



The Institute of Chartered Accountants of India

PRARAMBH

E-NEWSLETTER

JODHPUR BRANCH OF CIRC OF ICAI

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

**य एष सुप्तेषु जागर्ति कामं कामं पुरुषो
निर्मिमाणः।**

**तदेव शुक्रं तद् ब्रह्म तदेवामृतमुच्यते ।
तस्मिंल्लोकाः श्रिताः सर्वे तदु नात्येति कश्चन ।
एतद् वै तत् ॥**

**Ya esa suptesu jagarti kamam kamam
Puruso nirmimanah |
Tadeva sukram tad brahma
tadevamrtamucyate |
Tasminlokah sritah sarve tadu natyeti
Kascan | etad vai tat | |**



**JODHPUR BRANCH OF
CIRC OF ICAI
WISHES**



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CHAIRMAN

Message....

**A lot of people have ideas, but there are few who decide to do something about them now. Not tomorrow. Not next week. But today. The true entrepreneur is a doer, not a dreamer.”
- Nolan Bushnell**



CA. ABHISHEK SONI

Dear Professional Colleagues

It gives me an immense pleasure to get in touch with all members and students through this note and express my thoughts and insights about the workings and activities relating to the Jodhpur Branch.

Before talking about the branch, I seek your attention that ICAI is entering into its 75th year of its existence which we are going to celebrate as mark of excellence in quality of services, commitment towards integrity and prosperity of nation.

Since 75 years we have already proof to whole world that profession has been persistently passionate about precision and has been steadfastly introducing the best global practices in the country and up skilling its members to meet the demands of technology and sustainability.

With the time, lots of challenges has been faced by our members of fraternity in discharging their duties and responsibility with due diligence as everyday government and related department increases the compliance part on Chartered Accountant, so true and fair picture of business and economy can be present in front of all stakeholders. But let the current challenging conditions serve as a catalyst for our profession's growth, rather than a deterrent. It is imperative for both the Institute and its members to adapt and innovate in order to navigate the emerging realities successfully. By doing so, we can uphold the profession's competitive advantage, which has been built over a period of more than seven decades and serving as a role model within society.

As branch we always try to match the pace of challenges coming to members and students in their daily work life. We constantly organize various events and activities for up skilling and enriching knowledge for members and students. In month of May we organize various mock exam for CA foundation students. We have also organize and celebrate Mother's days for CA members in which more than 40 members have participate and enjoy session with their mothers.

Convocation for newly qualified CA members have been organized at Jaipur in which first time jodhpur branch managing committee have been part of this event and provide degrees to more than 1400 CA . The program was graced by our Chief Guest Mrs. Vasundhra Raje Scindhia and she motivates and wish best of luck to everyone with her powerful deliberation.

We have also organized Industrial Visit to corporate Capsitech an IT Solution Company in which more than 100 Students was part of it. The company already hired more than 60-70 CA as employee. It was wonderful visit and students are really benefited.

As we approach CA Day on July 1, wherein ICAI enters into 75th year of excellent services to the nation, I warmly invite your suggestions on how we can celebrate this day in a manner that is both socially and professionally significant. Jodhpur Branch is planning to organize many events and request everyone to have active participation to make it grand success.

Jai Hind, Jai ICAI...!!!



SECRETARY

Message....

Respected Professional Colleagues,

Greeting to all,

"Life is a series of natural and spontaneous changes. Don't resist them; that only creates sorrow. Let reality be reality. Let things flow naturally forward in whatever way they like."

It is the trust and confidence reposed by all members fills Managing Committee with pride, coupled with a sense of responsibility to make things better and set a new benchmark.

'Powered by Professionalism. Driven by Values.' These simple words carry with them a tremendous promise – our commitment to professionalism driven by integrity. Jodhpur Branch with keeping this in mind organized and celebrated the Mothers Day program where we invited our fellow members with their mothers to celebrate and rejoice this beautiful moment of love and gratitude towards them.

Jodhpur Branch also got an opportunity to be part of ICAI Convocation held at Jaipur in presence of Past Chief Minister Ms. Vasundra Raje and Council Members CA. Prakash Sharma and CA. Rohit Ruwatia. I extend appreciation to Chairman CA. Abhishek Soni, Past Chairman CA. Dhaval Kothari and treasurer CA. Hemant Lohiya and committee member CA. Pankaj Rathi for their presence.

We also organized a wonderful Student Exposure Program i.e., INDUSTRIAL VISIT at CAPSITECH IT Services, a well-known and prominent unit in the city of Jodhpur, where more than 70 students participated and learned the practical working skills at first hand. Certainly, this program benefited students and gave a great Corporate Exposure.

