

Ref.-SEP/GST/13

Date: 13/09/2017

To,
GST CELL,
HQ, FA & CAO Office
G.M. Building
West Central Railway
Jabalpur (MP)

Subject: Applicability of CGST and SGST or IGST

Ref:- CGST act 2017 and IGST act 2017

Sir,

This has to reference to the Section 9 of the CGST ACT, 2017 , Section 7, 8 and 5 of the IGST act 2017

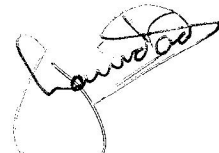
What are conditions for applicability of CGST and SGST or IGST?

Chargeability of CGST and SGST

As per Section 9 of the sub section (1) of CGST Act 2017 there shall be levied a tax called the central goods and services tax on all **intra-State** supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

Chargeability of IGST

As per section 5 of sub section (1) IGST ACT 2017 there shall be levied a tax called the integrated goods and services tax on all **inter-State** supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.



Meaning of Intra- state supply

As per Section 8 sub section (1) and (2) of the IGST Act 2017, Where the location of the supplier and the place of supply of goods and/or services are in the same State or same Union territory shall be treated as **intra-State supply**

For e.g :- Rajesh, a Registered Contractor in MP render services to WCR in MP Rs. 10,000. The GST is payable Rs 1800/- @ 18% comprising of CGST rate of 9% and SGST rate of 9%.(Intra state supply)

Meaning of Inter-state supply

As per section 7 Sub section (1) and (3), Where the location of the supplier and the place of supply are in—

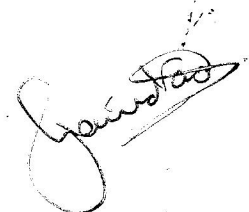
- (a) Two different States;
- (b) Two different Union territories; or
- (c) A State and a Union territory,

Shall be treated as a supply of goods or/and services in the course of **inter-State trade or commerce**.

For e.g:- Rajesh a Registered Contractor in Maharashtra had rendered services to WCR in MP worth Rs. 1,00,000.00/- GST is payable of Rs 18000/- as IGST @ 18%.

Hence, CGST and SGST are leviable on intra state supply- where location of supplier and Place of Supply are in same state.

And IGST is leviable on interstate supply- where location of supplier and Place of Supply are in different states.



Meaning of place of supply

a) Meaning of supply in case of goods (refer section 10 sub section (1) of IGST Act 2017

Sr. No.	Nature of supply	Place of supply
1.	Where the supply involves movement of goods	Location of the goods at the time at which the movement of goods terminates for delivery to the recipient.
2.	Where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person	It shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person
3.	Where the supply does not involve movement of goods	Location of such goods at the time of the delivery to the recipient
4.	Where the goods are assembled or installed at site	Place of such installation or assembly
5.	Where the goods are supplied on board a conveyance, including a train.	Location at which such goods are taken on board.

b) Meaning of supply in case of services (refer section 12) of IGST Act 2017

Sr. No.	Nature of supply	Place of supply
1.	Services made to a person registered under GST (sub Section 2) <i>* Except for the services listed in Sr No. 3 to 9 below, and few other services not included in this list for the sake of brevity and relevance</i>	Location of such person
2.	Services made to any person not registered under GST(sub Section 2)	(i) The location of the recipient where the address on record exists; and (ii) The location of the supplier of services in other cases.

3.	Place of supply of services (sub Section 3):- I. Directly in relation to an immovable property, including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work. II. By way of lodging accommodation by a hotel, inn, guest house etc. III. By way of accommodation in any immovable property for organising any marriage or reception or matters related thereto, official, social, cultural, religious or business function IV. Any services ancillary to the services referred to in point I.II.III	Location at which the immovable property is located or intended to be located:
4.	The place of supply of restaurant and catering services(sub Section 4)	Location where the services are actually performed
5.	The place of supply of services by way of transportation of goods, including by mail or courier to a person registered under GST(sub Section 8)	Location of such person
6.	The place of supply of services by way of transportation of goods, including by mail or courier to a person not registered under GST(sub Section 8)	Location at which such goods are handed over for their transportation
7.	The place of supply of services by way of passenger transportation to a person registered under GST (sub Section 9)	Location of such person
8.	The place of supply of services by way of passenger transportation to any person not registered under GST(sub Section 9)	Where the passenger embarks on the conveyance for a continuous journey
9.	The place of supply of services on board a conveyance, including a train	Location of the first scheduled point of departure of that conveyance for the journey

Thanks and regards
For, Rahul & Co.
Chartered Accountants

Dhawal Shrivastava

