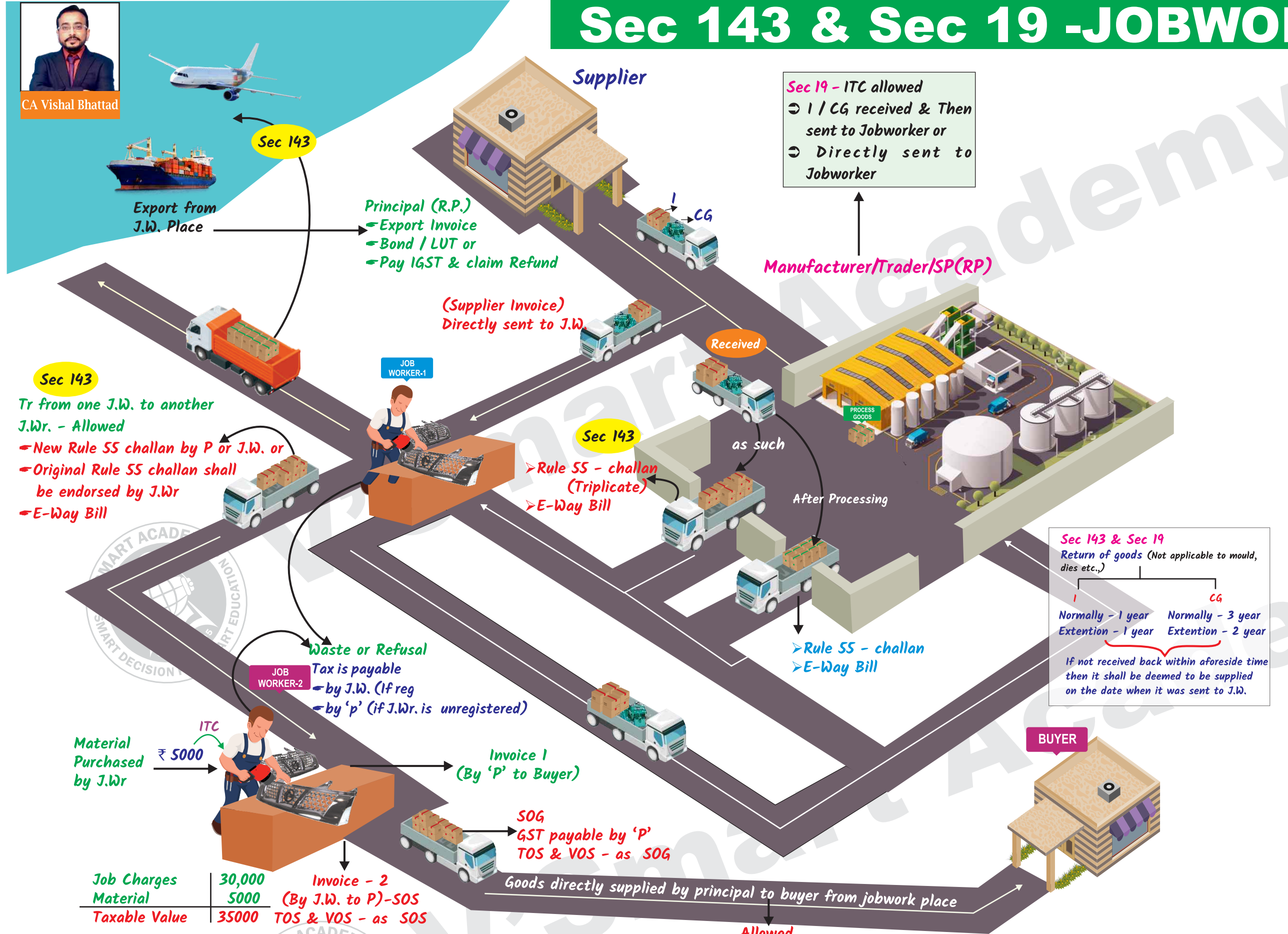


Sec 143 & Sec 19 -JOBWORK



CA Vishal Bhattad



Summary

Supply to Job worker without Payment of Tax (Sec 143)	A registered person ("Principal") may send any input or capital goods, to a job worker, to any of his place of business for job-work and from there subsequently sent to another job worker without payment of tax. Goods shall be sent under Rule 55 challan.									
Continuity of ITC (Sec 19)	The principal shall, be allowed ITC on inputs/capital goods sent to a job-worker for job-work. ITC Shall be allowed even if the inputs are directly sent to a job worker for job-work without being first brought to his place of business.									
Time limit for return by Jobworker	<table border="1"> <thead> <tr> <th>Item</th> <th>Time limit for return</th> </tr> </thead> <tbody> <tr> <td>Inputs</td> <td>Within 1 year (extension 1 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.</td> </tr> <tr> <td>Capital Goods</td> <td>Within 3 year (extension 2 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.</td> </tr> </tbody> </table>	Item	Time limit for return	Inputs	Within 1 year (extension 1 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.	Capital Goods	Within 3 year (extension 2 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.			
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Direct Supply by the Principal from Job workers Premises	Within the above time limits, the principal shall effect supply ↳ within India (on payment of tax) and ↳ to exports (without payment of taxes)									
Restriction	Principal cannot supply the goods directly from the place of business of a job worker unless the principal declares the place of business of the job-worker as his additional place of business. [Above restriction is not applicable when - i) Jobworker is registered u/s 25, ii) Principal is engaged in the supply of notified goods]									
Failure to return goods within time limit - Deemed supply	Where the Inputs/Capital goods sent for Jobworker are not received back by the principal or not supplied from his place of business within a period of 1 year/3 years (or extended period) of being sent out, it is deemed that goods had supplied by the principal									
