



केन्द्रीय शुल्क, केन्द्रीय उत्पाद शुल्क व सेवा कर के आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CENTRAL TAX, CENTRAL EXCISE AND SERVICE TAX
मेडचल आयुक्तलाय, बशीरबाग, हैदराबाद - 500 004
MEDCHAL COMMISSIONERATE, BASHEERBAGH:: HYDERABAD 500 004

C.No:IV/16/37/2017-Tech

Date: 25.10.2017

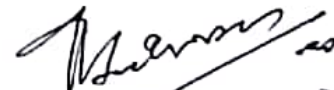
Trade Facility No. 24/2017-GST

Sub: - 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 and clarification on taxability of printing contracts - Reg.

A copy of the CBEC Circular No. 10/10/2017-GST dated 18.10.2017 seeking to provide 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 and a copy of the CBEC Circular No. 11/11/2017-GST dated 20.10.2017 clarifying taxability of printing contracts are enclosed herewith for information, guidance and necessary action.

2. All the Trade associations are requested to bring the contents of the Trade Facility to all concerned.

Encl: As above.


(M.SRINIVAS) 25/10/17
COMMISSIONER

Copy Submitted to:

The Chief Commissioner of Customs, Central Tax, Central Excise & Service Tax,
Hyderabad Zone.

Copy to:

1. The Federation of Telangana & Andhra Pradesh Chamber of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500 004.
2. The Deputy/Assistant Commissioner, Medchal, Malkajgiri, Jeedimetla, Kukatpally, Sangareddy, Karimnagar, Nizamabad, Mancherial Divisions.
3. Superintendent (Computers) for uploading on official website <http://cexhyd1.nic.in/>
4. As per Distribution list.

Circular No. 10/10/2017-GST

**CBEC - 20/16/03/2017-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
GST Policy Wing**

New Delhi, dated 18th October, 2017

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/
Commissioners of Central Tax (All)
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

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 (1) of the Central 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.

7. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)

**F. No. 354/263/2017-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax research Unit

**North Block, New Delhi
20th October 2017**

To,

The Principal Chief Commissioners/Chief Commissioners/ Principal Commissioners/
Commissioner of Central Tax (All) /
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

Subject: Clarification on taxability of printing contracts

Requests have been received to clarify whether supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc., printed with design, logo, name, address or other contents supplied by the recipient of such supplies, would constitute supply of goods falling under Chapter 48 or 49 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) or supply of services falling under heading 9989 of the scheme of classification of services annexed to notification No. 11/2017-CT(R).

2. In the above context, it is clarified that supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc. printed with logo, design, name, address or other contents supplied by the recipient of such printed goods, are composite supplies and the question, whether such supplies constitute supply of goods or services would be determined on the basis of what constitutes the principal supply.

3. Principal supply has been defined in Section 2(90) of the Central Goods and Services Tax Act as supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary.

4. In the case of printing of books, pamphlets, brochures, annual reports, and the like, where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs while the physical inputs including paper used for printing belong to the printer, supply of printing [of the content supplied by the recipient of supply] is the principal supply and therefore such supplies would constitute supply of service falling under heading 9989 of the scheme of classification of services.

Circular No. 11/11/2017-GST

5. In case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc. falling under Chapter 48 or 49, printed with design, logo etc. supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content [supplied by the recipient of supply] is ancillary to the principal supply of goods and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.

4. Difficulty if any, in the implementation of the circular should be brought to the notice of the Board. Hindi version would follow.

Yours Faithfully,

Rachna

Technical Officer (TRU)
Email: rachna.irs@gox.in