
E-Waybill Provisions for Job Work under GST Regime

E-way bill is a document which has details like name of consignor and consignee, their GSTIN numbers (if they are registered), description and value of goods in the consignment and transport details.

E-way bill has to be generated before initiating the movement of goods, and the transporter needs to carry it along with invoice during the movement of goods.

Cases where E-way bill has to be issued

E-way bill has to be issued in case of –

1. Supply
2. Reasons other than supply (including job work)

Thus, if goods are sent for job work or received back from the job worker, the e-way bill has to be issued.

What is job work?

Job work is an integral part of several sectors since many businesses outsource a part of their manufacturing activities. Job work can include initial processing, further processing, assembling, packing or any other completion process.

Section 2(68) of **CGST Act** describes job work as *a treatment or process undertaken by a person on goods belonging to another registered person.*

GST on Job Work: Scenarios that may arise

The principal can claim the input tax credit of goods or materials sent to the job worker.

If the goods or materials are directly sent to the job worker from the vendor, in that case also the principal can claim the input tax credit on such goods or materials.

Issuing E-way bills in case of job work

If the principal is located in a different state, and he is sending the goods to job worker who is located in another state, the principal has to generate the e-way bill compulsorily.

Threshold limit of Rs. 50,000 doesn't apply in this case, hence even if the value of goods sent to job worker is less than Rs. 50,000, the principal has to generate the e-way bill.

E-way bill for goods returned after Job work :

Once the job work has been completed on goods, the principal can either receive back the goods or can ask the job worker to supply the goods directly to the customers.

If the job worker is registered on E-way bill portal, he will generate the E-way bill for the movement of goods, and if he isn't registered, the principal has to generate the E-way bill.

For supplying the goods directly from the place of job worker to the customers, it is necessary that –

1. Job worker should be registered u/s 25 or,
2. The principal should declare the place of job worker as his additional place of business.

In this case also, if the job worker is registered, he will issue the E-way bill otherwise the principal has to issue the E-way bill and provide it the transporter.

Document to be issued before sending goods for Job Work

If goods are sent for job work, there is no need to issue any tax invoice. Instead, a delivery challan can be issued for the goods. Delivery challan will contain following details –

1. Date and number of the delivery challan,
2. Name, address, and GSTIN of the consignor (principal) and the consignee (Job Worker). GSTIN has to be mentioned if the consignor/ consignee is registered under GST.
3. HSN code and description of the goods,
4. Quantity
5. Taxable Value
6. Tax rate and tax amount
7. Place of supply, if there is inter-state movement of goods,
8. Signature

Documents to be carried by the transporter during movement

During the movement of goods, the transporter needs to carry following documents –

E-way bill copy

Delivery Challan

Invoice Copy (if the goods are directly sent to the job worker from the vendor's place

Notification No. 14/2018 – Central Tax New Delhi, the 23rd March, 2018

In the Central Goods and Services Tax Rules, 2017,- (i) in rule 45, in sub-rule (1), after the words, “where such goods are sent directly to a job worker”, The following will be shall be inserted

“, 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.”;

Year End Precautions and Compliances :

We will be completing 10 months in the GST regime and the year end precautions due to changeover from the existing taxation system will be crucial. Listed below are some of the things which should be kept in mind while filing the last return for the financial year and before the closure of accounts.

1. Refund of Deposit :

As all VAT registered assesseees have migrated to GST, ensure that you claim the refund of security deposit (if any) paid at the time of taking voluntary registration under the Value Added Tax.

2. Books of Accounts :

The books of accounts should be finalized for two different periods i.e 1/4/17 to 30/06/17 as per the VAT regime and 1.07.2017 to 31/03/2018 as per the GST regime. The stocks declared for Tran 1 should match with Books of accounts.

3. Transitional Credit :

a) Department is going to scrutinize all the cases of Transitional credits of old taxes taken while migrating to GST regime. The assessee who has claimed Transitional Credit should keep ready following Documents and records :

- i) Copy of six months returns (Jan 17-June 17),
- ii) Copy of Trans 1,
- iii) Certified Copy Of invoices with duty paid bills,
- iv) Certified Copy Of Stock Summary

b) Ensure that the stock as per Trans 1 is in accordance with the finalized books of accounts i.e stock as on 30/06/2017.

c) Check & file Trans 2 before 31/03/2018 for claiming credit against sale of stock for which.

4. Verification of Purchases/ Input Tax Credit :

GSTR 2 has been suspended for the time being , still we can see form GSTR 2A on the GST site i.e monthly purchase from registered dealer. Verify the same with purchase record & take necessary steps to reconcile with Books.

5. SME Funding :

Since the SME Funding is linked to Turnover as per VAT/GST returns , please ensure that the turnover of Exempted & Non GST supplies are also properly reflected in GSTR 3B. Turnover as per books should match with the GST returns.,

6. Reversal of Input tax credit :

As per the Input Tax Credit Rules under GST , after issuance of tax invoice if receiver does not make the full payment within 180 days then the credit taken on that invoice is to be reversed. Whenever the payment is made, the receiver can take 1/3 the credit of the amount. Therefore the ageing analysis of the debtors and creditors should be done. All old invoices issued before 1 October, 2017, should be paid before 31 March 2018.

Suppose the fees Rs. 15000 is payable to an Architect on 15 September, 2017, and the credit on that of Rs. 1800 has been taken in the return of that month, then the fees should be paid before 31 March, 2018. Otherwise the extra payment of Rs. 1800 is to be made in the month of March.