Proper Accounts to be kept	Principal is responsible for keeping proper accounts									
Waste/Scrap Generated	May be supplied by the jobworker directly from his place of business on payment of tax, or by the principal									
Details of Challan to be included in Returns - ITC 04	<table border="1"> <thead> <tr> <th>T/O</th> <th>Period</th> <th>Due Date</th> </tr> </thead> <tbody> <tr> <td>If Agg. T/O is exceeds 5Cr</td> <td>a) April - Sep b) Oct - March</td> <td>25th of Next Month</td> </tr> <tr> <td>Other</td> <td>Financial Year</td> <td></td> </tr> </tbody> </table>	T/O	Period	Due Date	If Agg. T/O is exceeds 5Cr	a) April - Sep b) Oct - March	25th of Next Month	Other	Financial Year	
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Issue	Clarification
Is it compulsory to take registration for a P involved in J.W. transaction?	No, It is his choice whether or not to register. Sec 143 applicable only to a registered person.
Registration J.W. is required ? i) J.W. and P in a same state. or ii) J.W. and P in a different state.	J.W. is required to obtain registration only in cases where his Agg.T/O in a F.Y. exceeds the threshold limit regardless of whether the P and the J.W. in the same or in different States.

Issue	Clarification
If P supplies goods directly from the J.W.'s premises to customer then who will be the supplier of goods?	It will be regarded as supply by the P and not by the J.W. (provided it is an additional place to the principal).
Filing ITC-04 will be considered as a submission of intimation under sec 143 of CGST act, 2017?	Yes, It is the responsibility of the P to include the details of all the challans relating to goods sent by him to one or more J.W. from one J.W. to another and its return there from.

Issue	Clarification
Who will avail ITC i) in respect of inputs / capital goods that are directly received by the J.W.	ITC would be available to the P, irrespective of the fact whether the Inputs or Capital goods are received by the principal and then sent to the J.W. for processing or they are directly received at the job.
ii) J.W. in respect of inputs, etc. used by him in supplying J.W. services	Job worker is also eligible to avail ITC on inputs, etc. used by him in supplying the J.W. services if he is registered.

