

Handbook on Job Work under GST (June, 2026)



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

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First Edition	:	August, 2017
Second Edition	:	June, 2018
Third Edition	:	April, 2020
Fourth Edition	:	June, 2026
Committee/Department	:	GST & Indirect Taxes Committee
E-mail	:	gst@icai.in
Website	:	http://www.icai.org ; http://www.idtc.icai.org
Price	:	₹ 110/-
ISBN	:	978-81-8441-980-1
Published by	:	The Publication Directorate on behalf of The Institute of Chartered Accountants of India ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi - 110 002 (India)
Printed by	:	SAP Print Solutions Pvt. Ltd., 28A, Lakshmi Industrial Estate, Lower Parel, Mumbai - 400 013 (India) June 2026 P4244 (Revised)

Foreword

Since its implementation on 1st July 2017, the Goods and Services Tax (GST) has emerged as one of the most significant indirect tax reforms in India. By subsuming multiple indirect taxes at the Central and State levels, GST has created a unified national market, dismantling fiscal barriers across States, and mitigated the cascading effect of taxes through the seamless flow of Input Tax Credit across goods and services. Over the years, the GST framework has steadily evolved through legislative amendments, technological advancements, and procedural refinements, with the authorities proactively addressing stakeholders' concerns through notifications, clarifications, and guidelines.

Within this evolving framework, the Institute of Chartered Accountants of India (ICAI), through its GST & Indirect Taxes Committee, has consistently played a proactive and catalytic role in the implementation and development of GST in India. The Institute has been providing valuable suggestions to the Government at each stage and has actively contributed to knowledge dissemination and capacity building through technical publications, newsletters, e-learning programmes, certificate courses, webcasts and other stakeholder outreach initiatives.

I am pleased to note that the GST & Indirect Taxes Committee has revised its publication, "Handbook on Job Work under GST", incorporating the latest amendments and developments and presenting the subject in a clear, concise, and user-friendly manner for the benefit of members, taxpayers and stakeholders.

My sincere appreciation to CA. Umesh Sharma, Chairman; CA. Rajendra Kumar P, Vice-Chairman; and all the members of the GST & Indirect Taxes Committee of ICAI for their initiative in revising this Handbook and for their continued efforts in providing timely guidance to members and stakeholders.

I am confident that this publication will prove to be a valuable resource for all the readers in effectively discharging their responsibilities and enabling them to better understand and effectively comply with the provisions relating to job work under GST.

CA. Prasanna Kumar D

President, ICAI

Date: 12.06.2026

Place: New Delhi

Preface

Job work is an integral aspect of the GST framework, with significant implications for the manufacturing and processing sectors across India. The provisions governing job work under GST are designed to facilitate the movement of goods for processing without treating such movement as a taxable supply, thereby reducing the compliance burden on principal manufacturers and job workers. However, issues relating to the scope of "job work", the principal-job worker relationship, compliance with time limits for the return of goods, treatment of waste and scrap, and the applicable conditions for input tax credit often require careful examination. Given the practical significance of these provisions and the amendments introduced over the years, a clear and structured understanding of the job work framework is essential for practitioners, manufacturers, and all other stakeholders.

With this objective, we are pleased to present the revised edition of the **"Handbook on Job Work under GST"**, comprehensively updated up to 31-05-2026. This Handbook covers aspects related to job work at one place and is intended to provide general guidance to members and other stakeholders, assisting them in resolving issues that may arise in the course of GST compliance.

We express our sincere gratitude to CA. Prasanna Kumar D, President, ICAI and CA. Mangesh Kinare, Vice-President, ICAI, for the encouragement and support extended by them to the various initiatives of the GST & Indirect Taxes Committee. We express our gratitude to CA. Satish Saraf, Co-Opted Member to the Committee, for revising the Handbook. We acknowledge the dedicated efforts of CA. Jaya Kumari from the Committee's Secretariat in providing essential technical and administrative support in bringing out this publication.

While due care has been taken to ensure the accuracy of the contents in line with the prevailing legal position, divergent views may exist on certain issues. We welcome feedback and suggestions from readers on any inadvertent errors or omissions at gst@icai.in. Readers are also encouraged to visit <https://idtc.icai.org> for a wide range of technical and educational resources on GST.

CA. Umesh Sharma

Chairman

GST & Indirect Taxes Committee

CA. Rajendra Kumar P

Vice-Chairman

GST & Indirect Taxes Committee

Date: 12.06.2026

Place: New Delhi

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Job Work under GST Regime

I. Meaning of Job Work

Section 2(68) of the CGST Act, 2017 defines Job Work:

“job work” means any treatment or process undertaken by a person on goods belonging to another registered person and the expression “job worker” shall be construed accordingly.

Hence, for treating anything as job work there ought to be: -

- Two persons;
- The goods should belong to another registered person;
- Treatment or process to be undertaken on the said goods shall be by the job worker, whether registered or not.

The definition of job work also contemplates that the person i.e. principal should be a registered person. Thus, if some treatment or process is undertaken by a job worker on goods belonging to an unregistered person, it will not be considered as job work as per the above definition. Therefore, in a case where the principal is not a registered person, the activity may not qualify as job work and may be classified as residual category, if there is no specific rate prescribed, which may attract a different rate of tax. As per Schedule II Entry No. 3 which reads: *“Any treatment or process which is applied to another person’s goods is a supply of services.”*

The job work provisions are facilitative procedures enumerated in law, assessee has choice to opt for the same or not as clarified *vide Circular No. 38/12/2018 dated March 26, 2018.*

Contract Manufacturing:

Another question that arises here is whether principal getting his goods manufactured through contract manufacturing can be allowed to take benefit of these provisions. The answer will be yes, if ownership of the raw materials is with principal while sending these goods to the job worker.

Packing, Re-packing, Testing & Inspection, Labelling etc. :

Where principal sends his goods for testing or labelling to another person, the same will be treated as *“treatment or process”*.

As per the circular issued by CBIC *supra* it is clarified that “the definition of job work, as contained in clause (68) of section 2 of the CGST Act, entails that the job work is a treatment or process undertaken by a person on goods belonging to another registered person. Thus, the job worker is expected to work on the goods sent by the principal and whether the activity is covered within the scope of job work or not would have to be determined on the basis of facts and circumstances of each case. Further, it is clarified that the job worker, in addition to the goods received from the principal, can use his own goods for providing the services of job work.”

II. Nature of Supply

As mentioned above as per entry 3 to **Schedule II**, any treatment or process which is applied to another person's goods is a **supply of services**.

Hence, for the purposes of determining the value of the job work charges as per explanation (ii) to section 22 of CGST Act, 2017, the value of the goods supplied by the principal shall not be included in the aggregate turnover of the registered job worker. This means that as the liability to discharge tax under Section 143 would lie on the principal, the job worker would not include the same in his value for the purpose of calculating the threshold limits.

But in a case where an unregistered job-worker receives goods from an unregistered principal then this benefit will not be available to him and value of the supply of goods of unregistered principal, after completion of job work, by the job-worker shall be treated as the supply of goods by him and the value of such goods shall be included in the aggregate turnover of the job worker. As a result, the job-worker's aggregate turnover may cross the threshold and become liable to be registered.

