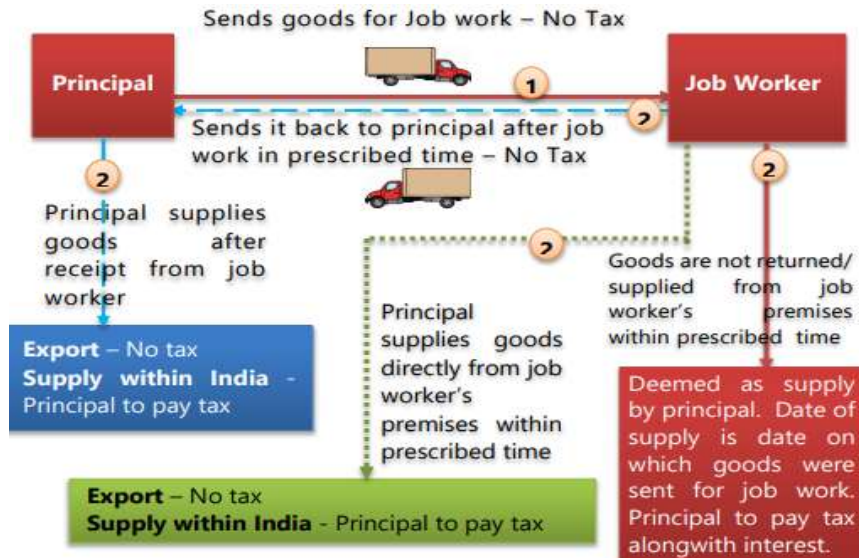


Job Work

Job Work: Any treatment/process undertaken by a person on goods belonging to another registered person. E.g. Painting, packing, fitting, etc. Person who does the said job is termed as 'job worker' and for whom the same is done is known as 'principal'. Job worker has to register under GST if his aggregate turnover exceeds threshold limit in a FY.

Job Work Procedure:



- Principal can take ITC on goods (inputs & capital goods) sent for job work, even if said goods are sent directly to job worker without being first brought to principal's POB.
- On failing to comply with prescribed timelines, goods will be deemed to have been supplied to job worker on day they were sent.
And, then principal is liable to pay tax + interest on such deemed supply.
- Subsequent return of goods by job worker will be treated as a separate supply & job worker would be liable to pay GST if he is liable for registration under GST.

Time Limit for return of Inputs/Capital Goods sent for Job Work:

- ◆ For Inputs - 1 year (extendable by another 1 year)
 - ◆ For Capital goods - 3 yrs (extendable by more 2 yrs)
- from the date of sending the same for job work or if sent directly to job worker's place, from the date of receipt of the same by job worker.

Above timelines do **not apply to** moulds & dies, jigs & fixtures or tools sent out for job work.

Supply from Job Worker's POB after required processing or treatment: After processing of goods, job-worker may dispatch goods under principal's instructions to-

- **another job-worker** for further processing, or
- **any POB of principal** without tax payment, or
- **ultimate customer** against payment of tax by principal as applicable for supply [regarded as supply by principal and not by job worker; so included in aggregate T/O of principal only]

Supply of goods directly from job worker's POB: Goods can be supplied directly from job worker's premises by principal, with tax for domestic sales or without tax for exports, provided:

- Premises are declared as principal's **APOB**;
- Job worker is **registered** or
- Principal is engaged in **supply of notified goods**.

VOS of Job Work Services: VOS **includes** service charges & goods/services used in job work if recovered from principal but **excludes** value of moulds, dies, jigs, fixtures, or tools supplied by principal to job worker, provided their cost is already factored into job work service price.

Responsibility for keeping Proper Accounts for Inputs/Capital Goods: Lies with **Principal**

Procedure for Sending Goods to Job Worker:

- Goods must be accompanied by delivery challan containing prescribed details U/R 55 & an e-way bill, if applicable.
- Principal prepares delivery challan **in triplicate. 2 copies** are sent with goods to job worker. While returning goods, job worker must send 1 copy back to principal along with goods.
- Job worker returns goods to principal with a copy of **original delivery challan**.
- Goods returned in **piecemeal** quantities to another job worker/principal, a fresh delivery challan is issued for each consignment.
- E-way bill **must** be generated for **inter-state** movement of goods by principal to job worker.
- Goods may move **b/w job workers** under delivery challan issued by principal or an endorsed challan by job worker.
- For **direct supply** to job worker by supplier of principal, supplier's invoice mentions principal as buyer & job worker as consignee & principal issues a delivery challan separately. For **imports**, if goods move from customs station to job worker with Bill of Entry, principal issues a delivery challan separately.
- Submission of intimation of all goods sent, moved, and returned during a specified period must be reported to PO in **Form GST ITC-04** by:

Principal's PFY Agg. T/O	Form GST ITC-04 to be Filed
Up to ₹ 5 cr	Annual (25th Apr.)
> ₹ 5 cr	Half-yearly (25th Oct. & 25th Apr.)

Supply of Waste & Scrap: Waste & scrap generated during job work can be supplied by job worker (if registered) or by principal (if job worker is not registered), with payment of tax.