When perception, thoughtfulness and understanding do meet, we can fashion a range of viable expectations and craft a world of togetherness and competitiveness but for this we also make to sure to participate and volunteer in programs to keeping the winning edge in current world.

I am sure that we will receive the support of all the respected members during the year as we aspire to achieve the best and become better version of ourselves making our Institute proud.



CA. RAJ BOTHRA

NAVIGATING YOUR PATH: THE IMPORTANCE OF CAREER COUNSELING

Choosing a career path is one of the most significant decisions we make in our lives. It directly influences our professional growth, personal fulfillment, and overall happiness. However, with an ever-evolving job market and an array of options, making the right career choice can be a daunting task. This is where career counseling plays a pivotal role. Career counseling empowers individuals to make informed decisions by exploring their interests, skills, and aspirations. In this article, we will delve into the importance of career counseling and how it can benefit individuals in finding their true calling.

Assessing Interests and Aptitudes:

One of the primary objectives of career counseling is to help individuals understand their interests, passions, and aptitudes. Through various assessment tools, counselors evaluate an individual's personality traits, strengths, and weaknesses. By gaining insight into their unique qualities, individuals can identify career options that align with their natural abilities and inclinations. This process enhances self-awareness and provides a solid foundation for career exploration.

Exploring Career Options:

The world of work offers a multitude of career paths, each with its own set of challenges and opportunities. Career counselors assist individuals in exploring different occupations and industries based on their interests and aptitudes. They provide valuable resources such as occupational databases, labor market trends, and job outlooks to help individuals make informed decisions. By understanding the requirements and prospects of various careers, individuals can narrow down their choices and focus on fields that resonate with their aspirations.

Overcoming Decision-Making Challenges:

Making career decisions can be overwhelming, especially when faced with numerous choices. Many individuals struggle with doubts, fears, and external pressures that can hinder their decision-making process. Career counselors provide a supportive and non-judgmental environment to address these concerns. They help individuals clarify their goals, weigh the pros and cons of different options, and overcome decision-making obstacles. By fostering confidence and self-belief, career counseling empowers individuals to make choices that align with their values and aspirations.

Developing a Career Plan:

Once individuals have identified their career goals, a career counselor can assist in creating a strategic roadmap to achieve them. This involves setting short-term and long-term objectives, identifying necessary education or training, and creating action plans. Career counselors can provide guidance on educational pathways, certifications, internships, and networking opportunities that can facilitate career progression. A well-designed career plan enhances focus, motivation, and direction, leading to a more successful and fulfilling professional journey.

Adapting to Changing Circumstances:

In today's dynamic job market, adaptability is key to thriving in one's career. Career counseling equips individuals with the skills and knowledge to navigate transitions effectively. Whether it's a career change, job loss, or industry disruption, career counselors provide guidance on reskilling, upskilling, and leveraging transferable skills. They assist individuals in identifying emerging trends and market demands to ensure their continued professional growth. Career counseling fosters resilience and empowers individuals to embrace change and seize new opportunities.

Conclusion:

Career counseling plays a crucial role in helping individuals make informed career decisions and navigate the complex world of work. By assessing interests, exploring options, overcoming decision-making challenges, developing career plans, and adapting to changing circumstances, career counselors empower individuals to pursue fulfilling and successful careers. Investing in career counseling is an investment in one's professional growth.



By
CA. MRIDUL MEHTA

JOB WORK VIS-À-VIS MANUFACTURE UNDER GST

There has been instances wherein Department is raising demands on services Job work conducted Job worker. The contention of department is that Job worker, mainly Job worker who is providing services of Job work on textile is not a supply of service, rather it is supply of goods and hence rate of 5% would not be applicable. Consequently refund so claimed would also not be applicable. The department is taking this view by placing reliance on Various Judicial Pronouncements including ruling of Prestige Engineering (India) Ltd. Vs Collector of C. Excise, Meerut. The of department is that there is substantial use of material by the applicant, hence such activity is to be considered as composite supply and as the material component is principle supply, it shall be supply of goods rather than supply of service. Hence such activity will not be considered as Job work and HSN 9988 shall not be applicable. Consequently, refund cannot be claimed under section 54 of the CGST Act, 2017.

Meaning of Job work under GST Act 2017

- a.1.1. As per Section 2(68) pf CGST Act 2017, 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.

Therefore, it is submitted that from the provisions of the CGST Act, 2017, there are three essential requirements to be fulfilled by the applicant in the present case to term the present transaction as job work, namely:

- a. (a) The activity undertaken by the company should qualify as a ‘treatment or process’,
- (b) The treatment or process undertaken should be on goods i.e., the raw materials/ inputs involved in the present cases should fall within the ambit of term ‘goods,
- (c) The goods should belong to the Principal manufacturer.