III. Procedure for supplying goods to Job Worker

1. Section 143 of the CGST Act, 2017 deals with job work procedure. The principal may under intimation send any inputs, semi-finished goods or capital goods without payment of tax to a job worker for job work and from there subsequently send to another job worker and likewise. The principal is required to file Form GST ITC-04 by the 25th day of the month succeeding the quarter. The said form will serve as intimation as envisaged under section 143 of the CGST Act, 2017. Further, this requirement of filing Form GST ITC-04 has been withdrawn vide Notification 38/2019 Central Tax dated August 31, 2019, for the period

July 2017 to March 2019. At the same time, the Form GST ITC-04 for the period April 2019 to June 2019 shall be filed with document-wise details of opening balance of goods available with the Job worker. Rule 45(3) of CGST Rules, 2017 as amended by Central Tax Notification No: 35/2021, DT: 24-09-2021, the principal has to file Form GST ITC-04 within 25 days from the specified period. The specified date is (1) in case of principal having aggregate turnover more than Rs. 5.00 Crores – Six consecutive months commencing on 1st day of April & 1st day of October & (2) a financial year in any other case.

2. As per Rule 45 of the CGST Rules, 2017, the principal can send goods for job work purpose without payment of GST under the cover of delivery challan and it shall contain the details as specified in Rule 55 of the CGST Rules, 2017.

Documents required to be issued for sending the goods:

- (i) *By principal to the job worker* – The principal shall prepare delivery challan in triplicate, two copies of which may be sent to the job worker along with goods. The job worker should send one copy of the said challan along with the goods, while returning them to the principal.
 - (ii) *From one job worker to another job worker* – Goods may move under the cover of a challan issued either by the principal or the job worker. Alternatively, the challan issued by the principal may be endorsed by the job worker indicating the quantity and description of goods being sent.
 - (iii) *From the job worker back to the principal* – The job worker should send one copy of the challan received by him from the principal.
 - (iv) *In piecemeal by the job worker* – The challan issued originally by the principal cannot be endorsed and a fresh challan is required to be issued by the job worker.
3. As per third proviso to Rule 138 of the CGST Rules, 2017 it is compulsory that when the principal and the job worker are situated inter-state, job work transactions, e-way bill must be generated for inter-state movement of goods irrespective of the monetary limit.

4. For E-way Bill provisions relating to movement of goods Outward and Inward on account of job work, readers may refer *Handbook on E-way Bill under GST*.
5. As per Sections 19(2) (Inputs) and 19(5) (Capital Goods) of CGST Act, 2017, the principal can also send goods directly to the place of job worker without receiving the said goods in his premises first and Input Tax Credit can also be availed in such cases though the principal has not received the goods.
6. It is clarified by Circular No. 38/12/2018, that goods may be moved from the place of business of the supplier to the place of business/premises of the job worker with a copy of the invoice issued by the supplier in the name of the principal wherein the job worker's name and address should also be mentioned as the consignee, in terms of rule 46(o) of the CGST Rules, 2017. The buyer (i.e., the principal) shall issue the challan under rule 45 of the CGST Rules, 2017 and send the same to the job worker directly as mentioned above. In case of import of goods by the principal, which are then supplied directly from the customs station of import, the goods may move from the customs station of import to the place of business/premises of the job worker with a copy of the Bill of Entry and the principal shall issue the challan under rule 45 of the CGST Rules and send the same to the job worker directly.
7. On the job work charges, GST will be charged by the job worker if the job worker is registered. Input Tax Credit of the same can be availed by the principal.

IV. Removal of inputs/semi-finished goods/ capital goods by Principal to a Job Worker:

(i) Inputs/ Semi-finished goods

- (a) The principal can send inputs (including intermediate goods) for job work purpose without payment of GST but the same should be received back within 1 year of goods being sent out. Further, Inputs after job work activities can be received back at **any of the place of business of the principal**. Therefore, inputs can be received back at the principal place of business or even at any of the place registered as an additional place of business.

- (b) In case the inputs are sent directly to a job worker, the period of 1 year shall be counted from the date of receipt of inputs by the job worker. The bill to ship module be followed
- (c) When such inputs are further sent by one job worker to another, then the entire process of job work from more than one job worker shall be considered for computing the period of 1 year.
- (d) The period of 1 year shall, on sufficient cause being shown, be extended by Commissioner for a further period of 1 year.
- (e) If the inputs are not received back within 1 year, then the same shall be treated as “supply” from the date the said inputs were sent out. The said supply shall have to be declared in FORM GSTR-1 and the principal shall be liable to pay the tax along with applicable interest.

(ii) Capital Goods

- (a) The principal can send capital goods for job work purpose without payment of GST but the same should be returned within 3 years of their being sent out. Capital Goods can be received back at **any of the places of business of the principal**. Therefore, capital goods can be received back at the principal place of business or even at any of the places registered as additional place of business.
- (b) In case the capital goods are sent directly to a job worker, the period of 3 years shall be counted from the date of receipt of capital goods by the job worker.
- (c) When such capital goods are further sent by one job worker to another, then the entire process of job work from more than one job worker shall be considered for computing the limit of 3 years.
- (d) The period of 3 years shall, on sufficient cause being shown, be extended by Commissioner for a further period of 2 years.
- (e) If the capital goods are not returned within 3 years, then the same shall be treated as “supply” from the date the said capital goods were sent out. The said supply shall be declared in

FORM GSTR-1 and the principal shall be liable to pay the tax along with applicable interest.

(iii) Moulds and dies, jigs and fixtures or tools

- (a) The principal can send moulds and dies, jigs and fixtures, or tools for job work purpose without payment of GST.
- (b) The above time limit of 1 year / 3 years for receiving back the said goods will not apply to moulds and dies, jigs and fixtures, or tools.

Inputs	Capital Goods	Moulds and dies, jigs and fixtures, or tools
• Within 1 year	• Within 3 years	• No time limit

