



# **AKOLA BRANCH OF WIRC OF ICAI**

**NEWSLETTER**

**for the month of  
November 2020**

**Torch Bearers Year 2020 - 21**  
**The Institute of Chartered Accountant of India**



**CA. Atul Kumar Gupta**  
President



**CA. Nihar Niranjn Jambusaria**  
Vice President

**Torch Bearers Year 2020 - 21**  
**Western India Regional Council**



**CA. Lalit Bajaj**  
Chairman



**CA. Vishal Doshi**  
Vice Chairman



**CA. Murtuza Kachwala**  
Secretary



**CA. Anand Jakhotiya**  
Treasurer



**CA. Hitesh Pomal**  
Chairman-WICASA

**AKOLA BRANCH OF WIRC OF ICAI MANAGING COMMITTEE**  
**YEAR 2020-21**



**CA Jalaj Baheti**  
Chairman



**CA Keyur Dedhia**  
Vice - Chairman & Treasurer  
WICASA chairman



**CA Deepak Agrawal**  
IPC & Secretary



**CA Gaurishankar Mantri**  
Executive Member



**CA Hiren Jogi**  
Executive Member



**CA Jayesh Kala**  
Branch Nominee

## EDITORIAL BOARD

**CA Prasad Deshpande**  
Chair - person

**CA Dhiraj Chandak**  
Convenor

### - Members -

**CA Apoorv Deshpande**

**CA Jayesh Relkar**

**CA Saket Rathi**

**CA Jitesh Agrawal**

**CA Shahzeb Khan**

**CA Prakash Vishwakarma**

## What's ? **Inside**

<b>  Branch Chairman's Message</b>	<b>1</b>
<b>  Article I</b>	<b>2</b>
<b>  Quote</b>	<b>6</b>



## **Chairman Message**

Dear Members,

“SUBH VIJAY DASHMI & HAPPY DEEPAWALI!!”

Vijay Dashmi signifies the victory of Good over Evil, Deepawali or Diwali as now we pronounce is the spreading of light by lighting lamps or DIYAS. It signifies victory of Knowledge over ignorance.

This festival have an important significance in our day to day life, more so in the life of a CA. Both Good or Bad live within us. The battle continues within ourselves, whom we should yield to. It depends on us whether we give ourselves to evil or let goodness within us prevail.

During this pandemic time we should take utmost care of ourself and our family members and celebrate this festival time following all rules and norms prescribed by the Government so that no one is infected .

CA Examination are scheduled from 21<sup>st</sup> of November and all necessary arrangement with additional center this time has been done by branch managing committee under guidance of ICAI HO. Students have given OPT Out option till 14<sup>th</sup> of Decmenber if they fell they are infected by the virus of they are not keeping well.

My sincere request to all the members to encourage students to attend November examination as all due care and precautions is taken care by ICAI, no students need to worry for arrangement at exam centers and all prescribed guideline are religiously followed .

Stay safe during Diwali and Spread Knowledge by light everywhere

May the light of Diyasgudie us on the Success and Happiness. I hope and pray that this Diwali illuminate a new chapter of our life

**Happy Diwali!**

Thank You

**Regards**

**CA Jalaj R Baheti**

**Chairman- Akola Branch**

## JOB WORK- GST Complete Guide

In this article I am trying to compile all the provisions which are applicable to job work transaction.

Following points will be covered-

- 1) Definition of Job work
- 2) Requirement of Registration
- 3) Requirement of E-Way bill
- 4) Place of supply
- 5) Time limit for goods return to the principle
- 6) Input Tax Credit
- 7) Date of Filing return
- 8) Valuation & taxability of the services
- 9) Responsibility of documentation
- 10) Treatment of waste if any

1) Definition of Job work:

Section 2(68) of the CGST Act defines job work to mean any treatment or process undertaken by a person on goods belonging to another registered person and the ownership of the goods does not transfer to the job-worker but it rests with the principal manufacturer

2) Requirement of Registration: If the receipts of job worker exceed more than 20 lakhs other than specified states then only job worker is liable for registration.