1.1.1 The term treatment or process is not defined under the GST Act 2017. However, reliance can be placed upon Hon’ble Bombay High court decision in the case of CST Vs Samodar Padmanath Rao [1968 (22) STC 187 (Bom)], wherein the court has observed

“One of the meanings that can be given to the word ‘process’ is to subject to a particular method or technique of preparation, handling, or other treatment, designed to affect a particular result”

Also, as per S.B. Sarkar’s Word & Phrases of Excise, Customs & Service Tax, 4th Edition, it is mentioned that process means ‘prepared, handled, treated or produced by a special process’.

If we go by the definition as per Websters Dictionary, it is mentioned that ‘processing means to subject to some special process or treatment; to subject (esp. raw material) to a process of manufacture, development or preparation’.

Hence considering the above judgment and dictionary meaning, it can be concluded that the activity of dying,

cleaning and painting of fabric amounts to “process” and the applicant is undertaking a process in the present case on the goods. Hence condition (a) mentioned above stand fulfilled.

3.1.2 It is further submitted that the raw materials / inputs used on which the treatment / process undertaken by the applicant should qualify as ‘goods’.

Under CGST Act 2017, goods has been defined under section 2(52) as

“‘Goods’ means every kind of movable property other than money and securities but includes actionable claims, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.

Fabric, being tangible in nature, can be touch, feel and moved. Hence Fabric can be classified as movable property and according classified as Goods.

Also, as per Notification No.1/2017-Central Tax (Rate), Fabric falls under HSN 5408 and hence classified as goods. The aforesaid Notification specifies rate of tax to be applicable on GOODS. Hence it is clear that Fabric is classified as Goods. Hence condition (b) mentioned above stand fulfilled in the present case.

3.1.3 Regarding the last condition that the goods should belong to the Principal manufacturer, it is clear from the delivery challan that Fabric are received from the customers, and such fabric, are supplied back to the customers after executing necessary process/ activities as specified above. Hence last condition (c) also stands fulfilled.

Hence, as all the above conditions as mentioned in section 2(68) stands fulfilled, the transaction or activity would be treated as Job work.

Job work- Supply of Service or Composite Supply

i.3.2.1 Further, as per provision contained in Section 7(1A) of the CGST Act 2017, it is expressly provided that certain activities or transactions shall be treated either as supply of goods or supply of services as referred to in Scheule II.

Entry no3 of Scheule II provides that any treatment or process which is applied to another person’s goods is to be considered as supply of services. Hence when the law itself clearly states that process undertaken on another person’s goods is supply of service, the question of composite supply does not come into picture at all.

i.3.2.2 The concept of Composite Supply will be applied only when there is conscious supply of two or more taxable supply of goods or services or both. However, in the present case, appellant is merely undertaking processing on the fabrics sent by the principal manufacturer and so the appellant is clearly supplied service as per entry no. 3 of the Schedule II of the CGST Act, 2017. When the job work activity is clearly stated as supply of service, there remains no scope of doubt as regards the supply to be considered as supply of goods on the basis of component of materials used therein

i.3.2.3 Further reliance can also be placed on GST Guidance note on Textile Sector prepared by GST Law committee based on feedbacks received from Sectoral groups wherein the Sector group has specifically answered the question that Job work is Composite supply or not. Relevant extract is as under

Page-17 of the Guidance note-

“4. Legal Issue: Various Industry Associations have sought clarity on the definition and difference between ‘Composite Supply’ and ‘Job-Work’ as defined in the CGST Act.

Response of the Sectoral Group: In this context, it is important to clarify the meaning of ‘natural’ bundling and ‘unnatural’ bundling in the definition of ‘Composite Supply’ under Section 2(30) of the CGST Act In view of the Group ‘natural’ bundling implies that the recipient of the supply has no option to decide whether he wishes to receive the various elements of the supply being provided as a bundled supply. Whereas, if such an option to decide is possible then the supply cannot be said to be ‘naturally’ bundled and such a supply will not be ‘composite’ supply. This is explained by the way of an illustration

Illustration:

- i.a. In case of delivery charges collected by a hypermarket for making a home delivery, the recipient of the supply of goods has the option of going and collecting the supplies from the market itself. Thus this is cannot be treated as a ‘composite supply’. Similarly, in case of a Car taken to a service station, it is not mandatory to get all the parts replaced. Thus the bill can still be split into supply of goods and supply of services and not as a ‘Composite Supply”.
- ii.b. On the other hand software on media, electroplating, powder coating, restaurant are examples of “naturally bundled services and thus in the Group’s opinion these will be treated as “Composite Supply”.
- iii.c. The distinguishing feature of job-work is that goods being worked upon by the supplier must belong to the principal. In this respect in the opinion of the Sectoral Group it needs to be clarified that even if some materials, consumables are provided by the job-worker, the transaction would still fall under the ambit of Job-Work.”