V. Return of Goods by Job Worker

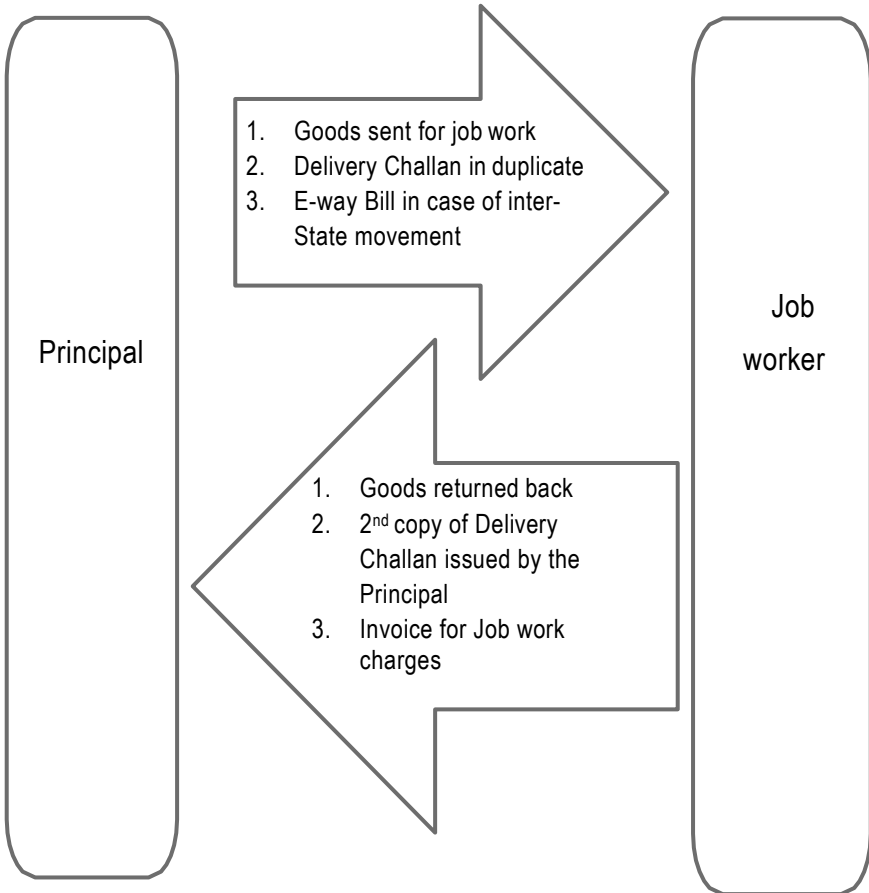
1. After completion of the job work, the job worker shall return the said goods to the principal's premises under delivery challan and prepare his invoice for job work charges.
2. While returning the goods after completion of job work, to the principal, the job worker should send one copy of the challan received by him from the principal. If the goods are sent in piecemeal quantities by a job worker to another job worker or to the principal, the challan issued originally by the principal cannot be endorsed and a fresh challan is required to be issued by the job worker.
3. Further, after the completion of job work, such goods can be directly supplied from the place of the job worker to the customer if: -
 - (a) the job worker is registered; or
 - (b) the job worker is not registered but his place of business is declared as additional place of business by the principal.
4. The supply of goods, after completion of job work, by a registered job worker shall be treated as the supply of goods by the principal and the value of such goods shall not be included in the aggregate turnover of the registered job worker.

5. The job worker can further send such inputs or capital goods, without payment of tax, to another job worker under the cover of delivery challan or by endorsing the challan issued by the principal as per Rule 55 of the CGST Rules, 2017.
6. In case where inputs, semi-finished goods and capital goods are not returned to principal as per prescribed time limit, the same will be treated as supply of the principal. It is clarified in the Circular No. 38/12/2018 that the principal would issue invoice for the same and declare such supplies in his return for that particular month in which the time period of one year / three years or extended period has expired. The principal is required to pay GST along with interest considering the supply was made by the principal to the job worker when the principal had sent the goods first for job work.
7. Value of such deemed supply will be the value declared in the challan by the principal while sending the goods to job worker i.e., without including cost of transportation and job work charges.
8. Where goods are sent to job worker and same are lost/ destroyed due to some unavoidable circumstances, goods will not be returned by the job worker. If goods are lost, whether the principal is required to reverse credit under section 17(5)(h) or it will be deemed supply as per section 19(3) is the moot question. Since goods are lost or destroyed, section 17(5) (h) will be applicable and the principal is required to reverse the credit on inputs or capital goods, and it will not be treated as deemed supply.
9. If due to some dispute between a principal and a job worker, goods are not returned by the job worker as consideration for his job work charges, the issue of valuation arises when the job worker sells the same goods in open market. It is a well settled position in earlier laws that the valuation for the same goods should be considered transaction value by the job worker and not market value of the said goods by the principal. The same was decided by Hon'ble Supreme Court in the case of *Pawan Biscuits & Co.* [2000 (120) ELT (24)].

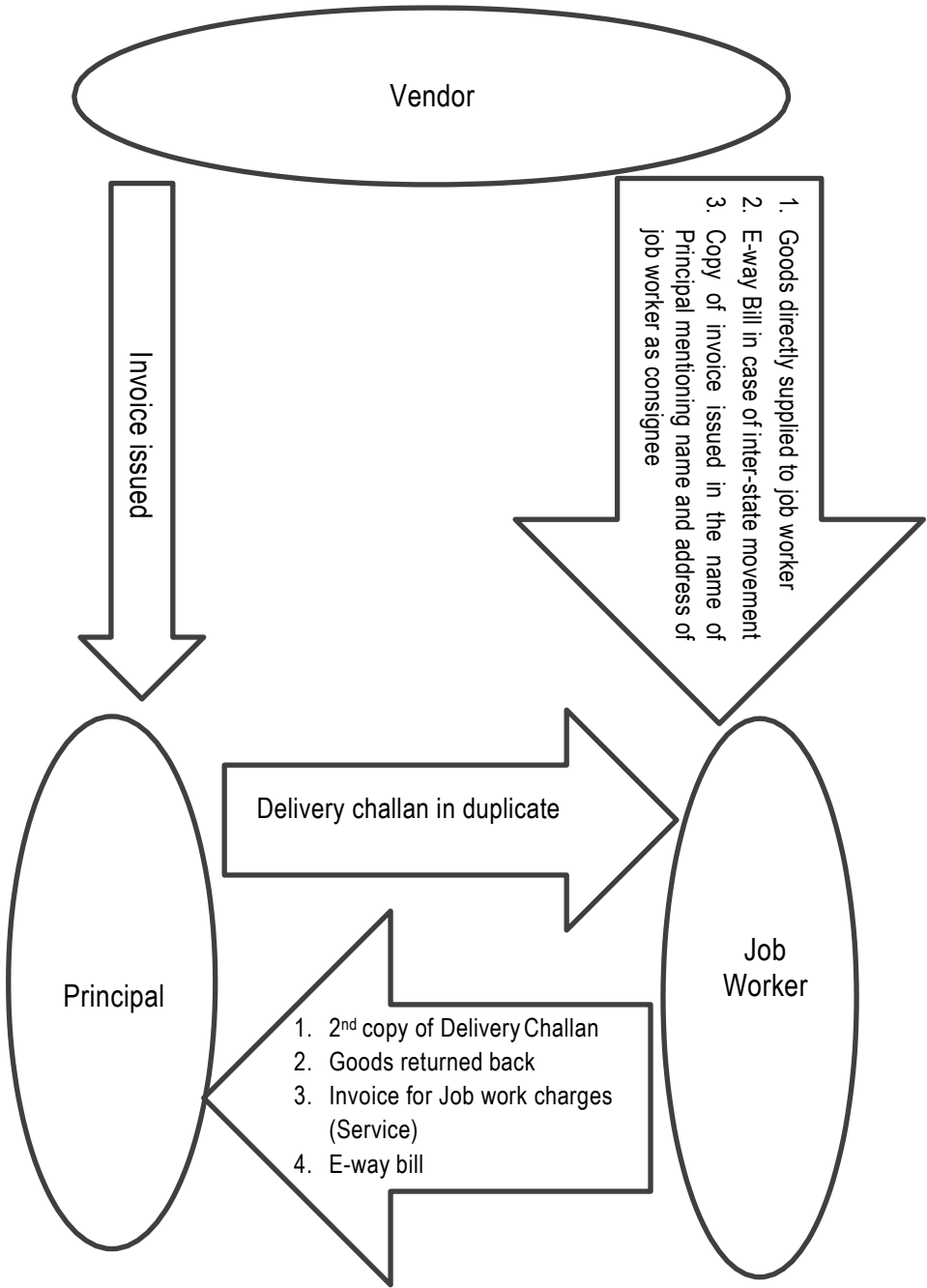
VI. Various scenarios

The whole job work process can best be explained through the following scenarios:

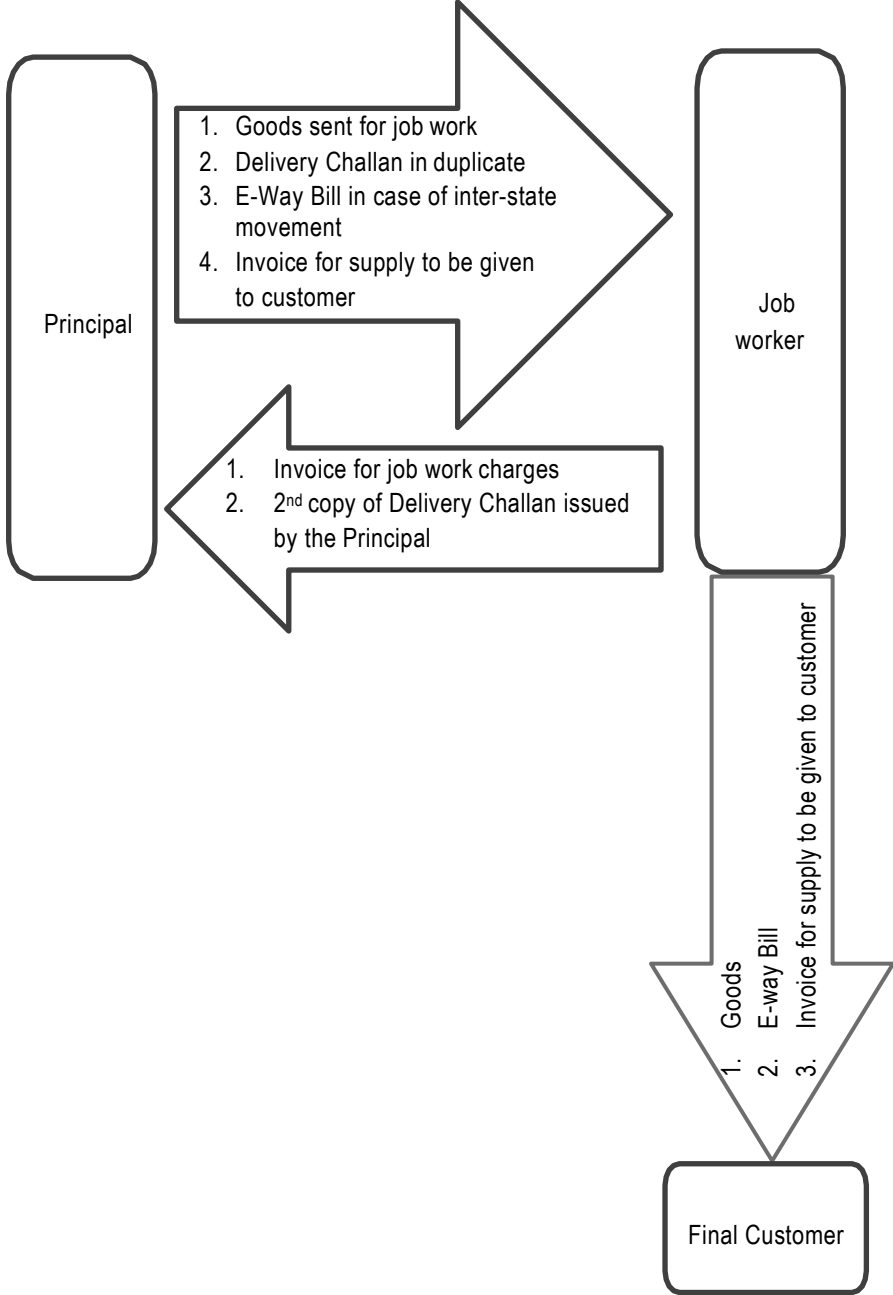
Scenario 1: Goods sent for job work and returned back



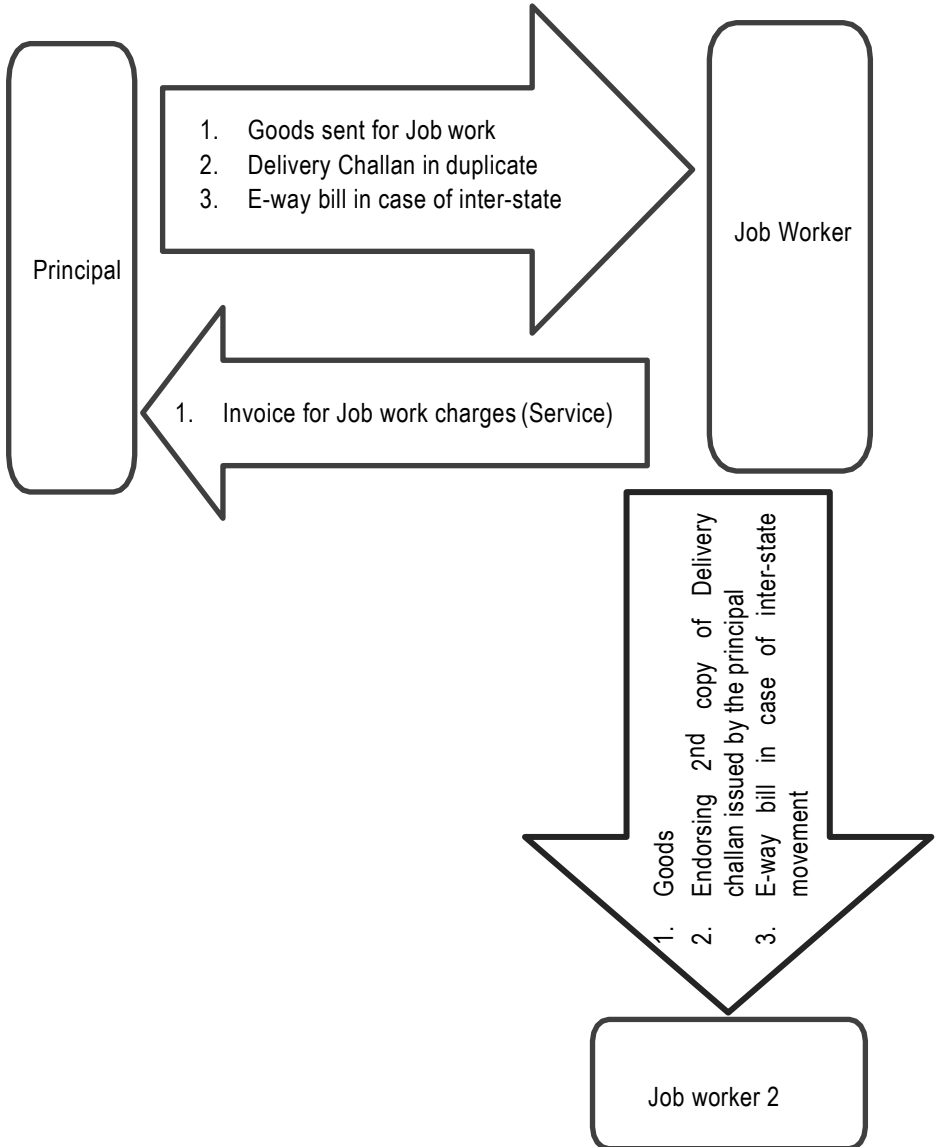
Scenario 2: Goods directly supplied to the job worker



