

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**OFFICE OF THE ADDITIONAL CHIEF SECRETARY /
COMMISSIONER OF COMMERCIAL TAXES
Ezhilagam, Chepauk, Chennai 600 005.**

PRESENT: DR.C.CHANDRAMOULI, I.A.S.

Circular No.03/2017 TNGST

Dated: 23.10.2017.

(RC 085 /2016 / A1/Taxation Cell)

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 –Reg.
Ref:	Circular No. 10/10/2017-GST, dated 18-10-2017 issued by the CBEC, New Delhi.

In order to extend the procedures laid down in the circular cited for intra-State transactions of similar nature, in exercise of the powers conferred under section 168(1) of the Tamil Nadu Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, it has been decided to clarify this matter as follows-

2. It is seen that clause (c) of sub-rule (1) of rule 55 of the Central 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*".

3. 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 the same State or to a place outside the State 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.

4. It is further clarified that all such supplies, where the supplier carries goods from one State to another and supplies them in a different State, will be inter-state supplies and attract integrated tax in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017.

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

6. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

Sd/-Dr.C.Chandramouli
Additional Chief Secretary /
Commissioner of State Tax

To

All the Joint Commissioners (ST) (Territorial)

Copy submitted to the Additional Chief Secretary to Govt., CT & R Dept., Chennai 9.

Copy to the Additional Commissioners (Audit) (SMR) (PR) (RP) in the O/o the ACS/CCT.

Copy to the Joint Commissioner (CT) Computer System to host in the dept.website.

Copy to the all Joint Commissioners (ST) (Enforcement)

Copy to all the Deputy Commissioners(ST) in the State including Enforcement.

Copy to all Heads of Assessment Circles.

//Forwarded by order//


Joint Commissioner (ST) Taxation