

		<p>कार्यालय आयुक्त, केन्द्रीय माल एवं सेवाकर एवं केन्द्रीय उत्पाद शुल्क, माणिकबाग पैलेस, पोस्ट बैग नं.10, इन्दौर (म.प्र.) OFFICE OF THE COMMISSIONER CGST & CENTRAL EXCISE MANIK BAGH PALACE, POST BAG NO.10, INDORE - 452 001 (M.P.) PhoneNo.+91731-2762222,2360590, Fax No.+91731- 2470898,2471474, 2446358,2446274,2479874 Email-technicalcex@gmail.com</p>
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TRADE NOTICE NO.13/2017-18

Dated: 01.08.2017

Subject: Clarification on Inter-state movement of various modes of conveyance, carrying goods or passengers or for repairs and maintenance- regarding

Copy of Circular No. 1/1/2017-IGST dated 07.07.2017 from file F. No. 354/119/2017 - TRU (Pt) is communicated herewith.

2. The contents of the Trade Notice may be brought to the knowledge of all constituent members of Trade Associations/ Chamber of Commerce.

(Issued from file C.No.I(Gen)30-53/17-18/CX/T/)

Neerav Kumar Mallick
01.08.17
(Neerav Kumar Mallick)
Commissioner

To,
As per mailing list.

Copy of Circular No. 1/1/2017-IGST dated 07.07.2017 issued from file F. No. 354/119/2017 - TRU (Pt) dated 7th July 2017

The issue relating to levy of IGST exemption on inter-state movement of various modes of conveyance, carrying goods or passengers or for repairs and maintenance, between distinct persons as specified in section 25(4) of the Central Goods and Services Tax Act, 2017, carrying goods or passengers or both; or for repairs and maintenance, [except in cases where such movement is for further supply of the same conveyance] has been examined.

2. In the above context, the legal provisions in GST laws are as under:

a) As per section 24 (1) (i) of the Central Goods and Services Tax Act, 2017, persons making any inter-State taxable supply shall be required to be registered under this Act.

b) As per section 25(4) of the said Act a person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union

territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.

c) Schedule I to the said Act specifies situations where activities are to be treated as supply even if made without consideration which also includes supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business.

d) Section 7 (2) envisages that activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as *public authorities*, as may be notified by the Government on the recommendations of the Council, shall be treated neither as a supply of goods nor a supply of services.

3. Against the above background, the issue of inter-state movement of goods like movement of various modes of conveyance, between distinct persons as specified in section 25(4) of the said Act, not involving further supply of such conveyance, including-

- i. Trains,
- ii. Buses,
- iii. Trucks,
- iv. Tankers,
- v. Trailers,
- vi. Vessels,
- vii. Containers,
- viii. Aircrafts,

(a) carrying goods or passengers or both; or (b) for repairs and maintenance, [except in cases where such movement is for further supply of the same conveyance] was discussed in GST Council's meeting held on 11th June, 2017 and the Council recommended that such inter-state movement shall be treated 'neither as a supply of goods or supply of service' and therefore not be leviable to IGST.

4. In view of above, it is hereby clarified that "the inter-state movement of goods like movement of various modes of conveyance, between distinct persons as specified in section 25(4) of the Central Goods and Services Tax Act, 2017, including the ones specified at (i) to (viii) of para 3, may not be treated as supply and consequently IGST will not be payable on such supply.

5. However, applicable CGST/SGST/IGST, as the case may be, shall be leviable on repairs and maintenance done for such conveyance.

(Ruch Bisht.)
Under Secretary (TRU)