

Job work – Compliance, planning in GST

- CA Mahadev.R

A dark blue background with a white circle on the left. The right side of the image features a white halftone dot pattern on a dark blue background, separated from the circle by a diagonal line.

Job Work

Job work – Meaning & Background

- *“Job work” means processing or working upon of raw materials or semi-finished goods supplied to the job worker, so as to complete a part or whole of the process resulting in the manufacture or finishing of an article or any operation which is essential for the aforesaid process.” [Definition under Central Excise]*
- In order to promote the small scale industries, concept of paying excise duty on the job charges was first introduced in 1975 vide **Notification No. 119/75** which was later continued vide **NN. 214/86**.
- By performing a job work activity, Job worker becomes the manufacturer of the goods. It was held that merely because the goods were manufactured in accordance with the technical specifications and brand name of the buyer, it could not be construed that the buyer was a manufacturer or that the goods were manufactured on his behalf – **UOI vs. Cibatul Ltd. 1985 (22) ELT 302 (SC)**
- Where the household ladies manufacturing agarbattis, Dhoop etc., in their own premises out of the raw material supplied by the respondents who paid them the wages, it was held that the household ladies were not to be treatable as hired labourers but they were the manufacturers themselves – **CCE vs. M.M. Khambhatwala 1996 (84) ELT 161 (SC)**

Job work – Meaning & Background

- **Section 2 (68)** – “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.
- Thus Job work means undertaking **any treatment or process** by a person on goods belonging to another registered taxable person. The person who is treating or processing the goods belonging to other person is called ‘job worker’.
- Following important aspects to be understood:
 - Meaning & scope of the term **‘treatment or process’**;
 - Treatment or process must be **on** the goods belonging to others;
 - Goods must be belonging to **another person** being a **registered person**;
- Any treatment or process which is applied to another person’s goods is a supply of services – Schedule II of the CGST Act.

'Treatment or process' v/s 'manufacture'

- In the matter of Collector of Central Excise v. Rajasthan State Chemicals Works - 1991 (55) E.L.T. 444 (S.C.), the Supreme Court examined the ambit of the term 'process'. Relevant extract of the judgment has been reproduced as follows:
- *13. The natural meaning of the word 'process' is a mode of treatment of certain materials in order to produce a good result, a species of activity performed on the subject-matter in order to transform or reduce it to a certain stage.*
- *According to Oxford Dictionary one of the meanings of the word 'process' is "a continuous and regular action or succession of actions taking place or carried on in a definite manner and leading to the accomplishment of some result". There may be a process which consists only in handling and there may be a process which involves no handling or not merely handling but use or also use. It may be a process involving the handling of the material and it need not be a process involving the use of material....*
- In GST law, manufacture has been defined – Limited use- Ex:Steel sheet cutting
- Manufacture – Less relevant in GST

'Treatment or process' v/s 'manufacture' – Relevant in GST?

Facts: Conversion of coal supplied by JSL (Principal) to JEL (job worker) for conversion into electrical energy wherein a new product (electricity) is emerged from processing of inputs (coal)

M/s JSW Energy Limited MAH/AAAR/01/2018-19 dt. 02/07/18 against Advance Ruling No. GST-ARA-05/2017/B-04 dt 05/03/18

- Activity of the Appellant is manufacture which cannot be read into the words 'treatment or process' as found in the definition of 'job work'
- Since JEL and JSL are related parties, any supplies made between them, even without consideration will be subject to GST.

M/s. JSW Energy Ltd. [2018 (14) G.S.T.L. 571 (App. A.A.R. - GST)]

- Benefit of job work also available if the treatment or process amounts to manufacture.
- Steam coal, not the inputs for Principal, i.e., M/s. JSL for their final product, i.e., Steel as they are utilizing coal other than steam coal;
- Electricity so produced supplied to Principal, i.e., M/s. JSL only through distribution system of third party, i.e., MSEDCL;
- No one-to-one co-relation can be established vis-à-vis the receipt of processed goods due to involvement of third party.