Scenario 3: Supply of goods to customer directly by job worker



Scenario 4: Goods sent from one job worker to another job worker



VII. Registration by Job Worker

The job worker shall be liable to be registered under GST in the State / Union territory, from where he makes a taxable supply of services, if his aggregate turnover in a financial year exceeds Rs. 20 lakh/Rs. 10 lakh in special category States.

Further, in terms of the Circular No. 38/12/2018 dated March 26, 2018, it has been clarified that though Clause (i) of Section 24 of the CGST Act, 2017, mandates registration for making inter-state taxable supply irrespective of threshold limit, vide Notification No. 10/2017 – Integrated Tax dated October 13, 2017, exemption from mandatory registration was granted in case of supply of services.

Hence, a job worker is required to obtain registration only in cases where his aggregate turnover, to be computed on all India basis, in a financial year exceeds the threshold limit regardless of whether the principal and the job worker are located in the same State or in different States.

VIII. Waste and Scrap

Waste & Scrap generated during job work can be supplied as under:-

- (i) If the job worker is registered, then it can be supplied by the job worker directly from his place of business, on payment of appropriate tax applicable on the said waste / scrap.
- (ii) If he is not registered, then the waste / scrap generated should be returned to the principal along with the goods and such waste / scrap would be supplied by the principal on payment of tax. Alternatively, the principal may supply waste / scrap directly from premises of the job worker under his invoice on payment of tax.
- (iii) An issue may arise on the quantum of scrap. It might be possible that during the job work, scrap may be generated in less than normal quantity. In such a case, the department cannot ask for GST on higher value of scrap provided that the principal is not allowing scrap more than what is generated. *Pearl soap & Co. 187 ELT 460 CESTAT - Mumbai.*
- (iv) The principal should also maintain proper records of clearance of waste / scrap from the premises of the job worker.

IX. Input Tax Credit (ITC) in case of Job Work

- 1. As per Section 19(1) of CGST Act, 2017, the principal is allowed to take credit on inputs / capital goods sent to the job worker.
- 2. As per Section 19(2) and Section 19(5) of CGST Act, 2017, ITC can be availed by the principal even if such inputs / capital goods are not

being first received by the principal and are directly sent to the job worker.

3. In case goods are not returned in prescribed period and treated as deemed supply as per section 19(3) then question arises as to whether the job worker is eligible for availing credit of the GST paid by the principal by considering the same as deemed supply as per section 19(3) of the CGST Act, 2017.

As per section 16(4) "A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the thirtieth day of November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier".

As mentioned earlier where goods are not returned in prescribed period, the principal has to issue invoice and declare such supplies in his return for that particular month in which the time period of one year / three years has expired. The date of supply shall be the date on which such inputs or capital goods were initially sent to the job worker. Since date of invoice will be of current period, the job worker is eligible to avail the credit of the same. Moreover, as per second proviso to section 16(2) of the CGST Act, 2017 the job worker has to pay the said amount to the principal. The same may be done by way of making payment in cash or returning the said goods as supply of the job worker. For this, the job worker has to raise his own tax invoice stating principal as buyer.

X. Place of Supply

So far as job work is concerned, supply for job work charges is governed by section 12 (2) of IGST Act, 2017.

When the registered job worker and the principal are in different States and goods are removed directly from the place of the job worker :-

- (i) If the principal (supplier of the goods) and recipient (buyer of the goods) are in the same State, then SGST and CGST shall be levied, though the job worker is in a different State.
- (ii) If the principal and recipient are in different States, then IGST shall be levied, even though the recipient is in the State where the job worker is situated.

XI. Procedure to be followed, conditions and restrictions

1. Inputs, semi-finished goods or capital goods shall be sent to the job worker under the cover of a delivery challan issued by the principal. The format of a delivery challan is given as **Annexure B**.
2. Delivery challan is required even if such inputs / capital goods are sent directly to a job-worker.
3. The delivery challan shall be prepared in triplicate, in the following manner:–
 - (a) The original copy marked as ORIGINAL FOR CONSIGNEE;
 - (b) The duplicate copy marked as DUPLICATE FOR TRANSPORTER; and
 - (c) The triplicate copy marked as TRIPLICATE FOR CONSIGNER.
4. The details of following challans issued during a quarter shall be furnished in FORM GST ITC-04 [Given as **Annexure C**] within 25 days from the specified period. The specified date is (1) in case of principal having aggregate turnover more than Rs. 5.00 Crores – Six consecutive months commencing on 1st day of April & 1 st day of October & (2) a financial year in any other case. Details required to be furnished by the principal are:-
 - (i) Goods dispatched to a job worker, and
 - (ii) Goods received from a job worker, or
 - (iii) Goods sent from one job worker to another, or
 - (iv) Goods directly supplied from the premises of job worker
5. Details of delivery challan generated by the principal for the job work are also required to be furnished in Form GSTR-1 (Return of details of outward supplies of goods or services).
6. In terms of section 143(2) of CGST Act, 2017 the principal shall be responsible for keeping proper accounts for the inputs or capital goods or waste / scrap lying with the job-worker.
7. For the format of job work challan, the format of e-sugam prescribed by the Government of Karnataka or e-way bill may be referred.

XII. Contents of Delivery Challan

A delivery challan should be serially numbered not exceeding 16 characters, in one or multiple series, in lieu of invoice at the time of removal of goods and should contain the following details:-

- (i) date and number of the delivery challan;
- (ii) name, address and Goods and Services Tax Identification Number of the consigner, if registered;
- (iii) name, address and Goods and Services Tax Identification Number or Unique Identity Number of the consignee, if registered;
- (iv) Harmonised System of Nomenclature code and description of goods;
- (v) quantity (provisional, where the exact quantity being supplied is not known)
- (vi) taxable value;
- (vii) tax rate and tax amount – central tax, State tax, integrated tax, Union territory tax or cess, where the transportation is for supply to the consignee;
- (viii) place of supply, in case of inter-State movement; and
- (ix) signature;

XIII. Contents of Tax Invoice

A tax invoice should contain the following details, namely: -

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is

un-registered and where the value of the taxable supply is fifty thousand rupees or more;

- (f) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is less than fifty thousand rupees and the recipient requests that such details be recorded in the tax invoice;

Provided that in cases involving supply of online money gaming or in cases where any taxable service is supplied by or through an electronic commerce operator or by a supplier of online information and database access or retrieval services to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name of the state of the recipient and the same shall be deemed to be the address on record of the recipient.