3) Requirement of E-Way Bill: every registered person who causes movement of goods of consignment value exceeding more than 50000/- or the limit specified by the states needs to be furnish the information in E-Way bill.

*However the above limit is not applicable if it is inter-state supply.*

4) Place of Supply: For charging GST place of supply is very important. For deciding which tax should be levied i.e. CGST/SGST/IGST then it should be considered from Principle perspective and not from Job work perspective.

Sr No.	Location of Principle	Location of Job Worker	Location of Recipient	POS (where delivery of Goods terminates)	Levy of Taxes

1	Delhi	Mumbai	Mumbai	Delhi	IGST
2	Delhi	Mumbai	Delhi	Delhi	CGST + SGST

#### 5) Time Limit to return the goods –

According to section 143 of CGST Act provides that the registered principal may send inputs or capital goods or both to a job worker for job work without payment of tax and subsequently to another job worker and so on if required, provided the goods has to be received back/supplied including sale/ export from Job worker's place (refer note) within stipulated time as follows:

Sr No	Type of Goods	Time limit
1	Inputs	within 1 year from the date of its removal for job work
2	Capital goods	within 3 years from the date of its removal for job work

*However it can be extended for 1year/ 2 years for inputs/capital goods with the prior permission of Commissioner.*

If the goods are not return back which is specified above then it will be deemed that there is supply and principal is liable to pay taxes along with interest from the date of sending the goods

Note: Principal has declared job worker's place as additional place of business

#### 6) Input Tax Credit:

1. Principal can avail the credit according to section 16 subject to fulfillment of the conditions & restriction mentioned in section 17
2. Other than above, principal can avail credit ITC as per section 19 which provides that ITC on goods supplied to job worker by the principal would be entitled to take the credit of input tax paid on inputs/capital goods sent to the job- worker for the job work.
3. Further the principal can take the credit even when the goods have been directly supplied to the job worker without bringing into the premise of the principal.
4. The principal need not wait till the inputs/capital goods are first brought to his place of business.

#### 7) Date of Return filing:

The principal is required to file statement of records in ITC-04 on common portal on quarterly basis by 25<sup>th</sup> of the month succeeding the quarter.

Under form GST ITC – 04, following details are to be provide:

Goods dispatched to job-worker;

Goods received from job-worker;

Goods send from one job-worker to another job-worker.

8) Valuation and taxability of services:

Job worker has to issue an invoice for the value of his services i.e. for job work charges. As per section 15(2)(b) of CGST Act, any amount that the supplier is liable to pay in relation to the supply but which has been incurred by the recipient will form part of the valuation for that supply, if it has not been included in the price of such supply.

Following is the summary of rate which is in force

Sr No	Type of services	Rate of tax
1	26 (i) Services by way of job work in relation to specified in—	5%
2	26 (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;	3%
3	26 (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	12%
4	26 (ic) Services by way of job work in relation to bus body building;	18
5	26 (id) Services by way of job work other than (i), (ia), (ib) and (ic) above;	12%
6	26 (iii) tailoring services	5%
7	26 (iv) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (id), (ii), (iia) and (iii) <del>above</del> .	18%

## 9) Responsibility of Documentation

Principal is solely responsible for keeping proper records of inputs and capital goods sent to job worker for job work.

## 10) Treatment of waste

As per section 143 (5) of the CGST Act, 2017, waste generated at the premises of the job-worker may be supplied directly by the registered job-worker from his place of business on payment of tax, in such case GST is payable by job-worker, however, if job-worker is not registered than such waste may be cleared by the principal manufacturer and GST would be payable by the principal manufacturer.

Other benefit:

a. According to Rule 45 of CGST Rule 2017, principal which provides that the inputs, semi-finished goods or capital goods being sent for job work (including that being sent from one job worker to another job worker) can be sent by way of delivery challan without the payment of taxes subject to return back provision.

CA Monika Rathi



Your authority extends only  
to the performance of  
action; obtaining or not  
obtaining the fruit is never  
within your control;  
therefore, do not be one  
who performs action with a  
motive that a specific fruit  
should be obtained; nor  
insist on not-performing  
action.

Bhagavad Gita