M/s.BPCL Advance Ruling No.Ker/21/2018 dated 20.10.2018

Natural gas, DM water sent to manufacture Hydrogen, Nitrogen. Held even if manufacture, it is job work

Processing on goods belonging to another Registered Person

- Sec 2(94) “registered person” means a person who is registered under section 25 but does not include a person having a Unique Identity Number;
- What if goods are belonging to ‘URD’? Would it be still a job-work?
- “Job work” services to another distinct person or related persons – Scope of Job work v/s Schedule I;
- Conversion of supply contracts to job work contracts – whether beneficial..?
- *The job worker is expected to work on the goods sent by the principal and whether the activity is covered within the scope of job work or not would have to be determined on the basis of facts and circumstances of each case. Further, it is clarified that the job worker, in addition to the goods received from the principal, can use his own goods for providing the services of job work. [Circular No. 38/12/2018, dated 26-3-2018]*

Processing on goods belonging to another Registered Person

- Relevant decision – ***Prestige Engineering Vs.CCE – SC – 1994*** wherein it was held that when substantial materials supplied by job worker, then process is not job work. However, minor goods can be used.
- The decision of Prestige Engineering was much before Noti.no.214/86-CE. In ***Audi Automobiles Vs. CCE-2009***, the Delhi Tribunal held that the decision of SC lost its relevance and neutrality theory is also important to be considered in CENVAT regime.
- Similar view was expressed even in case of ***CCE Vs. Abhinav Chemicals, 2012*** wherein Delhi Tribunal held that there is no restriction on using materials by job worker.
- Value of material used/skill and labour applied by them and value of input supplied by customer is almost equal. The Authority opined that this is a clear case of supply of goods, i.e. ready to use sugar mill roller. Valuation as per Rule 27. **[S.B. Reshellers Private Limited’ - 2019 (27) G.S.T.L. 120 (A.A.R. - GST)]**;
- Repairing defective transformers involves transfer of property in goods. Contribution not limited to labour, skill done with the help of his own tools, gadgets or machinery. Supply of goods constitutes major portion of the value of the supply. The process is not job work. To be treated as Repair activity. **[‘Alok Bhanuka’ - 2019 (23) G.S.T.L. 375 (A.A.R. - GST)]**

Bus Body Building – Whether Job work?

12.2 Buses [motor vehicles for the transport of ten or more persons, including the driver] fall under headings 8702 and attract 28% GST. Further, chassis fitted with engines [8705] and whole bodies (including cabs) for buses [8707] also attract 28% GST. In this context, it is mentioned that the services of bus body fabrication on job work basis attracts 18% GST on such service. Thus, fabrication of buses may involve the following two situations :

(a) Bus body builder builds a bus, working on the chassis owned by him and supplies the built-up bus to the customer, and charges the customer for the value of the bus.

(b) Bus body builder builds body on chassis provided by the principal for body building, and charges fabrication charges (including certain material that was consumed during the process of job-work).

12.3 In the above context, it is hereby clarified that in case as mentioned at Para 12.2(a) above, the supply made is that of bus, and accordingly supply would attract GST @ 28%. In the case as mentioned at Para 12.2(b) above, fabrication of body on chassis provided by the principal (not on account of body builder), the supply would merit classification as service, and 18% GST as applicable will be charged accordingly.

[Circular No. 52/26/2018-GST, dated 9-8-2018]

Bus Body Building – Whether Job work?

M/s. TATA MARCOPOLLO MOTORS LTD. 2019 (27) G.S.T.L. 283 (A.A.R. - GST)

- In case body is built on job work basis by using own inputs and capital goods on chassis provided by principal, activity amounts to supply of service.
- In case body of standardized vehicles is built without chassis and same is subsequently mounted on chassis, it amounts to composite supply of goods.

SANGHI BROTHERS (INDORE) PRIVATE LIMITED 2019 (27) G.S.T.L. 136 (A.A.R. - GST)

- Mounting or fabrication of bus/truck/ ambulance body on chassis supplied by OEMs/Principal on delivery challan or any other owner of chassis by collecting job work charges including inputs required for such fabrication work without transferring the ownership of chassis to job worker - Activity amounted to job work.

Explanation to entry 26 (ie) in Notification No. 12/2017-Central Tax (Rate):

[Explanation- For the purposes of this entry, the term “bus body building” shall include building of body on chassis of any vehicle falling under chapter 87 in the First Schedule to the Customs Tariff Act, 1975.]

Printing & supply of text books – Whether Job work?

