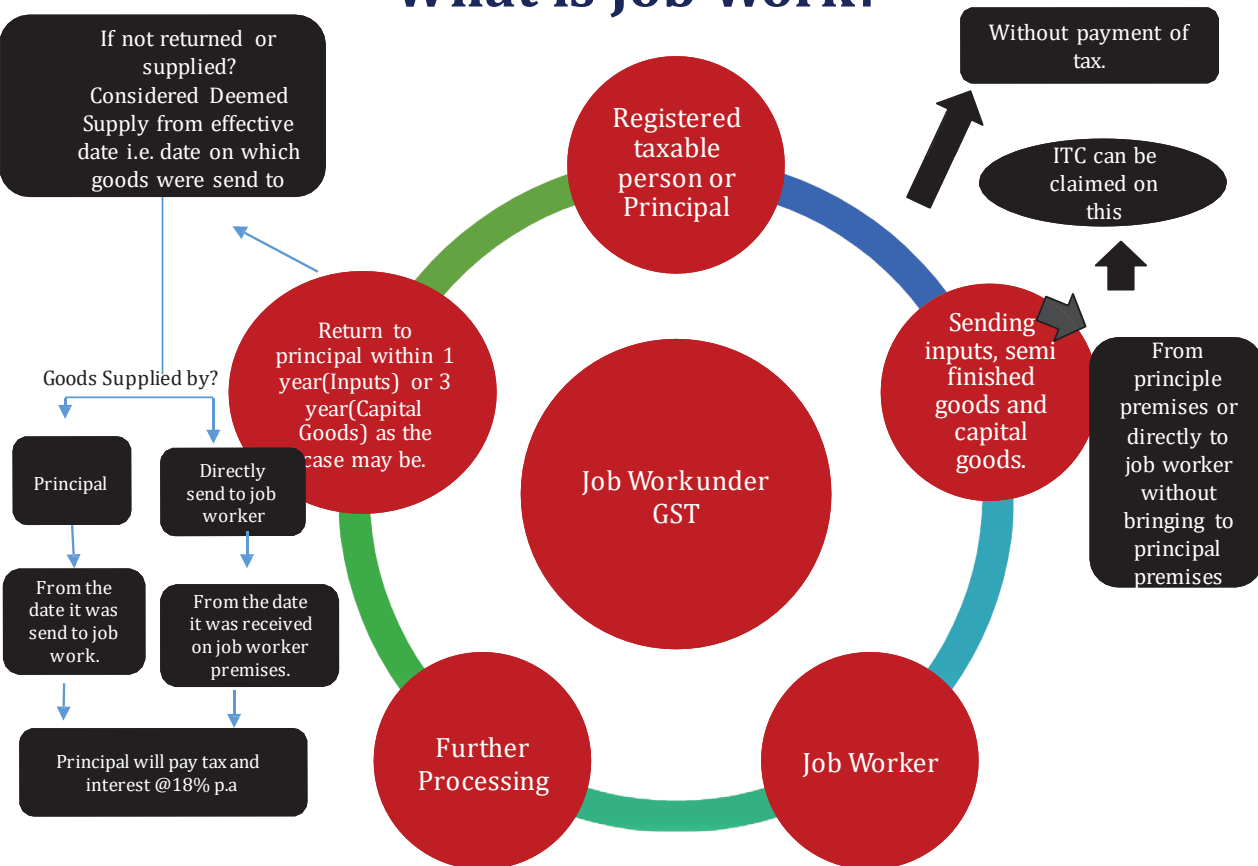
Job-work



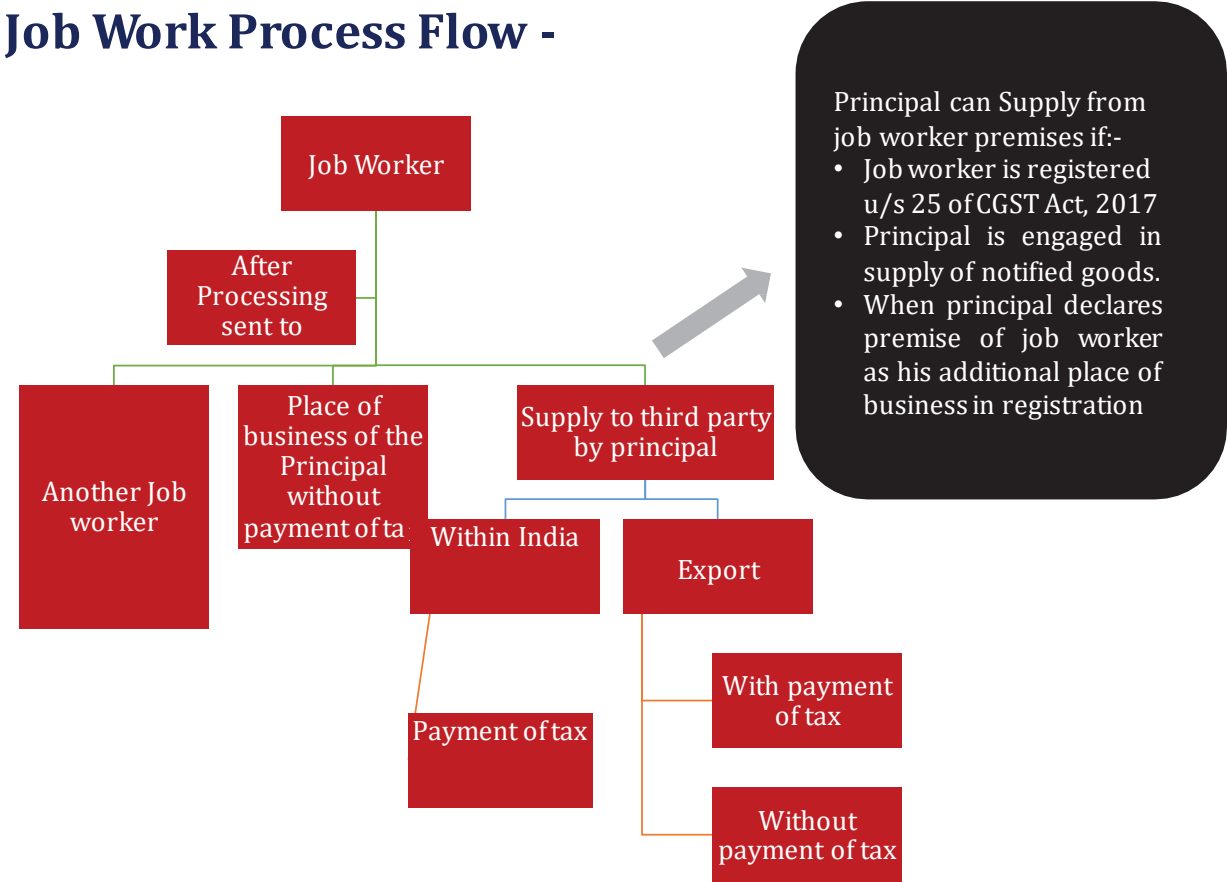
Job-work



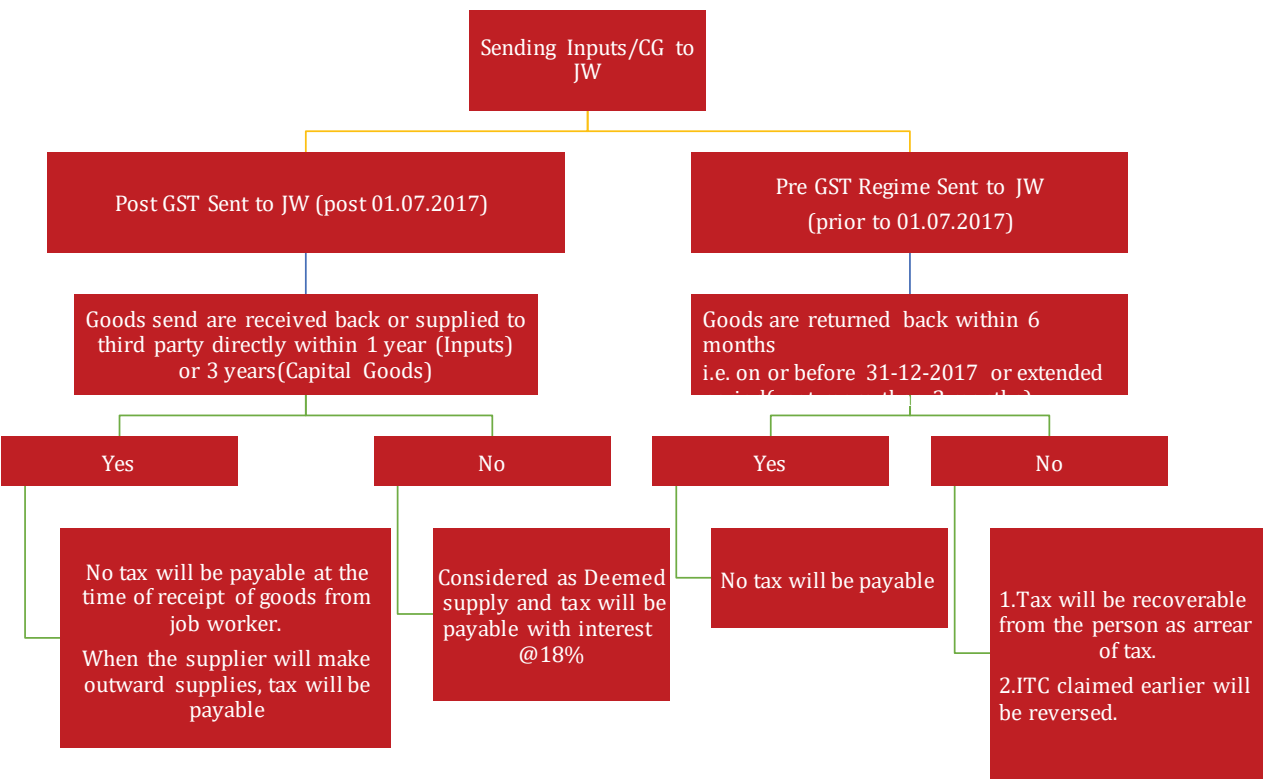
What is Job Work?



Job Work Process Flow -



Job Work – Return of Inputs/CG Time Limit -



GST rate on Job Work – 3% (Notf 20/2019 – CT dated 30/09/19)

S. No.	Nature of JW
1	Services by way of job work in relation to diamonds falling under chapter 71

GST rate on Job Work – 5% (Notf 20/2019 – CT dated 30/09/19)

S. No.	Nature of JW
1	Printing of News Paper
2	Textiles and textile products falling under Chapter 50 to 63
3	Printing of all goods falling under Chapter 48 or 49, which attract IGST@5% or NIL (Books)
4	Processing of hides, skins and leather falling under Chapter 41
5	Manufacture of leather goods or foot wear falling under Chapter 42 or 64
6	All food and food products falling under Chapters 1 to 22
7	manufacture of handicraft goods
8	Tailoring services

GST rate on Job Work – 12% (Notf 20/2019 – CT dated 30/09/19)

S. No.	Nature of JW
1	Manufacture of umbrella
2	Printing of all goods falling under Chapter 48 or 49, which attract IGST @ 12% (Books)

