

Government of Rajasthan

Commercial Taxes Department

No. F.17 (128) / ACCT/ GST/ 2017/2744

Dated: 26-10-17

GST CIRCULAR No. 03/2017

To,

All Joint Commissioners (Adm.),

Commercial taxes Department,

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Subject: Clarification on issues wherein the goods are moved within the State or from the State of registration to another State for supply on approval basis.

It has come to the knowledge of the Department from various representations and communications particularly from the suppliers of jewellery etc. who are registered in the State but may have to visit other States (other than Rajasthan) and need to carry the goods (such as jewellery) along for approval. In such cases if jewellery etc. is approved by the buyer, then the supplier issues a tax invoice only at the time of supply. Since the suppliers are not able to ascertain their actual supplies beforehand and while ascertainment of tax liability in advance is a mandatory requirement for registration as a casual taxable person, the supplier is not able to register as a casual taxable person. It has also been represented that such goods are also carried within Rajasthan for the purposes of supply. Therefore, in exercise of the powers conferred under section 168 (1) of the Rajasthan Goods and Services Tax Act, 2017, (Act No. 9 of 2017) for the purpose of uniformity in the implementation of the Act, it has been decided to clarify this matter as follows -

1. It is seen that clause (c) of sub-rule (1) of rule 55 of the Rajasthan Goods and Services Tax Rules, 2017 (hereafter referred as "the said Rules") provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply. Further, sub-rule (3) of the said rule also provides that the said delivery challan shall be declared as specified in rule 138 of the said Rules. It is also seen that sub-rule (4) of rule 55 of the said Rules provides that "*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*".

2. A combined reading of the above provisions indicates that the goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier to another place within Rajasthan place outside Rajasthan on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice once the supply is fructified.

3. It is further clarified that all such supplies, where the supplier carries goods from Rajasthan and supplies them in another State(s), or where the supplier carries goods from another State(s) and

supplies them in Rajasthan, it will be inter-state supplies and attract integrated tax in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017.

4. It is also clarified that this clarification would be applicable to all goods supplied under similar situations.

5. All Joint Commissioners shall ensure compliance of these directions and make aware officers and business community in this regard.

6. Any issue or difficulty, in the implementation of the above instructions may be brought to the notice of this office.

(Alok Gupta)

Commissioner State Tax,

Rajasthan, Jaipur