HSN Code	Activity	Supplier	Rate of Tax
9988	Printing of Newspapers, books (including braille books), journals & periodicals	Registered or unregistered	5%
9988	Printing of all goods falling under chapter 48 or 49 attracting IGST rate of Nil or 5%	Registered or unregistered	5%
9988	Printing of all goods falling under chapter 48 or 49 attracting IGST rate of 12%	Registered or unregistered	12%
9989	Services by way of printing of all goods falling under Chapter 48 or 49 [including newspapers books (including Braille books) , journals and periodicals], which attract IGST @ 12%. or 5%. or Nil, <u>where only content is supplied by the publisher</u> and the physical inputs including paper used for printing belong to the printer.	Registered or unregistered	12%

Printing & supply of text books – Whether Job work?

In the hands of the Printer:

- *In the case of printing of books, pamphlets, brochures, annual reports, and the like, where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs while the physical inputs including paper used for printing belong to the printer, supply of printing [of the content supplied by the recipient of supply] is the principal supply and therefore such supplies would constitute supply of service falling under-heading 9989 of the scheme of classification of services.*

In the hands of the recipient/ Principal:

- *In case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc. falling under Chapter 48 or 49, printed with design, logo etc. supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content [supplied by the recipient of supply] is ancillary to the principal supply of goods and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.*

[Circular No. 11/11/2017-GST, dated 20-10-2017]

Printing & supply of text books – Whether Job work?

M/s. Sukee Printpack LLP 2019 (31) G.S.T.L. 519 (A.A.R. - GST)

Fact 1: Where the principal material i.e. paper and paperboard belong to the applicant, on which the content supplied by the customer is printed and the finished goods are supplied, and

AAR Ruling: Since the printing would be the principal supply of the composite supply, in these cases, the entire composite supply would be treated as a supply of services by way of printing (principal supply) and the tax rate applicable to such printing would be applicable on the entire value of such supply.

Fact 2: Where the principal material i.e. paper and paperboard belong to the customer, on which the content supplied by the customer is printed and the finished goods are supplied.

AAR Ruling: Amounts to job work and taxable accordingly.

Job work Procedure

- Sec 19 and 143 of CGST Act 2017

Principal can send any inputs (including intermediate goods) or capital goods to job worker without payment of tax

Principal can take credit on goods (inputs and capital goods) sent for job work

Credit can be taken even if the said goods are sent directly to job worker without being first brought to the principal's place of business

Principal is not required to reverse the ITC availed on inputs or capital goods dispatched to job worker

Inputs and/or capital goods, [other than moulds and dies, jigs and fixtures, or tools] sent to job worker must be returned to the principal within 1/ 3 years respectively, from the date of sending such goods to the job worker

Goods not received within the stipulated time are deemed as supply

(Where inputs/capital goods are sent directly to a job worker, said period shall be computed from the date of receipt of inputs/capital goods by the job worker)

Job work Procedure

- Sec 19 and 143 of CGST Act 2017

Where the inputs/ capital goods are directly sent by the supplier to the job worker on behalf of the Principal, the period of 1/ 3 years must be calculated from the date of receipt of goods by the job worker

The period of one year and three years may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding one year and two years respectively.

After processing of goods, the principal has an option to clear the goods, directly from job worker's premises, on payment of tax within India or without payment of tax for export outside India

Principal can supply the goods from the place of business of a job worker only if the said principal declares the place of business of the job worker as his additional place of business except in a case –

- (i) where the job worker is registered under section 25; or
- (ii) where the principal is engaged in the supply of such goods as may be notified by the Commissioner.

Job work Procedure

- Sec 19 and 143 of CGST Act 2017

If inputs or capital goods are not returned within the time stipulated in section 143, it shall be deemed to be a supply on the day when the said inputs or capital goods were sent out and the principal shall be liable to pay the tax along with applicable interest.

Circular 38/12/2018 – Para 9.6 – Principal liable to pay GST. On return, even job worker is liable to pay GST. (This is not right as there is no supply. What happens to ITC of GST paid by principal)

The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the principal.

Any waste or scrap generated during the job work may be supplied by the job worker directly from his place of business on payment of tax, if such job worker is registered, or by the principal, if the job worker is not registered.