- (g) Harmonised System of Nomenclature code for goods or services;
- (h) description of goods or services;
- (i) quantity in case of goods and unit or Unique Quantity Code thereof;
- (j) total value of supply of goods or services or both;
- (k) taxable value of the supply of goods or services or both taking into account discount or abatement, if any;
- (l) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (m) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- (n) place of supply along with the name of the State, in the case of a supply in the course of inter-State trade or commerce;
- (o) address of delivery where the same is different from the place of supply;
- (p) whether the tax is payable on reverse charge basis; and
- (q) signature or digital signature of the supplier or his authorised representative;

- (r) Quick Response code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of rule 48.
- (s) a declaration as below, that invoice is not required to be issued in the manner specified under sub-rule (4) of rule 48, in all cases where an invoice is issued, other than in the manner so specified under the said sub-rule (4) of rule 48, by the taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than the aggregate turnover as notified under the said sub-rule (4) of rule 48-

I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule.

XIV. Job Work – Transitional Provisions

1. Transitional provisions relating to job work are contained in section 141 of the CGST Act, 2017. They are simultaneously applicable to inputs and semi-finished goods.
2. Section 141 provides that where any inputs received at a place of business had been removed as such or removed after being partially processed to a job worker for further processing, testing, repair, reconditioning or any other purpose in accordance with the provisions of erstwhile law prior to the appointed day and such inputs are returned to the said place on or after the appointed day, no tax shall be payable if such inputs, after completion of the job work or otherwise, are returned to the said place within 6 months from the appointed day. However, the competent authority may extend the period on sufficient cause being shown for a further period of 2 months.
3. If the same is not received back within stipulated time (6 Months plus as extended), then Input Tax Credit shall be liable to be reversed.
4. **Details of goods sent to job-worker and held in his stock on behalf of principal:**

In terms of Rule 119 read 117 of the CGST Rules, every person shall, within 90 days of the appointed day or further extended period not

exceeding ninety days, submit a declaration electronically in FORM GST TRAN-1, specifying therein, the stock of the inputs, semi-finished goods or finished goods, as applicable, held by the job worker on the appointed day.

The said details are to be furnished by the principal as well as the job worker.

XV. Rates under Job Work

1. CGST rates for job work, which fall under HSN 9988 are as follows:

- (i) CGST @ 0.75% in case of services by way of job work relating to:
 - (a) diamonds falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975)
- (ii) CGST @ 2.50% in case of services by way of job work relating to:
 - (a) all food and food products falling under Chapters 1 to 22 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975)
 - (b) all products falling under Chapter 23 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975), except dog and cat food falling under heading 2309 of the said chapter
 - (c) goods falling under Chapter 30 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);
 - (d) Hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);

Provided that nothing contained in clause (d) shall apply to job-work in relation to leather goods or foot wear falling under Chapter 42 or 64 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), respectively;
 - (e) Printing of newspapers, books (including Braille books), journals and periodicals;

- (f) Printing of all goods falling under Chapters 48 or 49 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975) which attract central tax @2.5% or Nil;
- (g) Textiles and textile products falling under Chapters 50 to 63 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);
- (h) bricks falling under Chapters 68 or 69 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975) which attract central tax @2.5%;
- (i) all products, other than diamonds, falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);
- (j) handicraft goods;
- (k) umbrella.
- (l) Services by way of any treatment or process on goods belonging to another person, in relation to printing of newspapers, books (including Braille books), journals and periodicals;
 - printing of all goods falling under Chapters 48 or 49 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975) which attract central tax @2.5% or Nil.
 - Tailoring services
- (iii) CGST @ 9.00% in case of services by way of job work relating to:
 - (a) Services by way of job work in relation to manufacture of alcoholic liquor for human consumption;
 - (b) Services by way of job work other than (i) & (ii) above.
 - (c) Services by way of any treatment or process on goods belonging to another person, other than above.

{REFER – in case of IGST - Entry No.26 of Notification No. 8/2017-Integrated Tax (Rate) dated June 28, 2017 read with Notification No. 20/2017-Central Tax (Rate) dated August 22,

2017; Notification No. 39/2017-Integrated Tax (Rate) dated October 13, 2017; Notification No. 48/2017-Integrated Tax (Rate) dated November 14, 2017; Notification No. 1/2018-Integrated Tax (Rate) dated January 25, 2018; Notification No. 19/2019 – Integrated Tax (Rate) dated 30.09.2019; Notification No. 25/2019 – Integrated Tax (Rate) dated 22.11.2019; Notification No. 15/2025 - Integrated Tax (Rate) dated: 17-09-2025}.

{REFER – in case of CGST- *Entry No.26 of Notification No. 11/2017-Central Tax (Rate) dated June 28,2017 read with Notification No. 20/2017-Central Tax (Rate) dated August 22, 2017; Notification No. 31/2017-Central Tax (Rate) dated October 13, 2017; Notification No. 46/2017-Central Tax (Rate) dated November 14, 2017and Notification No. 1/2018-Central Tax (Rate) dated January 25, 2018; Notification No. 20/2019 – Central Tax (Rate) dated 30.09.2019; Notification No. 26/2019 – Central Tax (Rate) dt 22.11.2019; Notification No. 15/2025 – Central Tax (Rate) dated: 17-09-2025}.*

Central Tax Circulars:

The Central Board of Indirect Taxes and Customs (CBIC) has issued various circulars clarifying various issues pertaining to job work, the list of such circulars are mentioned below. (reader may go through the same for better understanding of issues relating to job work).

- Circular No: 19/19/2017-GST, Dt: 20-11-2017
- Circular No: 38/12/2018-GST, Dt: 26-03-2018
- Circular No: 48/22/2018-GST, Dt: 14-06-2018
- Circular No: 52/26/2018-GST, Dt: 09-08-2018
- Circular No: 88/07/2019-GST, Dt: 01-02-2019
- Circular No: 126/46/2019-GST, Dt: 22-11-2019
- Circular No: 153/09/2021-GST, Dt: 17-06-2021
- Circular No: 164/20/2021-GST, Dt: 16-10-2021
- Circular No: 206/18/2023-GST, Dt: 31-10-2023
- Circular No: 208/02/2024-GST, Dt: 26-06-2024.

XVI. Statutory Provisions

Refer **Annexure A**.

XVII. Formats

8. Delivery challan (**Annexure B**)
9. Details of goods / capital goods sent to job worker and received back to be furnished (**Annexure C**) – Form GST ITC-04.