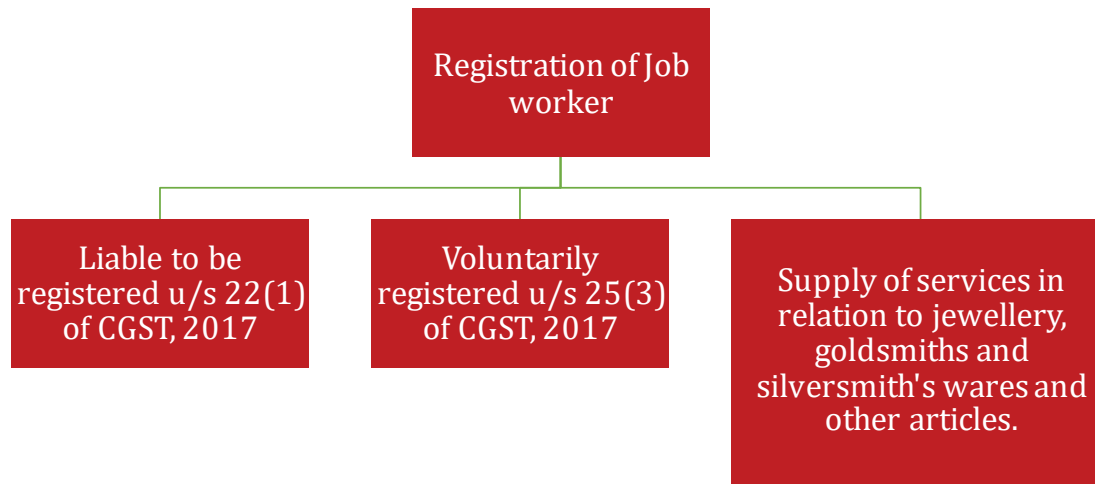
GST rate on Job Work – 18% (Notf 20/2019 – CT dated 30/09/19)

S. No.	Nature of JW
1	Services by way of job work in relation to bus body building
2	Manufacturing services on physical inputs (goods) owned by others, other than above

Circular by CBIC – Circular No. 126/45/2019-GST dated 22/11/19

- Per the **CGST Act, 2017**, *“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.”*
- AS Per the circular issued by CBIC, a **Registered person** is a clear demarcation between the scope of the entries at item (id) and item (iv) under heading 9988 of **Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017**.
- On the above basis, if any service provided by way of treatment or processing undertaken by a person on goods belonging to **another registered person** will be considered under the **Job work service and liable @ 12%**.
- It means any service provided to **Non registered person** by way of treatment or processing will be covered under **manufacturing service** and liable @ 18%.

Registration of Job Worker -



**Note: If the Job worker is not covered under above provision, he can make inter state supply without getting registered.
(Notification No. 7/2017-Integrated Tax)**

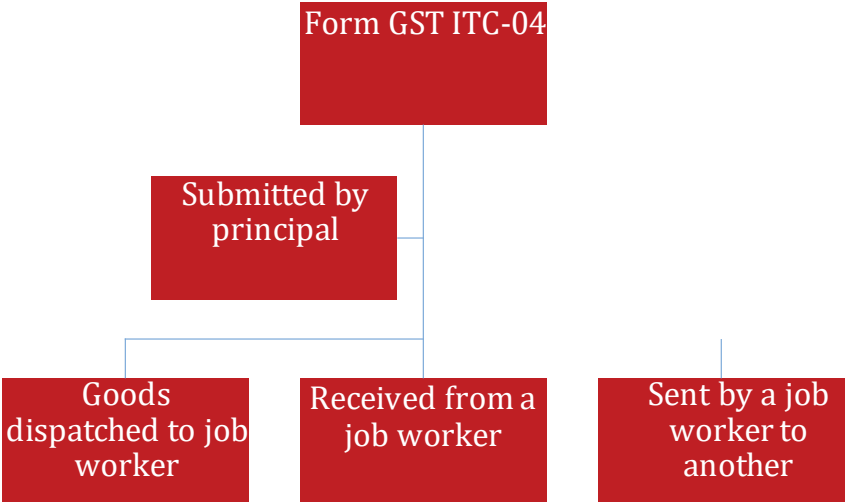
Notes:

1. Waste Clearing Provision:

1. Waste and Scrap generated during job work--> Can be supplied directly by the Registered job worker from his premises (on payment of tax) or by the principal, if job worker is not registered.
2. The provision of return of goods is not applicable in case of moulds and dies, jigs and fixtures or tools supplied by the principal to job-worker.

*CAPITAL GOODS does not include moulds and dies, jigs and fixtures or tools

Compliance by Principal – Form GST ITC - 04



Due Date:-
On or before 25th day of the month succeeding the quarter. Example: For Quarter Oct to Dec , due date is 25th Jan.

