



## GST ALERT VII

### JOB WORK UNDER GST

S. 143 of the Central Goods & Service Tax Act (CGST Act) lays down provisions as regards job work under GST era.

Salient features thereof are as under:

1. Principal may send goods for job work or capital goods (or moulds, dies, jigs, fixtures or tools) to job worker either in same state or another state, without payment of GST, subject to conditions to be prescribed
2. Principal will be eligible for full input tax credit (ITC) on such goods, capital goods as well as moulds, dies, jigs, fixtures & tools, subject to general rules of GST.
3. Such goods (whether partly processed or unprocessed) may be sent to second job worker & so on.
4. The principal has to bring back goods/ inputs (whether processed or not) within one year and capital goods within three years. No such condition to bring back moulds, dies, jigs, fixtures & tools.
5. In case of failure to bring back goods (input) and capital goods within prescribed time, it will be treated as taxable supply by principal who would be liable to pay GST with interest, on the expiry of aforesaid prescribed time.
6. Principal has option to supply such goods / inputs (processed or otherwise) within one year & capital goods within three years, directly from the place of job worker, on payment of tax or export out of India, subject to:

i. Either place of business (POB) of job worker has been declared by Principal as latter's additional POB

OR

ii. Job worker is registered

7. Any waste / scrap generated during the job work may be supplied by the job worker directly from his POB on payment of tax or by the Principal if job worker is not registered.

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Date: 25<sup>th</sup> May, 2017