7. HSN Code in the Invoice :

Before preparing first invoice in the new financial year, taxpayers should check the turnover for the year 2017-18.

Taxpayer whose turnover is above Rs. 1.5 Cr but below Rs. 5 Cr shall use 2-digit code and

Taxpayer whose turnover is Rs. 5 Cr and above shall use 4-digit code.

Taxpayer whose turnover is below Rs. 1.5 Cr are not required to mention HSN Code in their invoices.

8. New series for tax invoice :

If anyone assessee wants to change the series for billing in the new year, then he can do that from 1st April. The new numbering should start from 1st April.

9. Composition scheme :

If any taxpayer wants to register under composition scheme then he can apply in Form GST CMP – 02 before 31st March.

Those who wants to cancel the registration under composition scheme, they have to apply in Form GST CMP – 04 before 7th April. They have to calculate the effects of ITC on closing stock.

10. Due dates of the returns :

There are various due dates in the April month for filing the returns relating to 31 March.

GSTR 3B for March is to be filed up to 20 April.

GSTR 1 is to be filed by 10th May.

GSTR 4 is to be filed by 18 April.

Further the Government of India vide Notification No 16/2018 dtd 23rd March 2018 on the recommendation of the GST council has specified the dates for filing of return in GSTR 3 B vide [F. No. 349/58/2017-GST (Pt.)]

Sl. No (1)	Month (2)	Last date for filing of return in FORM GSTR-3B (3)
1.	April, 2018	20th May, 2018
2.	May, 2018	20th June, 2018
3.	June, 2018	20th July, 2018

Please note the dates for GSTR 1 has not been specified in the absence of which it would mean we can file GSTR 1 within 40 days from the end of the month.

11. Deciding Monthly/ Quarterly frequency of returns in FY 18-19 :

Taxpayers should check the turnover for the year 2017-18.

If the aggregate turnover is above Rs. 1.5 Crore then the taxpayers have to file monthly return in FY 2018-19.

If the aggregate turnover is below Rs. 1.5 Crore then the taxpayers have an option to file the quarterly GST returns.

12. Depreciation on the capital asset :

Please check if ITC has been claimed on purchase of Fixed Assets in which case do not include the same in cost of asset for calculating depreciation.

13. Anti profiteering :

Ensure that the Gross Profit for the Years 16-17, 17-18 and for the period April 17 to June 17 and July 17 to March 18 is maintained . If the gross profit ratio for the March 2018 is higher, then check whether you have passed on the credit to the customer or not ? You may be asked during GST Audit/Assessment.

14. Cancellation of Registration under GST :

Those who have taken voluntary registrations but now do not want to continue because of lower turnover or closure of business can cancel their registration.

15. E Way bill will be operational from 1 April 2018 :

It will be compulsory to issue E way bill from 1 April, 2018 vide Notification No 15/2018 for interstate transport. [F. No.349/58/2017-GST(Pt)]

In case of Interstate supply, if the goods happen to be in transit as on 1st April, 2018, it is compulsory to generate E way bill for them. So be prepared to generate E-Way Bill from 1 April, 2018.

In case of Intrastate supply, E way Bill 2018 will be implemented in a phased manner.

Other Important Changes :

1. Reverse Charge Mechanism under Sec 9(4) of the CGST ACT 2017 has been deferred till 30th June 2017 vide Notification 10/2018 – Central Tax (Rate) dtd 23.03.2018.
2. Government has issued **Notification No. 8/2018 Central Tax Rate** which read with **State Tax Rate Notification & Notification No. 1/2018 Compensation Cess rate reduced the rate of GST & exempted the cess on old and used vehicle as follows ;**

Sl No	Particulars	HSN	Engine Capacity	Length	Intra State		Inter State	Cess
					CGST	SGST	IGST	(RATE)
1.	Petrol , Liquefied Petroleum gases (LPG) or compressed natural gas (CNG) driven motor vehicles	8703	>1200 CC	> 4000 mm	9%	9%	18%	Nil
2.	Diesel driven motor Vehicles	8703	>1500 CC	> 4000 mm	9%	9%	18%	Nil
3.	Sports Utility Vehicles (SUVs) including utility vehicles	8703	>1500 CC		9%	9%	18%	Nil
4.	All Old and used Vehicles other than those mentioned from S. No. 1 to S.No.3	87	Others		6%	6%	12%	Nil

Valuation of for the purpose of charging GST on supply of such goods will be as follows:

Sl No	Particulars	Margin
1.	In case of a registered person who has claimed depreciation under Sec32 of the income Tax Act 1961 (43 of 1961) of the said goods	Consideration Received – Depreciated Value
2.	In any other case	Selling Price – Purchase price

* Margin for this purpose means that Value on which GST should be charged

If the difference is positive then charge GST on that Positive difference i.e Margin Amount

If the difference is Negative then GST shall be ignored

This notification shall **not apply**, if the supplier of such goods has **availed input tax credit** as defined in clause (63) of section 2 of the **Central Goods and Services Tax Act, 2017**, CENVAT as defined in CENVAT Credit Rules, 2004 or the Input tax credit of Value Added Tax or any other taxes paid, on such goods.

3. E way Bill Clarification :

- a. Where the goods are being transported from customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by customs no e way Bill is required.
- b. Where the goods under customs bond are moving from inland container depot or customs freight station to a customs port, airport, air cargo complex and land customs station or from one customs station or customs port to another customs station or customs port and customs supervision or under customs seal no E way Bill is required.