Conditions for Job Worker

- Rule 45 of CGST Rules 2017

Inputs, semi-finished goods or capital goods shall be sent to the job worker under the cover of a challan **issued by the principal**, including where such goods are sent directly to a job worker. (For job worker to job worker challan can be issued by either principal or job worker who is sending it)

The challan issued by the principal may be endorsed by the job worker, indicating therein the quantity and description of goods where the goods are sent by one job worker to another or are returned to the principal. (Subsequent job worker can endorse challan issued by the previous job worker)

The details of challans in respect of goods dispatched to a job worker or received from a job worker during a quarter shall be included in FORM GST ITC-04 furnished for that period.

Non-applicability of Job Work Provisions

Job Work provisions will not apply for these cases

When principal send inputs or capital goods after payment of GST to the Job worker. (The job-worker would take the input tax credit and supply back the processed goods as his outward supply)

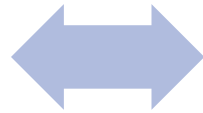
- a) Exempted goods
- b) Non-Taxable goods
- c) When sent by an unregistered person.

Registration in case of Job work services

- Circular 88/07/2019- GST dated 01st Feb 2019

Registration in case of Job work services

Question: Whether job workers should register themselves compulsorily if they are located in the different state than principal, as mandated by Sec 24 of CGST Act?



Ans: It is clarified that a job worker is required to obtain registration only in cases where his aggregate turnover, to be computed on all India basis, in a financial year exceeds the threshold limit regardless of whether the principal and the job worker are located in the same State or in different States.

Note: Exemption from compulsory registration u/s 24 for inter-state supply of services is given to job workers vide notification No. 10/2017-Integrated Tax, dated 13-10-2017 as amended vide notification No 3/2019-Integrated Tax, dated 29-1-2019

Key Aspects to be noted

- Whether Job work procedure is mandatory or an option with the 'Principal'?
- Valuation of the goods returned by the job worker would include not only the service charges but also the value of any goods or services **used by him for supplying the job work services**, if recovered from the principal.
- *Ex: A job worker, using his packing material to pack the goods processed; Job worker uses some chemicals catalyst, oxygen (for cutting, welding) as processing chemicals or consumables;*
- *Valuation of capital goods, if any, supplied by principal – Circular no.47/21/2018*

Consumables not received back? – Compliance?

- Goods that are used up in the galvanizing process cannot be separated from the galvanized goods, *Thus, the zinc, furnace oil or nickel exhausted in the process of galvanizing need not be physically returned. If the galvanized structures are returned that will be sufficient compliance of Section 143(1)(a) of the GST Act. [‘Ratan Projects and Engineering Co. Private Limited’ - 2019 (23) G.S.T.L. 416 (A.A.R. - GST),]*

Key Aspects to be noted

- In case of Principal removing the goods from the premises of the job worker, the principles of time, value and place of supply would have to be determined in the hands of the principal irrespective of the location of the job worker's place of business/premises.
- In case of exports directly from the job worker's place of business/premises, the LUT or bond, as the case may be, shall be executed by the principal.

Transportation of Goods without issue of Invoice

- Rule 55 of CGST Rules 2017

For the purposes of –

- (a) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
- (b) transportation of goods for job work,
- (c) transportation of goods for reasons other than by way of supply, or**
- (d) such other supplies as may be notified by the Board.

the consigner **may issue a delivery challan**, serially numbered not exceeding sixteen characters, in one or multiple series, in lieu of invoice at the time of removal of goods for transportation, containing the various details.

Documentation for movement of Goods under Job work

CBIC vide its Circular No.38/12/2018 has clarified the procedure of documentation to be followed

1) Where goods are sent by principal to only one job worker:

- The principal shall prepare in triplicate, the challan in terms of rules 45 and 55 of the CGST Rules, for sending the goods to a job worker.
- Two copies of the challan may be sent to the job worker along with the goods.
- The job worker should send one copy of the said challan along with the goods, while returning them to the principal after completing the job work.

2) Where goods are sent from one job worker to another job worker:

- In such cases, the goods may move under the cover of a challan issued either by the principal or the job worker.
- Alternatively, the challan issued by the principal may be endorsed by the job worker sending the goods to another job worker, indicating therein the quantity and description of goods being sent.
- The same process may be repeated for subsequent movement of the goods to other job workers.

