

GOVERNMENT OF NAGALAND  
OFFICE OF THE COMMISSIONER OF STATE TAXES  
NAGALAND: DIMAPUR

Dated Dimapur, the 18<sup>th</sup> October, 2017

**CIRCULAR-08/10/2017-GST**

***Ref-CBIC Circular No.10/10/2017-GST dated 18-10-2017***

**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.**

Various communications have been received particularly from the suppliers of jewellery etc. who are registered in one State but may have to visit other States (other than their State of registration) 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 the same State for the purposes of supply. Therefore, in exercise of the powers conferred under section 168 of the Nagaland 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 Nagaland 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. This Circular is clarificatory in nature and not meant for any interpretation of provisions of the Act and Rules.

7. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Commissioner at an early date.

Sd/-

**(Y. MHATHUNG MURRY)**

Commissioner of State Taxes

Nagaland: Dimapur

Dated Dimapur, the 18<sup>th</sup> October, 2017

NO.CT/LEG/CR-GST/36/17 / 69  
Copy to:-

1. The Finance Commissioner to the Government of Nagaland Finance Department (Revenue Branch) for information.
2. All Additional Commissioner of State Taxes/ Joint Commissioner of State Taxes, Nagaland, Dimapur for information and necessary action.
3. All Deputy Commissioner of State Taxes/ Superintendent of State Taxes/Inspectors of State Taxes, Nagaland for information and necessary action.
4. Programme Officer for uploading it in the Official Website for information to all concerned.
5. Guard file.

*Y. M. Murry*  
18/10/17

Commissioner of State Taxes

Nagaland: Dimapur