

Ref.-OCT/GST/01

Date: 03/10/2017

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

Subject :- Applicability of CGST and SGST or IGST on supply of goods to other person on direction of the third person.

Ref :- Section 7 sub section (1), Section 8 subsection (1) and section 10 sub section (1) clause (b) of IGST act 2017.

Sir,

- **What will be the place of supply, when goods have been delivered to a person on direction of the third person?**

As per Section 10 sub section (1) clause (b) of IGST act 2017, states that "where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, 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"

- **In which type of transaction IGST shall be applicable under IGST Act 2017 in case of supply of goods?**

IGST shall be applicable on inter-state supply and meaning of interstate supply in case of goods supply is governed by the section 7 sub section (1) of IGST act 2017, which says that "Subject to the provisions of section 10, supply of goods, 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 in the course of inter-State trade or commerce.

• **In which type of transaction CGST and SGST will be applicable under IGST Act 2017?**

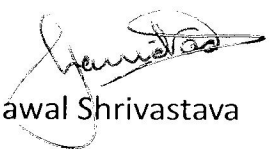
CGST and SGST will be applicable on intra-state supply and meaning of intrastate supply in case of goods supply is governed by the section 8 sub section (1) of IGST act 2017 which says that "Subject to the provisions of section 10, supply of goods where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply"

We can understand above provisions with help of following illustrative example:-

Suppose a supplier has supplied goods to Kota Division (Rajasthan) of WCR on direction of the Jabalpur HQ (Madhya Pradesh) and GST invoice has been raised by the supplier in the name of Jabalpur HQ, applicability of CGST and SGST or IGST will depend upon the location of supplier and recipient of supply, you may decide applicability of CGST and SGST or IGST with the help of following two Example:-

- I. If supplier of goods is registered under GST in the State of Madhya Pradesh and GST invoice have been issued using GSTIN registered in Madhya Pradesh in name of HQ Jabalpur, irrespective of consignee; CGST and SGST will be applicable.*
- II. If supplier of goods is registered under GST in the State of Rajasthan and GST invoice have been issued using GSTIN registered in Rajasthan in name of HQ Jabalpur, irrespective of consignee; IGST will be applicable.*

Thanks and regards
For, Rahul & Co.
Chartered Accountants


Dhawal Shrivastava