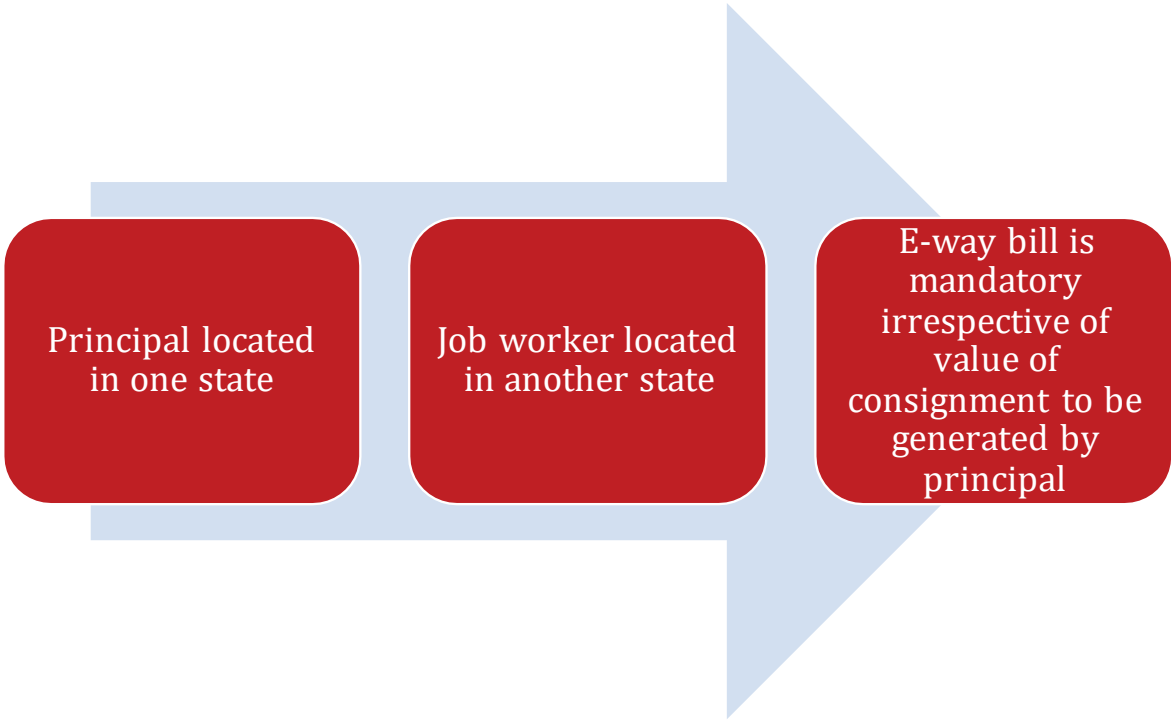
Note

- The responsibility of keeping proper accounts of the inputs and capital goods sent for job work lies with the principal.
- The responsibility for sending the goods for job work as well as bringing them back or supplying them has been cast on the principal.
- Inputs, semi-finished goods or capital goods being sent for job work (including that being sent from one job worker to another job worker for further job work or those being sent directly to a job worker) shall be sent under the cover of a **challan** issued by the principal.
- E-way bill shall be generated either by the principal or by the registered job worker irrespective of the value of the consignment, where goods are sent by a principal located in one State/Union territory to a job worker located in any other State/ Union territory.
- The e-way bill shall be generated by the principal, wherever required, in case the job worker is unregistered.

Delivery Challan for Job Work -

ABC Ltd.											
DELIVERY CHALLAN						Original for Consignee		√			
						Duplicate for Transporter		√			
Purpose- Job Work						Triplicate for Consigner		√			
Delivery Challan Details			Details of Consigner				Details of Consignee				
Challan No.			Name				Name				
Challan Date			Address				Address				
Place of supply			GSTIN				GSTIN				
			State				State				
Sr. No.	HSN Code	Description of the goods	UQC	Qty.	Tax Rate	Taxable Value	CGS T	SGS T	IGST	CESS	Total Value
1						-	-	-	-	-	-
Total						-	-	-	-	-	-
Total Challan Value In Words:											
For ABC Ltd.											
Authorised Signatory											

Requirement of E-Way bill – Mandatory – Inter State JW



Thank you

Thanks for your Patience and Time