Hence from a plain reading of the above , from the suggestion of the Sectoral Group, it is ample clear that even of some material or consumables are provided by job worker, the supply or transaction would still fall under Job Work and not as a composite supply

i.3.2.4 So far as goods used by Job worker for execution of job work is concerned, Circular 38/12/2018 was issued dated 26 march 2018, wherein Para 5 expressly states that

5. “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.”

Hence it is ample clear that Job work can use his own goods for providing the services of Job work.

Job Work Vis-à-vis manufacture

i.2. The Contention that the said activity or transaction would qualify as manufacture. In this regard, it is submitted that the Scope of job work in regard to GST law is concerned is much wider as compared to erstwhile law and it includes manufacture. The following terms are defined under GST Act 2017:

Section 2(72): Manufacture: Manufacture means processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be considered accordingly

Section 2(68)- 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.

On combined and Harmonious reading of the above definitions, it can be interpreted that processing activity when carried out on the raw material or inputs belonging to another person will qualify as job work. However, when such job work results in emergence of a new and distinct commodity, only then it falls within the ambit of manufacture. Therefore, the way terms have been defined under the CGST Act, manufacturing activity is a sub-set of job work. That is to say if a person undertakes processing of raw material / inputs belonging to another person then the said activity would qualify as job work, which if results in emergence of new product, will also be manufacturing activity.

i.2.1.1. Further, reliance can be placed on clarification issued by CBIC wherein it has been stated that job work is an activity which may or may not tantamount to manufacture but still such process or treatment will qualify as job work subject to fulfillment of other conditions prescribed under the CGST Act and rules made thereof. Relevant extract is reproduced below for your ready perusal:

"Job-work sector constitutes a significant industry in Indian economy. It includes outsourced activities that may or may not culminate into manufacture. The term Job-work itself explains the meaning. It is processing of goods supplied by the principal. The concept of job-work already exists in Central Excise, wherein a principal manufacturer can send inputs or semi-finished goods to a job worker for further processing. Many facilities, procedural concessions have been given to the job workers as well as the principal supplier who sends goods for job-work. The whole idea is to make the principal responsible for meeting compliances on behalf of the job-worker on the goods processed by him (job-worker), considering the fact that typically the job-workers are small persons who are unable to comply with the discrete provisions of the law. "

4.1.2 Attention shall be drawn on Circular No. 126/45/2019-GST which clarifies the scope of the notification entry at item (id) and (iv) under heading 9988. The relevant extract of the circular is as follows

" 2.The matter has been examined. The entries at items (id) and (iv) under heading 9988 read as under:

3. Job work has been defined in CGST Act as under. "Job work means any treatment or processing undertaken by a person on goods belonging to another registered person and the expression 'job worker' shall be construed accordingly."

4. In view of the above, it may be seen that there is a clear demarcation between scope of the entries at item (id) and item (iv) under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017. Entry at item (id) covers only job work services as defined in section 2 (68) of CGST Act, 2017, that is, services by way of treatment or processing undertaken by a person on goods belonging to another registered person. On the other hand, the entry at item (iv) specifically excludes the services covered by entry at item (id), and therefore, covers only such services which are carried out on physical inputs (goods) which are owned by persons other than those registered under the CGST Act."

Hence by a plain reading of the circular, it is ample clear that for the service to be classified as Job work, the goods must belong to any another registered person. If such person is not registered, it would amount to manufacture. Thus, the circular itself set the difference between the above two terms on basis of whether the person who supply the goods is registered or not. If registered, then such activity will be classified as job work, otherwise it would amount to manufacture. Thus, under the GST regime, job work includes manufacture.

i.2.1.2. In the case of Eaton Fluid Power Ltd. v. Commissioner of C. Ex., Pune 2014 (308) E.L.T. 602 (Tri. - Mumbai), the tribunal held that job work may or may not amount to manufacture, and just because activities undertaken result in new commodity, it cannot be said that there is no job work. Relevant extract is reproduced below:

"We observe that there is no dispute by the Revenue on the duty payments made on the finished products, namely, hydraulic power packs by the appellant which were cleared from the job workers' premises. There is also no allegation of undervaluation of the finished products either in the show cause notice nor any such findings has been recorded in the impugned order. Once the finished product has correctly discharged the liability there cannot be any leakage of revenue. Cenvat credit envisages that duty/tax paid on the input/input services will be available for discharge of duty liability on the finished products. It is not in dispute that the inputs were used in the fabrication/assembly of the finished products. Similarly, it is also not in dispute that finished products did emerge at the job-workers' premises. In these circumstances, the conclusion drawn by the adjudicating authority that there is no job work involved in the present case is a contradiction in terms. A job work might amount to "manufacture" or might not amount to "manufacture". In many instances the job work results in production of a new commodity. For example, in the case of textile fabrics, a job-worker undertaking the process of bleaching or dyeing of fabrics, new products namely, dyed/bleached fabrics come into existence. Thus, the activities amount "manufacture". Similarly, in the case of a bus body built on a chassis, the activity amounts to "manufacture". Therefore, it cannot be said that since the activities undertaken result in a new commodity, there is no job-work involved. In view of the above, we do not find any merits in the Revenue's contention that merely because a finished product emerged as a result

of the activity undertaken by the appellant, the same is not job-work.

4.1.3 Further in the case of M/s JSW Energy Limited, MAHARASHTRA AAAR dated 02.07.2018 (MAH/AAAR/SS-RJ/01A/2018-19 held that the scope of Job work under GST is wider and it includes manufacture, Relevant extract is reproduced herewith:

“42. The Appellant, through written submissions and during personal hearing, have drawn our attention towards various judgments and erstwhile juridical position of Job Work, summarizing that manufacturing may or may not take place during a job work activity. The erstwhile Notification No. 214/86 under Central Excise Act also exempted the goods where manufacturing took place. Under the GST regime, as argued also before us, and seen from the definition per se, the scope of Job work appears to be wider. Accordingly, we are not inclined to concur with the views of AAR and we hold the view that Job work may or may not involve manufacturing.”

“57. Accordingly, we pass the following order:

In view of the above discussions and in terms of Section 101(1) of the CGST Act 2017 and MGST Act 2017, we hold that-

The processing undertaken by a person on the goods belonging to another registered person qualifies as job work even if it amounts to manufacture provided all the requirements under the CGST/MGST Act in this behalf, are met with.”

The Above ruling was also reaffirmed by AAAR Maharashtra vide order No MAHG/AAAR/SS-RJ/01A/2019-20 when the case was remanded back by Hon’ble Bombay High court for fresh consideration.

4.1.4 The Kerela Authority of Advance Ruling (Kerela AAR) (KER/21/2018 dated 20.10.2018) in M/s. Bharat Petroleum Corporation Limited also held that the scope of Job work under GST is wider and it includes manufacture as well. Following is the relevant extract:

“It is settled position of law that job work is an activity which may or may not tantamount to manufacture. A job worker may undertake manufacturing of goods on account of others from the inputs supplied to him free of cost, and realize job work charges on return of the goods so manufactured or processed. In such a scenario the job worker alone has the liability to pay tax on the job work charges realized.

4.1.5 Considering the above provision, clarification and judgement above, it is submitted that the processing activity carried out on inputs owned by another person amounts to job work even if the resultant product is a distinct commodity.

i.3. Reliance was placed in the Judgment of Hon’ble Supreme Court in M/s Prestige Engineering (India) Ltd. Vs

Collector of C. Excise, Meerut [1994 (73) E.L.T. 497 (S.C.)]. In this regard, it is humbly submitted that the mentioned judgment was rendered in the context of Job work under Central Excise Notification number 119/75, hence the decision cannot be applied universally. Further, it is imperative to bring your honours kind attention to the following judicial pronouncements which distinguished the decision of the hon'ble Apex court:

i.1. COMMISSIONER OF CUSTOMS & C. EX., BHOPAL VERSUS ABHINAV CHEMICALS [2012 (284) E.L.T. 589 (Tri. - Del.)] held that that the notification no. 214/86-CE (pertaining to excise exemption to goods sent on job-work basis) does not require that all the raw materials for the manufacture of final product must be supplied by the principal. Consequently, even if the job-worker uses inputs during the course of processing, it will not lead to denying the said process as job-work. Furthermore, it was also held that the conclusion given in the case of Prestige Engineering was based on the definition of job work as given under notification no. 119/75-CE which is different from the definition of job work as given under notification no. 214/86. Therefore, the ratio of the decision given by the Apex Court cannot be applied for the job work done under notification no. 214/86-CE. It was also held that the exercise is revenue neutral as even if the job-worker paid central excise duty, the principal would be eligible to avail the credit of the same.