Documentation for movement of Goods under Job work

3) Where the goods are returned to the principal by the job worker:

The job worker should send one copy of the challan received by him from the principal while returning the goods to the principal after carrying out the job work.

4) Where the goods are sent directly by the supplier to the job worker:

- Goods may move with a copy of the invoice issued by the supplier in the name of the buyer (i.e. the principal) wherein the job worker's name and address should also be mentioned as the consignee, in terms of rule 46(o) of the CGST Rules.
- The buyer (i.e., the principal) shall issue the challan under rule 45 of the CGST Rules and send the same to the job worker directly.

5) Where goods are returned in piecemeal by the job worker:

In case the goods after carrying out the job work, are sent in piecemeal quantities by a job worker to another job worker or to the principal, the challan issued originally by the principal cannot be endorsed and a fresh challan is required to be issued by the job worker.

E-way Bill compliances in case of Job work

- Rule 138 of CGST Rules 2017

- Where goods are sent by a principal located in one State or Union territory to a job worker located in any other State or Union territory, the e-way bill shall be generated either by the principal or the job worker, if registered, **irrespective of the value of the consignment.**
- In case of movement by unregistered person to a registered person the movement shall be said to be caused by such recipient [138(1) Expl-I]. Thus in case of un-registered job-worker, e-way bill to be generated by Principal.
- E-way bill can be generated by Principal or by Job worker (who causes movement of the goods)
- E-way shall be generated by the principal, wherever required, in case the job worker is unregistered.
- **Details to be entered in E-way bill:**
 - a. Document numbers: Tax Invoice number along with the details of Consignors Delivery Challan.
 - b. Valuation: Value of goods + job work charges (including taxes).
 - c. HSN is to be disclosed only for goods and not for services as only the goods are in

E-way Bill compliances in case of Job work

- Rule 138 of CGST Rules 2017

- For computing the value limit of Rs. 50,000/-, the job charges must be added to the value of goods supplied by the principal;
- What if the value of goods is not declared by the principal..??
- What if job charges are decided later based on receipt of the goods..??

Intimation under GST in case of Job Work

- Rule 45 (3) of CGST Rules 2017

- As per rule 45 (3) of the said rules, the principal manufacturer is required to file FORM GST ITC-04 mentioning therein details of challans in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another job worker.
- The detail in FORM GST ITC-04 needs to be filed on the quarterly basis on or before the 25th day of the month succeeding the said quarter.

Due dates of form ITC 04 for FY 2019-20:

Quarter	Due date	Extended Due date	Notification No.
April – June 2019	25 th July	31 st Aug 2019	32/2019 – Central Tax Dated 28th June, 2019.
July – Sep 2019	25 th Oct	-	-
Oct – Dec 2019	25 th Jan	-	-
Jan – March 2020	25 th April	30 th June 2020	No.35/2020 Central tax dated 03.04.2020

- Details of all the challans in respect of goods dispatched to a job worker in the period Jul,17 to Mar,19 but not received from a job worker or not supplied from the place of business of the job worker as on the 31st Mar, 2019 shall be furnished in FORM ITC-04 for the quarter Apr-Jun, 2019.

Form GST ITC 04

[See rule – 45(3)]

Details of goods/capital goods sent to job worker and received back

1. GSTIN -
2. (a) Legal name -
(b) Trade name, if any -
3. Period: Quarter - Year -

4. Details of inputs/capital goods sent for job-work

GSTIN / State in case of unregistered job- worker	Challan no.	Challan date	Description of goods	UQC	Quantity	Taxable value	Type of goods (Inputs/capital goods)	Rate of tax (%)			
								Central tax	State/ UT tax	Integrated tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12

5. Details of inputs/capital goods received back from job worker or sent out from business place of job-work

GSTIN / State of job worker if unregistered	Received back/sent out to another job worker/ supplied from premises of job worker	Original challan No.	Original challan date	Challan details if sent to another job worker			Invoice details in case supplied from premises of job worker		Description	UQC	Quantity	Taxable value
				No.	Date	GSTIN/State if job worker unregistered	No.	Date				
1	2	3	4	5	6	7	8	9	10	11	12	13

6. Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Place

Date

Signature

Name of Authorised Signatory

Designation /Status.....

