

JOB WORK, SCRAP AND WASTE GENERATED AT JOB WORK

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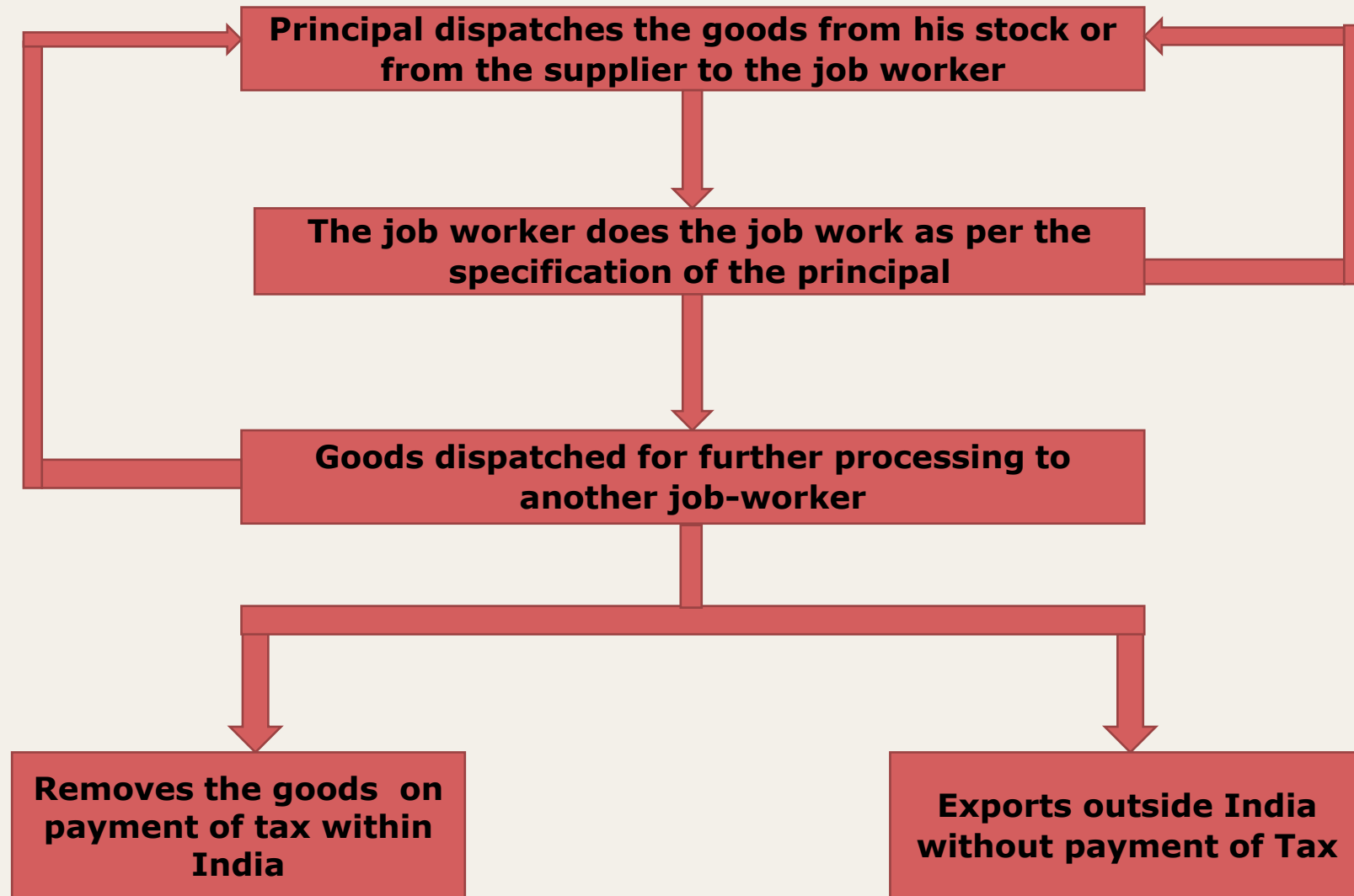
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Job Work is defined under section 2(68) of the GST act **as any treatment or process undertaken by a person on goods belonging to another registered taxable person and the expression "job worker" shall be construed accordingly**

In a manufacturing process the manufacturer carries out part of the manufacturing process through a job worker. The materials will be supplied to the job worker and the work will be carried out according to the specification of the manufacturer. The processed goods after the process is returned back to the supplier.

WORK FLOW IN JOB WORK



STATUTORY PROVISIONS

DISPATCH OF TAXABLE GOODS

The taxable goods may be dispatched by the principal from his factory or directly from the supplier of goods.

The principal shall intimate about the goods to be sent by the principal to the job worker and the nature of processing to be carried out by the job worker. In case the goods are to be sent to another job worker for further processing the letter/work order shall contain the name and address of the other job worker. In case of capital goods, the description of the capital goods and its use in the processing of goods carried out by the job worker must also be mentioned.

Since the inputs and capital goods are sent to the job worker without payment of tax, the credit of tax shall not be reversed by the principal.

RETURN OF GOODS

By the Principal

The Principal shall after the completion of the process

Bring back Inputs after completion of job work or otherwise or capital goods other than moulds and dies , jigs and fixtures or tools within one and three years of their being sent out to any of his place of business without payment of tax.

Supply such Inputs, after the completion of job work or otherwise or capital goods other than moulds and dies , jigs and fixtures or tools within one and three years, of their being sent from the place of business of a job worker on payment of tax within India or with or without payment of tax for export.

The principal shall unless the job worker is registered under section 25 declare the place of business of the job worker as his additional place of goods.

By the Job Worker

The job worker shall after the processing clear the goods to

Another job worker for further processing.

Send goods to any place of the principal without payment of tax.

Remove goods on payment of tax within India or without payment of tax for export outside India.