Following is the relevant extract from the judgement for your ready perusal-

"8. We have considered the submissions made by Id. AR and perused the record. At the outset, we may note that the judgment of the Supreme Court in the matter of Prestige Engineering (India) Ltd. (supra) is not applicable to the facts of this case for the reason that in the said case the Supreme Court was concerned with the meaning and scope of the expression "job work" as defined in the Notification No. 119/ 75-C.E., in which notification the explanation defines expression "job work" as follows: -

"The expression 'job work' shall mean such items of work where an article intended to undergo manufacturing process is supplied to the job worker and that article is returned by the job worker to the supplier, after the article has undergone the intended manufacturing process, on charging only for the job work done by him".

9. In the instant case, we are concerned with the meaning of job work and scope in relation to the Notification No. 214/86-C.E., dated 25-3-1986 wherein the job work has been defined in the explanation in a different manner as under: -

Explanation. - For the purposes of this notification, the expression "job work" means processing or working upon of raw materials or semi-finished goods supplied to the job worker, so as to complete a part of whole of the process resulting in the manufacture of finishing of an article of any operation which is essential for the aforesaid process".

10. On comparison of the respective explanations defining "job work" in the Notification No.119/ 75-C. E. and Notification No. 214/ 86-C. E., dated 25-3-1986 we find that the explanations are differently worded. Therefore, the meaning of job work in respect of Notification No. 119/ 75-C.E. which was subject matter of the judgment in the case of Prestige Engineering (India) Ltd. (supra) cannot be extended to the meaning of job work in respect of Notification No. 214/ 86, dated 25-3-1986.

12” We do not find merit in this contention for the reason that the explanation defining the expression "job work" does not provide that all the raw materials for manufacture of final product must be supplied by the principal manufacturer. Instead, as per the explanation the "job work!" means, processing or working upon of raw materials supplied to the job work. Admittedly, in this case the main raw material Alumina hydrate was supplied by the principal manufacturer M/S HLL which was processed and treated by the respondent with Sulphuric Acid to manufacture Aluminium Sulphate i.e., the final product cleared without payment of duty. Therefore, in our opinion the process of manufacture adopted by the respondent squarely falls within the definition of "job work". As such we do not find any infirmity in the impugned order extending benefit of Notification No. 214/ 86-C.E. to the respondent.

13. Otherwise also even if the benefit of Notification No. 214/ 86-C.E. was denied to the respondent that excise duty would have been passed on to M/ s. HLL who would have availed Cenvat credit on entire duty paid on Aluminium Sulphate cleared by the respondent. Therefore, analyzing from this angle also the entire exercise would have been revenue neutral.

14. In view of the above discussion, we do not find any infirmity in the impugned order extending benefit of Notification No. 214/ 86-C.E. to the respondent, which may call for interference by the Tribunal. Appeal is therefore dismissed.”

i.2. CCus vs Sujag Fine Chemicals (India) Ltd. [2013-VIL-196-BOM-CU]

The word jobbing has not been defined under the Customs Notification No. 32/97-Cus., dated 1-4-1997 and therefore, one would have to apply general meaning of the word jobbing which would mean carrying out work i.e. predetermined job as directed by the supplier of raw material and returning the resultant product to the supplier.

However, the Revenue's contention that the activity carried out by the respondent is not job work in view of the decision of the Apex Court in the matter of Prestige Engineering India Limited (supra) is misplaced. In the above decision the Apex Court was dealing with Notification issued under the Central Excise Act namely Notification No. 119/75, dated 30-4-1975.

For the purpose of the aforesaid notification the word job work has been defined in the explanation to the notification. Explanation to the notification No. 119/75, dated 30-4-1975 is a restricted definition and it requires job worker to work on the goods supplied by the supplier and return the same after the raw material has undergone manufacturing process. There is no such definition of jobbing provided in Notification No. 32/97-Cus., dated 1-4-1997.

In any event as held by the Supreme Court in the matter of Commissioner of Central Excise, Trichy v. Rukmani Pakkzvell Traders reported in 2004-VIL-39-SC-CE it is impermissible to interpret one notification with the aid of another notification. It would, therefore, be inappropriate to import definition of the job work given in Excise Notification No. 119/75, dated 30-4-1975 while construing Customs Notification No. 32/97-Cus*., dated 1-4-1997. “

i.3. COMMISSIONER OF C. EX., PONDICHERY VERSUS WHIRLPOOL OF INDIA LTD. [2015 (316) E.L.T. 209 (MAD.)] also held similar view that principle as laid down by Prestige Engineering (India) Ltd(Supra) Explanation appended to notification on the expression job worker is in relation to the said notification and not otherwise. Relevant extract is reproduced herewith for your ready perusal-

“21. We find the distinction made by the Tribunal, on facts, as against the decision in the case of Prestige Engineering (India) Ltd. vs Collector Of Central Excise, Meerut reported in 1994 (73) ELT 365, is justified as we find that the decision in the case of Prestige Engineering (India) Ltd. vs Collector Of Central Excise, Meerut reported in 1994 (73) ELT 365 as had been already extracted supra, the emphasis laid by the Supreme Court is that the Explanation appended to notification on the expression job worker is in relation to the said notification and not otherwise. It, therefore, means, that the term job worker in respect of one notification and the term job worker in relation to Rule 57S(8) should be understood in the context of the provisions of the Modvat Rules.....”