Concessional Tax rates of certain Job work services

SAC code	Description of service	Rate (%)
9986	Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fiber, fuel, raw material or other similar products or agricultural produce .	Nil
9988	(i) Services by way of job work in relation to- (a) Printing of newspapers; (b) Textiles and textile products (c) all products falling under Chapter 71 [other than diamonds] (d) Printing of books (including Braille books), journals and periodicals; (da) Printing of all goods falling under Chapter 48/49 having IGST rate of 5% or Nil; (e) Processing of hides, skins and leather (f) all food and food products (g) all products falling under Chapter 23 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), except dog and cat food put up for retail sale (h) manufacture of clay bricks (i) manufacture of handicraft goods.	5

Concessional Tax rates of certain Job work services

SAC code	Description of service	Rate (%)
9988	(ia) Services by way of job work in relation to- (a) manufacture of umbrella; (b) printing of all goods falling under Chapter 48 or 49, which attract IGST @ 12%.	12
9988	(ib) Services by way of job work in relation to diamonds falling under chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);	1.5
9988	(ic) Services by way of job work in relation to bus body building; [Explanation- For the purposes of this entry, the term “bus body building” shall include building of body on chassis of any vehicle falling under chapter 87 in the First Schedule to the Customs Tariff Act, 1975.]	18
9988	(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;	12
9988	Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), 109 [(ib), (ic), (id),] (ii), (iia) and (iii) above.	18

Milling of Paddy into Rice

Milling of paddy is not an intermediate production process in relation to cultivation of plants. It is a process carried out after the process of cultivation is over and paddy has been harvested. Further, processing of paddy into rice is not usually carried out by cultivators but by rice millers. Milling of paddy into rice also changes its essential characteristics.

Therefore, milling of paddy into rice cannot be considered as an intermediate production process in relation to cultivation of plants for food, fibre or other similar products or agricultural produce.

In view of the above, it is clarified that milling of paddy into rice is not eligible for exemption and GST rate on services by way of job work in relation to all food and food products falling under Chapters 1 to 22 has been reduced to 5%.

Circular No. 19/19/2017-GST, dated 20-11-2017

Inverted rate refund for job workers

Issue: *Whether independent fabric processors (job workers) in the textile sector supplying job work services are eligible for refund of unutilized input tax credit on account of inverted duty structure under section 54(3) of the CGST Act, 2017, even if the goods (fabrics) supplied are covered under Notification No. 5/2017-Central Tax (Rate), dated 28-6-2017?*

Ans: *Hence, it is clarified that the fabric processors shall be eligible for refund of unutilized ITC on account of inverted duty structure under section 54(3) of the CGST Act even if the goods (fabrics) supplied to them are covered under Notification No. 5/2017-Central Tax (Rate), dated 28-6-2017.*

[Circular No. 48/22/2018-GST, dated 14-6-2018]

Cross Border Job work transactions

- Goods supplied outside India to a foreign Job worker and returned after completion of the job work activity. Taxability?
 - Exemption from customs duty under noti.no.45/2017 be explored
- Goods supplied by a foreign principal to a job worker in India and returned outside India after completion of the job work activity.. Taxability?
 - Customs exemption under 32/97 of customs.
 - No GST payable - Section 13(3) (a) - In case of services supplied in respect of goods which are temporarily imported into India for repairs or for any ***other treatment or process*** and are exported after such repairs or treatment or process without being put to any use in India, other than that which is required for such repairs or treatment or process. – Place of supply would be **recipient's location** – From 01.02.2019
 - For past transactions, liability?

Transitional provision – Job work

- Inputs/ semi-finished goods removed in Old regime for job work returned in GST regime
 - Not taxable – if returned within 6 months from appointed day. Allowed to extend for another 2 months by the Commissioner
 - If above conditions not met – ITC liable to be recovered u/s 142(8)(a)
 - The manufacturer may transfer the goods from said other premises on payment of tax in India or without payment of tax for Export within the specified period
- The tax under sub-sections (1), (2) and (3) shall not be payable, only if the manufacturer and the job worker had declared the details of the inputs or goods held in stock by the job worker on behalf of the manufacturer in TRAN-1.

THANK YOU



- mahadev@hiregange.com