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Provision for Supply of Goods to Job Worker under Revised GST Law

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First of all, one need to understand the definition of Job work under Revised GST law . After that it will be easier to understand the provision relating to supply of goods to job worker . Goods either input or capital goods can be directly send to Job worker and supply of input can be directly make from job worker' place subject to the following provisions provided in Section- 55 of the Revised GST Law.

Definition as per Section - 2[61] of Revised MGL.

"“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"

It means the provision of job work shall be applicable if the goods are received from Registered Taxable Person. Otherwise these provision of S. 55 is not applicable.

Provision for supply of goods to Job worker

1. Registered Taxable Person [herein after referred as Principal] to supply goods to job worker for job work without the payment of tax, under intimation and subject to such conditions as may be prescribed. The same goods can be sent to another job worker and so on. To effect the above , following condition need to be satisfied ;

   - ✓ Bring back input after job work or otherwise and/ or capital goods other than mould and dies, jigs and fixture or tool, to any of his place of business without payment of tax within one year and three year respectively.
   - ✓ Supply directly from there on payment of taxes within India or with or without payment of taxes for export as the case may be within the period stipulated above.
   - ✓ Supply of goods from place of business of job worker within India with payment of taxes, with or without payment of taxes for export, as the may be. Provided the Principal declared the place of business of job worker his additional place of business. In the following cases the said provision shall not be applicable

     i] where the job worker is registered under Sec.23.

     ii] where the principal is supplying such goods as may be notified by commissioner in this behalf.

2. The onus of prove for accountability of input and or capital goods shall be of Principal.

3. Where the inputs sent for job work are not return to principal after job work or otherwise within period of one year being sent out , it shall be treated as supply to job worker on the day of input sent for job work.

4. Where the capital goods other than mould and dies, jigs and fixture or tool, sent for job work are not return to principal after job work or otherwise within period of three year of being sent out , it shall be treated as supply to job worker on the day of capital goods sent for job work.

5. Job worker may supply the waste or scrap generated from job work directly from his place of business on payment of taxes, if he is registered, otherwise by principal, if job worker is not registered.

FAQ on Job Work

1. Whether goods sent by registered taxable person to job worker treated as supply of goods and liable to tax?

   No. supply of goods from RTP to job worker shall not be treated as supply of goods as per Sec. 43A.

2. Whether the goods of principal directly supplied from Job worker's premises will be included in the turnover of Job worker?

   No. That will be added in the turnover of principal.

3. What are the provision of taking ITC in respect of input/ capital goods sent to job worker?

   As per Section 20 of Revised MGL, Principal shall be entitled to take credit of input or capital goods. If the input or capital goods has not been received back within stipulated time of one year and three year respectively, ITC shall be paid. ITC can be claimed again as when the goods have been received.

4. Are the provision of job work applicable to all category of person?

   No. it is applicable only to registered taxable person who send goods for job work. In other word , these provision are not applicable to exempted or non taxable goods.

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