“22. We find that the decision in the case of Prestige Engineering (India) Ltd. vs Collector Of Central Excise, Meerut reported in 1994 (73) ELT 365 is not applicable to the facts of the present case and the same is distinguishable on facts. The Tribunal is justified in accepting this plea of the assessee.....”

i.4. It is submitted that from the above referred decisions it is clear that there were contradictory views regarding this issue in the erstwhile taxation regime. It was not necessary condition that minimal material should be added by job-worker in order to avail benefit of exemption admissible to job worker. Therefore, the decision given by Supreme Court was specific to facts and circumstances prevalent during the material time and cannot be applied in the GST regime.

i.5. Section 7(1A) of CGST Act 2017 which defines the scope of SUPPLY makes it ample clear that which supply is to be considered as supply of goods and which is to be considered as supply of service. If reliance is placed on other provisions of the act classifying it as composite supply and consequently supply of goods, then the very basis of Section 7(1A) would be defeated and it will lead to redundancy of Schedule II.

i.6. It is submitted that any interpretation which lead to absurdity or redundancy should be avoided. The Hon’ble Apex Court in the case of BRITISH AIRWAYS PLC VS UNION OF INDIA [2002 (139) ELT 6 (S.C.)] has held that while interpreting a legal provision, the court should try to sustain its validity and purpose behind which the same is enacted. Any interpretation which leads to absurd result should be avoided and in case of conflict, harmonious interpretation should be taken. The verdicts of hon’ble Supreme Court are given as follows for your kind perusal: -

i. “While interpreting a statute the court should try to sustain its validity and give such meaning to the provisions which advance the object sought to be achieved by the enactment. The court cannot approach the enactment with a view to pick holes or to search for defects of drafting which make its working impossible. It is a cardinal principle of construction of a statute that effort should be made in construing the different provisions so that each provision will have its play and in the event of any conflict a harmonious construction should be given. The well-known principle of harmonious construction is that effect shall be given to all the provisions and for that any provision of the statute should be construed with reference to the other provisions so as to make it workable. A particular provision cannot be picked up and interpreted to defeat another provision made in that behalf under the statute. It is the duty of the court to make such construction of a statute which shall suppress the mischief and advance the remedy. While interpreting a statute the courts are required to keep in mind the consequences which are likely to flow upon the intended interpretation.”

ii.

iii. 7. An analysis of this decision makes it clear that the various provisions of an enactment should be so interpreted that every provision is effective and if there is any conflict, the harmonious interpretation should be given effect. Similar decision has been given by larger bench of Mumbai Tribunal in the case of CCE, MUMBAI -V VS M/S GTC INDUSTRIES LTD [2008 (12) S.T.R. 468 (Tri-LB)] where the Tribunal held that:

iv. “It is well settled that every clause of the Statute should be construed with reference to the context in which it is issued. A bare mechanical interpretation of words and application of legislative intent is devoid of concept and purpose will reduce most of the remedial and beneficial legislations to futility. To be literal in meaning is to see the skin and miss the soul.

v. The legislature never wastes its words or says anything in vain and a construction which attributes redundancy to legislation will not be accepted, as has been observed by the Supreme Court in the case of Union of India vs. Hansoli Devi 2002 7 SCC 273”



By

CA. VAIBHAV AGARWAL



JODHPUR BRANCH OF CIRC OF ICAI

CELEBRATES

Mother's Day!