Annexure - A

Statutory Provisions

- **Section 2(68) of CGST Act, 2017 – Job Work**

"job work" means any treatment or process undertaken by a person on goods belonging to another registered person and the expression "job worker" shall be construed accordingly;

- **Section 143 of CGST Act, 2017 – Job Work Procedure**

(1) A registered person (hereafter in this section referred to as the "principal") may under intimation and subject to such conditions as may be prescribed, send any inputs or capital goods, without payment of tax, to a job worker for job work and from there subsequently send to another job worker and likewise, and shall,-

- (a) 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 year and three years, respectively, of their being sent out, to any of his place of business, without payment of tax;
- (b) supply such inputs, after completion of job work or otherwise, or capital goods, other than moulds and dies, jigs and fixtures, or tools, within one year and three years, respectively, of their being sent out from the place of business of a job worker on payment of tax within India, or with or without payment of tax for export, as the case may be:

Provided that the principal shall not supply the goods from the place of business of a job worker in accordance with the provisions of this clause unless the said principal declares the place of business of the job worker as his additional place of business except in a case -

- (i) where the job worker is registered under section 25; or
- (ii) where the principal is engaged in the supply of such goods as may be notified by the Commissioner:

¹[Provided further that the period of one year and three years may, on sufficient cause being shown, be extended by the Commissioner for a further

¹ Inserted vide sec 29 of The CGST (Amendment) Act, 2018 (No. 31 of 2018), notified through Notification No. 2/2019 - CT dated 29.01.2019, w.e.f. 01.02.2019.

period not exceeding one year and two years respectively.]

(2) The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the principal.

(3) Where the inputs sent for job work are not received back by the principal after completion of job work or otherwise in accordance with the provisions of clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with the provisions of clause (b) of sub-section (1) within a period of one year of their being sent out, it shall be deemed that such inputs had been supplied by the principal to the job worker on the day when the said inputs were sent out.

(4) Where the capital goods, other than moulds and dies, jigs and fixtures, or tools, sent for job work are not received back by the principal in accordance with the provisions of clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with the provisions of clause (b) of sub-section (1) within a period of three years of their being sent out, it shall be deemed that such capital goods had been supplied by the principal to the job worker on the day when the said capital goods were sent out.

(5) Notwithstanding anything contained in sub-sections (1) and (2), any waste and scrap generated during the job work may be supplied by the job worker directly from his place of business on payment of tax, if such job worker is registered, or by the principal, if the job worker is not registered.

Explanation.- For the purposes of job work, input includes intermediate goods arising from any treatment or process carried out on the inputs by the principal or the job worker.

- **Section 19 of CGST Act, 2017 - Taking input tax credit in respect of inputs and capital goods sent for job work**

(1) The principal shall, subject to such conditions and restrictions as may be prescribed, be allowed input tax credit on inputs sent to a job worker for job work.

(2) Notwithstanding anything contained in clause (b) of sub-section (2) of section 16, the principal shall be entitled to take credit of input tax on inputs even if the inputs are directly sent to a job worker for job work without being first brought to his place of business.

(3) Where the inputs sent for job work are not received back by the principal after completion of job work or otherwise or are not supplied from the place of business of the job worker in accordance with clause (a) or clause (b) of sub-section (1) of section 143 within one year of being sent out, it shall be deemed that such inputs had been supplied by the principal to the job worker on the day when the said inputs were sent out:

Provided that where the inputs are sent directly to a job worker, the period of one year shall be counted from the date of receipt of inputs by the job worker.

(4) The principal shall, subject to such conditions and restrictions as may be prescribed, be allowed input tax credit on capital goods sent to a job worker for job work.

(5) Notwithstanding anything contained in clause (b) of sub-section (2) of section 16, the principal shall be entitled to take credit of input tax on capital goods even if the capital goods are directly sent to a job worker for job work without being first brought to his place of business.

(6) Where the capital goods sent for job work are not received back by the principal within a period of three years of being sent out, it shall be deemed that such capital goods had been supplied by the principal to the job worker on the day when the said capital goods were sent out:

Provided that where the capital goods are sent directly to a job worker, the period of three years shall be counted from the date of receipt of capital goods by the job worker.

(7) Nothing contained in sub-section (3) or sub-section (6) shall apply to moulds and dies, jigs and fixtures, or tools sent out to a job worker for job work.

Explanation– For the purpose of this section, “principal” means the person referred to in section 143.

- **Section 141 of CGST Act, 2017 – Transitional Provisions relating to job work**

(1) Where any inputs received at a place of business had been removed as such or removed after being partially processed to a job worker for further processing, testing, repair, reconditioning or any other purpose in accordance with the provisions of existing law prior to the appointed day and such inputs are returned to the said place on or after the appointed day, no

tax shall be payable if such inputs, after completion of the job work or otherwise, are returned to the said place within six months from the appointed day:

Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:

Provided further that if such inputs are not returned within the period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142.

(2) Where any semi-finished goods had been removed from the place of business to any other premises for carrying out certain manufacturing processes in accordance with the provisions of existing law prior to the appointed day and such goods (hereafter in this section referred to as “the said goods”) are returned to the said place on or after the appointed day, no tax shall be payable, if the said goods, after undergoing manufacturing processes or otherwise, are returned to the said place within six months from the appointed day

Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:

Provided further that if the said goods are not returned within the period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142:

Provided also that the manufacturer may, in accordance with the provisions of the existing law, transfer the said goods to the premises of any registered person for the purpose of supplying therefrom on payment of tax in India or without payment of tax for exports, within the period specified in this sub-section.

(3) Where any excisable goods manufactured at a place of business had been removed without payment of duty for carrying out tests or any other process not amounting to manufacture, to any other premises, whether registered or not, in accordance with the provisions of existing law prior to the appointed day and such goods are returned to the said place on or after

the appointed day, no tax shall be payable if the said goods, after undergoing tests or any other process, are returned to the said place within six months from the appointed day:

Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:

Provided further that if the said goods are not returned within the period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142:

Provided also that the manufacturer may, in accordance with the provisions of the existing law, transfer the said goods from the said other premises on payment of tax in India or without payment of tax for exports within the period specified in this sub-section.

(4) The tax under sub-sections (1), (2) and (3) shall not be payable, only if the manufacturer and the job worker declare the details of the inputs or goods held in stock by the job worker on behalf of the manufacturer on the appointed day in such form and manner and within such time as may be prescribed.

- **Rule 45 of Central Goods and Services Tax (CGST) Rules, 2017**

(1) The inputs, semi-finished goods or capital goods shall be sent to the job worker under the cover of a challan issued by the principal, including where such goods are sent directly to a job-worker, ²[and where the goods are sent from one job worker to another job worker, the challan may be issued either by the principal or the job worker sending the goods to another job worker:

Provided that the challan issued by the principal may be endorsed by the job worker, indicating therein the quantity and description of goods where the goods are sent by one job worker to another or are returned to the principal:

Provided further that the challan endorsed by the job worker may be further endorsed by another job worker, indicating therein the quantity and description of goods where the goods are sent by one job worker to another or are returned to the principal.]

² Inserted vide Notification No. 14/2018 - CT dated 23.03.2018.

(2) The challan issued by the principal to the job worker shall contain the details specified in rule 55.

(3) The details of challans in respect of goods dispatched to a job worker or received from a job worker ³[****] ⁴[during a specified period] shall be included in FORM GST ITC-04 furnished for that period on or before the twenty-fifth day of the month succeeding ⁵[the said period] ⁶[or within such further period as may be extended by the Commissioner by a notification in this behalf:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]

⁷[Explanation. - For the purposes of this sub-rule, the expression "specified period" shall mean. -

(a) the period of six consecutive months commencing on the 1st day of April and the 1st day of October in respect of a principal whose aggregate turnover during the immediately preceding financial year exceeds five crore rupees; and

(b) a financial year in any other case.]

