Chapter 16

Jobwork

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01. Important Definitions

MCQ 16.01.01.00

Manufacturing alcoholic liquor on behalf of brand name owner is _____.

a. Supply b. Job work
c. Not supply d. Not job work

[Hint:- Refer Sec 2(68):- Definition of job work - job work is process done on another's goods and not manufacturing on its own]

02. Sec 143:- Job Work Procedure read with Sec 19 (ITC for Job Work)

MCQ 16.02.02.00

Section ____ CGST Act,2017 makes provisions for special procedure for removal of goods for job work without payment of tax.

a. 18 b. 19
c. 143 d. 141

[Hint: Refer Sec 143]

MCQ 16.02.03.00

Which are the possible situations once the job work is completed by the job worker?

a. Principal may bring back the goods
b. Principal may ask the job worker to send it to another job worker
c. Principal may directly sell the goods from place of business of job worker
d. All of the above

[Hint: Refer Sec 143]

MCQ 16.02.04.00

From when will the period of one or three years be calculated under Section 143?

a. The day when such inputs and/or capital goods sent to job-worker
b. The day when the job-worker receives the said goods, in case where the goods were directly sent to the jobworker
c. Both (a) and (b)
d. None of the above

[Hint:- Refer sec 143(1) read with proviso to sec 19(3)]

MCQ 16.02.05.00

What will be the consequence, if the goods are not returned by the job worker within stipulated time?

a. Tax is payable by the principal with interest from the date on which goods were sent for job work
b. Principal shall raise tax invoice and include it in his return
c. The day when job worker would return the goods, is he would be treated as supplier and will be liable to pay GST, if he liable for registration
d. Job worker can claim ITC of tax paid on deemed supply
e. All of the above are the subsequent consequences

[Hint:- Refer sec 143(3)]

MCQ 16.02.06.00

Who should discharge the liability of GST on the scrap generated during job-work?

a. Job-worker, if registered
b. Principal, if job-worker is not registered
c. Always principal
d. Option (a) or (b)

[Hint: Refer Sec 143(5)]

MCQ 16.05.07.00

Can the taxable supply made by the job- worker on behalf of his principal be considered for computing his aggregate turnover?

a. Yes, it can be considered for computing the aggregate turnover
b. No, it cannot be considered for computing the aggregate turnover

[Hint:- Refer explanation to sec 24]

03. Numerical Questions:-

MCQ 16.03.08.00

Lex Corp. (P) Ltd. is a manufacturer of fruit juices registered under GST. It purchases plastic bottles and cardboard and sends the same for affixing stickers on plastic bottles and manufacturing boxes from cardboard to a registered job worker, Hammer Industries (P) Ltd. These raw materials are sent directly from the place of business of supplier to the premises of job worker. Lex Corp. (P) Ltd. booked input tax credit on purchase of such items.

The following transactions took place in this regard:

Value of goods sent to job worker	Input tax paid on such goods	Date of purchase of goods by Lex Corp. (P) Ltd.	Date of receipt of goods by Hammer Industries (P)Ltd.	Date of goods received back from Hammer Industries (P) Ltd.
₹50,000	₹6,000	10-07-2025	15-07-2025	12-07-2026
₹2,00,000	₹24,000	25-09-2025	27-09-2025	13-10-2026
₹8,00,000	₹96,000	22-12-2025	25-12-2025	16-08-2027
₹10,00,000	₹1,20,000	21-01-2026	25-01-2026	23-01-2027
₹3,50,000	₹42,000	24-02-2026	26-02-2026	28-02-2027

Determine the total amount to be added to the output tax liability of Lex Corp. (P) Ltd. in case of violation of provision of Sec 143 of the CGST Act, 2017 in different point of times assuming that there was no extension granted by the Commissioner in terms of proviso to section 143(1) in any of the above cases. [CA final RTP Nov 19][Study Mat]

a. ₹ 2,88,000/- + Interest @ 18%

b. ₹ 2,88,000/- + Interest @ 24%

c. ₹1,62,000/- + Interest @ 24%

d. ₹1,62,000/- +Interest @ 18%

[Hint:- Refer sec 143(1) read with proviso to sec 19(3)- thus, addition = ₹24000 + ₹96000 + ₹42000] & interest is @18% p.a.]

Answer:-

16.01.01	d
16.02.02	c
16.02.03	d
16.02.04	c
16.02.05	e
16.02.06	d
16.02.07	b
16.03.08	d