14.05.2023





**ICAI
CONVOCATION
PROGRAM
@
JAIPUR**





**INDUSTRY
VISIT
PROGRAM
01.06.2023**



MEDIA COVERAGE



जोधपुर 02-06-2023

सौ से ज्यादा सीए स्टूडेंट्स ने की इंडस्ट्री विजिट

सिटी रिपोर्टर, जोधपुर

द इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया (आईसीएआई) की जोधपुर सिकासा शाखा की ओर से सीए स्टूडेंट्स को कैप्सिटक लिमिटेड का एजुकेशन टूर कराया गया। ब्रांच चेयरमैन अभिषेक सोनी ने बताया कि इस बदलते परिवेश में ऑपरेशन, एकाउंट्स, इंटरनेशनल टैक्सेशन का वास्तविक परिस्थितियों के साथ अवलोकन करना स्टूडेंट्स के लिए जरूरी है। कंपनी के एचआर आनंद सोनी और डायरेक्टर ऑपरेशन हेड मोहित बाहेती ने स्टूडेंट्स को कंपनी के विभिन्न चरणों के बारे में विस्तृत जानकारी दी।

सिकासा अध्यक्ष मुकेश व्यास ने बताया कि सीए स्टूडेंट्स के लिए इस तरह की विजिट किस तरह उपयोगी हो सकती है। विजिट में 100 से ज्यादा सीए स्टूडेंट्स ने हिस्सा लिया। अंत में पूर्व अध्यक्ष धवल कोठारी ने वोट ऑफ थैंक्स दिया। प्रोग्राम में शाखा से अक्षय नायर, अभिजीत गहलोत और इकबाल चोबदार उपस्थित रहे।

INDUSTRY VISIT PROGRAM



आईसीएआई का दीक्षांत समारोह में 1400 नये सीए मेंबर्स को डिग्री प्रदान की, इसमें से 48 से ज्यादा सीए महिलाएं रही

नवज्योति/जोधपुर। आईसीएआई के नये सदस्यों को सम्मानित करने और उनकी प्रगति का पदक वितरण करने के लिए संस्थान की ओर से दीक्षांत समारोह जोधपुर में आयोजित किया गया। इस अवसर पर 1400 नये सीए मेंबर्स को डिग्री प्रदान की गई, इसमें से 48 से ज्यादा सीए महिलाएं रही। मुख्य अतिथि के रूप में मौजूद राजस्थान की पूर्व मुख्यमंत्री वसुंधरा राजे ने सभी सदस्यों को डिग्री प्रदान करते हुए कहा कि देश के विकास में सीए का बहुत योगदान है। उनके बिना देश की अर्थव्यवस्था को परिकल्पना करना नामुमकिन है। इस अवसर पर जोधपुर ब्रांच के सभी कमेटी मेंबर्स भी जयपुर में उपस्थित रहे। जोधपुर ब्रांच अध्यक्ष सीए अभिषेक सोनी ने बताया कि एक सीए को अपने कार्य का निर्वहन अखंडता के साथ करना होता है। उनके हस्ताक्षर किए हुए कोई भी डॉक्यूमेंट

पर किसी भी व्यक्ति को संदिह नहीं होता और पूर्ण विश्वास के साथ स्वीकार किया जाता है। इस अवसर पर सीए धवल कोठारी, कोषाध्यक्ष सीए हेमंत लोहिया और कमेटी

मेंबर सीए पंकज राठी के साथ सेंट्रल कार्डिनल मेम्बर सीए प्रकाश शर्मा, रोहित रूवाटिया, सीए अनिल कुमार यादव और सीए आकाश चारगोटी मौजूद थे।



ICAI CONVOCATION PROGRAM



JODHPUR BRANCH MANAGING COMMITTEE 2022-2025



MEMBERS FROM LEFT TO RIGHT

CA. Pankaj Rathi, CA. Raj Bothra, CA. Abhishek Soni,
CA. Pooja Dhoot, CA. Mukesh Vyas,
CA. Dhaval Kothari, CA. Hemant Lohiya

Managing Committee 2023-24

JODHPUR BRANCH OF CIRC OF ICAI

**CA. Abhishek Soni
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**CA. Pooja Dhoot
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**CA. Raj Bothra
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**CA. Hemant Lohiya
(Treasurer)**

**CA. Mukesh Vyas
(CICASA Chairman)**

**CA. Dhaval Kothari
(Chairman of Women and Young
Members Empowerment Committee)**

**CA. Pankaj Rathi
(Chairman of Committee for
Members in Industry & Business)**

**CA. Anil Kumar Yadav
(RCM, Ex- Officio)**

COMMUNIQUÉ

1. We are happy to share that we have initiated a theme based newsletter where every month we will be publishing articles so we invite articles for the same on **jodhpurbranchofficial@gmail.com**.
2. We are also starting section of **Hall of Fame** where we will be showcasing accomplishments of our members, so we request you to share your achievements.
3. An **obituary section** will also be added to pay a heartfelt tribute to members of our fraternity you can also inform us the same.



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The views and opinions expressed or implied in this E-Newsletter are those of the authors and do not necessarily reflect those of Jodhpur Branch of CIRC of ICAI.