(4) Where the inputs or capital goods are not returned to the principal within the time stipulated in section 143, it shall be deemed that such inputs or capital goods had been supplied by the principal to the job worker on the day when the said inputs or capital goods were sent out and the said supply shall be declared in FORM GSTR-1 and the principal shall be liable to pay the tax along with applicable interest.

Explanation. - For the purposes of this Chapter, -

(1) the expressions "capital goods" shall include "plant and machinery" as defined in the Explanation to section 17;

³ Omitted vide Notification No. 74/2018 - CT dated 31.12.2018. Prior to its substitution, it was read as: "or sent from one job worker to another".

⁴ Substituted vide Notification No. 35/2021 - CT dated 24.09.2021, w.e.f. 01.10.2021. Prior to its substitution, it was read as "during a quarter".

⁵ Substituted vide Notification No. 35/2021 - CT dated 24.09.2021, w.e.f. 01.10.2021. Prior to its substitution, it was read as: "the said quarter".

⁶ Inserted vide Notification No. 51/2017 - CT dated 28.10.2017

⁷ Inserted vide Notification No. 35/2021 - CT dated 24.09.2021, w.e.f. 01.10.2021

(2) for determining the value of an exempt supply as referred to in sub-section (3) of section 17-

(a) the value of land and building shall be taken as the same as adopted for the purpose of paying stamp duty; and

(b) the value of security shall be taken as one per cent. of the sale value of such security.

Rule 55. Transportation of goods without issue of invoice.-

(1) For the purposes of-

(a) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,

(b) transportation of goods for job work,

(c) transportation of goods for reasons other than by way of supply, or

(d) such other supplies as may be notified by the Board,

the consigner may issue a delivery challan, serially numbered not exceeding sixteen characters, in one or multiple series, in lieu of invoice at the time of removal of goods for transportation, containing the following details, namely:-

(i) date and number of the delivery challan;

(ii) name, address and Goods and Services Tax Identification Number of the consigner, if registered;

(iii) name, address and Goods and Services Tax Identification Number or Unique Identity Number of the consignee, if registered;

(iv) Harmonised System of Nomenclature code and description of goods;

(v) quantity (provisional, where the exact quantity being supplied is not known);

(vi) taxable value;

(vii) tax rate and tax amount - central tax, State tax, integrated tax, Union territory tax or cess , where the transportation is for supply to the consignee;

- (viii) *place of supply, in case of inter-State movement; and*
 - (ix) *signature.*
- (2) *The delivery challan shall be prepared in triplicate, in case of supply of goods, in the following manner, namely:-*
 - (a) *the original copy being marked as ORIGINAL FOR CONSIGNEE;*
 - (b) *the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and*
 - (c) *the triplicate copy being marked as TRIPLICATE FOR CONSIGNER.*
- (3) *Where goods are being transported on a delivery challan in lieu of invoice, the same shall be declared as specified in rule 138.*
- (4) *Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.*
- (5) *Where the goods are being transported in a semi knocked down or completely knocked down condition ⁸[or in batches or lots] -*
 - (a) *the supplier shall issue the complete invoice before dispatch of the first consignment;*
 - (b) *the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;*
 - (c) *each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and*
 - (d) *the original copy of the invoice shall be sent along with the last consignment.*

⁸ Inserted vide Notification No. 39/2018 - CT dated 04.09.2018.

Annexure – B

Format of Delivery Challan

DELIVERY CHALLAN							
Company Name	Date:						
Address	Delivery :						
CIN	Challan:						
GSTIN :	<table><tr><td></td><td>Original for Recipient</td></tr><tr><td></td><td>Duplicate for Transporter</td></tr><tr><td></td><td>Triplicate for Supplier</td></tr></table>		Original for Recipient		Duplicate for Transporter		Triplicate for Supplier
	Original for Recipient						
	Duplicate for Transporter						
	Triplicate for Supplier						
Contact Number :							
Email :							
To (Details of Consignee):							
[Name] :							
[Address]:							
GSTIN :							
Place of Supply :							

Sr. no.	Description of Goods	HSN CODE	Qty	Taxable Value.	CGST	SGST	IGST	TOTAL
TOTAL								
(Total Amount in Words: Rupees)								
TOTAL AMOUNT BEFORE TAX		CGST	SGST	IGST	TOTAL AMOUNT OF GST		TOTAL AMOUNT AFTER TAX	
Terms & Conditions For (Company Name) (Common Seal)			Certified that the particulars given above are true and correct Authorised Signatory [E&OE]					

[See rule – 45(3)]

- Year -

[illegible]

5. Details of inputs/capital goods received back from job worker or sent out from business place of job work
 (A) Details of inputs/ capital goods received back from job worker to whom such goods were sent for job work; and losses and wastes:

GSTIN /State of job worker if unregistered	Challan No. issued by job worker under which goods have been received back	Date of challan issued by job worker under which goods have been received back	Description of goods	UQC	Quantity	Original challan No. under which goods have been sent for job work	Original date under which goods have been sent for job work	Nature of job work done by job worker	Losses & wastes	
									UQC	Quantity
1	2*	3*	4	5	6	7*	8*	9	10	11

(B) Details of inputs / capital goods received back from job worker other than the job worker to whom such goods were originally sent for job work; and losses and wastes:

GSTIN / State of job worker if unregistered	Challan No. issued by job worker under which goods have been received back	Date of challan issued by job worker under which goods have been received back	Description of goods	UQC	Quantity	Original challan No. under which goods have been sent for job work	Original challan date under which goods have been sent for job work	Nature of job work done by job worker	Losses & wastes	
									UQC	Quantity
1	2*	3*	4	5	6	7*	8*	9	10	11

(C) Details of inputs/ Capital goods sent to job worker and subsequently supplied from premises of job worker; and losses and wastes:

GSTIN/State of job worker if unregistered	Invoice No. in case supplied from premises of job worker issued by the Principal	Invoice date in case supplied from premises of job worker issued by the Principal	Description of goods	UQC	Quantity	Original challan no. under which goods have been sent for job work	Original challan date under which goods have been sent for job work	Nature of job work done by job worker	Losses & wastes	
									UQC	Quantity
1	2	3	4	5	6	7*	8*	9	10	11

Instructions:

- Multiple entry of items for single challan may be filled.
- Columns (2) & (3) in Table (A) and Table (B) are mandatory in cases where fresh challan are required to be issued by the job worker. Otherwise, columns (2) & (3) in Table (A) and Table (B) are optional.
- Columns (7) & (8) in Table (A), Table (B) and Table (C) may not be filled where one-to-one correspondence between goods sent for job work and goods received back after job work is not possible.

6. Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Place
Date

Signature
Name of Authorised Signatory
Designation /Status.....



GST & Indirect Taxes Committee
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June | 2026 | P4244 (Revised)



IDTC-046-0626