FAQs to address common queries on delivery at warehouses against exchange contracts

We have been receiving several queries related to GST implications mainly when the goods change hands upon settlement via the Exchange mechanism. For the benefit of our members and participants, we have collated these queries and sought opinion from Mr. V Sridharan, Senior Advocate and Partner of M/s. Lakshmikumaran & Sridharan, an eminent legal firm specialising in indirect tax practice.

For the benefit of our participants and members, their opinion in full is attached as **Annexure-1** to these FAQs.

Incrementally, few recurring queries around the Additional Place of Business (APOB) are listed below for additional guidance:

A. Are all the sellers required to add MCXCCL accredited warehouses/ vaults as 'Additional Place of Business'?
   - **Response**: It is advisable for participants who intend to give physical delivery on Exchange platform to add MCXCCL accredited warehouse/ vault as an 'Additional Place of Business' in their GST registration for respective states.

B. By when should the participant get themselves registered at MCXCCL accredited warehouses / vaults as "Additional Place of Business'?
   - **Response**: Participants who wish to sell from MCXCCL accredited warehouse should get themselves registered prior to initiating deposit at the warehouse. If the participant is getting credit of electronic receipts, then such participant is also advised to get themselves registered at the MCXCCL warehouse as an 'Additional Place of Business' in their GST registration for respective states i.e. Buyers who wish to further resell from MCXCCL accredited warehouse are advised to get registered.

C. What is the procedure for registering MCXCCL accredited warehouses / vaults as 'Additional Place of Business'?
   - **Response:** Participants are advised to contact the MCXCCL accredited warehouse or the respective Warehouse Services Providers (WSPs). Such WSPs will support with required documents to apply for additional place of business. The participants are advised to approach the W/VSPs well in advance so that their registration is concluded

before initiating any physical deposit or electronic transfer of goods at the MCXCCL accredited warehouse/ vault.

D. What are the documents required for registering MCXCCL accredited warehouses / vaults as 'Additional Place of Business' and who will provide these?

- **Response:** The list of documents required for registering a place as an 'Additional Place of Business' are Electricity Bill, Lease Agreement, Letter from Gram Panchayat etc. as given in the respective GST portal. The respective WSPs can be approached to get a copy/ original of the documents, as applicable. List of WSPs with contact details is available on: https://www.mcxccl.com/warehousing-logistics/Overview/

E. What are the timelines for updating 'Additional Place of Business' (APOB) details in ComRIS?

- **Response**: Member should ensure that the 'Additional Place of Business' (APOB) details of all their clients having open position are uploaded before commencement of Tender Period of each contract. However, the registration of APOB by depositing clients shall be as per applicable GST laws.

F. Are Buyers required to add MCXCCL accredited warehouses in their GST as 'Additional Place of Business' too.

- **Response:** All the participants who intend to take physical delivery on exchange platform and further resell on exchange platform are advised to add MCXCCL accredited warehouse as 'Additional Place of Business' (APOB) in their GST registration for respective states in which warehouse is situated.

G. How to share GST details for 'Additional Place of Business' (APOB) with MCXCCL?

- **Response**: 'Trading Member' can upload the GST details of all the clients in ComRIS 'Buyer Details Upload' section. The details shall be added for a combination of TM-UCC-Delivery Centre-Warehouse Code.

Disclaimer from Multi Commodity Exchange of India Limited (MCX) and Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)

Please note that the Exchange and the Clearing Corporation are not attempting to interpret the GST Law. The objective is merely to provide clarity to certain recurring queries from our participants / members, by obtaining a legal opinion, based on facts and circumstances specific to the nature of business and transactions executed on our platform.

The information provided herein is solely for general information purposes and should not be construed as legal advice nor should it be used as submission with GST authorities.

The participants / members should apply their own judgement while relying on this information. MCX and / or MCXCCL shall bear no liability whatsoever for any errors or inaccuracies in the information, if any.

Our role in this process has been clarified in:

- *MCX circular # MCX/MCXCCL/901/2023, and*
- *MCXCCL circular # MCXCCL/C&S/300/2023, both dated December 19, 2023.*

Please also refer to the disclaimer of the legal firm with their opinion.

V. SRIDHARAN
SENIOR ADVOCATE

LEGAL OPINION

Querist: Multi Commodity Exchange of India Ltd. (MCX)
(Through: Lakshmikumaran & Sridharan, Attorneys)

1.1 The querist has shared a brief with me on 19.05.2025 seeking my opinion on an issue relating to levy of Goods and Services Tax ("**GST**") on the goods traded on the querist's online platform.

1.2 The facts which are relevant to the present opinion are briefly stated hereinafter.

2.1 The querist is a commodity derivatives exchange that facilitates trading of commodity derivatives through its online exchange platform. The querist is regulated by the rules and regulations of Securities and Exchange Board of India ("**SEBI**").

2.2 The querist offers trading in commodity derivatives across various segments including bullion, industrial metals, energy and agricultural commodities. For the purposes of the present opinion, I am concerned with the metal contracts traded on the querist's online platform.

2.3 The market participants trading in the commodities include the value chain participants like producers, suppliers, processors, wholesalers, importers, exporters etc., along with arbitrageurs, government agencies and financial investors such as mutual funds, alternative investment funds, foreign portfolio investors ("**FPIs**") etc.

2.4 In general, there are two types of contracts traded on a commodities exchange - cash settled contract and compulsory delivery contract. In case of cash settled contract, there is no physical delivery of underlying goods. For such contracts, all

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outstanding positions are closed out at the time of contract expiry and settled at final settlement price. On the other hand, in a compulsory delivery contract, all outstanding positions at the time of contract expiry are settled through physical delivery.

2.5 I understand that as per SEBI regulations, physical delivery has been made mandatory for certain commodity derivatives contracts including metal contracts, which are outstanding at the time of contract expiry. The detailed practice as explained by the querist is set out hereinafter.

2.6 Consider that each contract cycle is 30 days. If the contract expires on April 30, then a few working days prior to expiry say April 27, the staggered delivery period starts. During the staggered delivery period, the seller who intends to make delivery should deposit the goods in the querist's warehouse.

2.7 The querist has a number of warehouses across India designated for collecting specified metal commodities from buyers. For example, the querist maintains warehouses in Raipur, Thane, Palwal, Kolkata and Chennai for collecting Aluminium while warehouses for collecting Zinc is located only in Thane and Kolkata. The choice of delivery centre is with the seller.

2.8 Once the goods are deposited, an acknowledgement e-receipt is issued to the seller, evidencing that the metal has been received at the particular warehouse. Subsequently, the seller can submit an intention to give delivery of the metal on the online platform. The intention to deliver is considered valid when tendered along with the e-receipts of the metal deposits made in the warehouse.

2.9 The delivery is randomly marked amongst the outstanding buyers during the staggered delivery period. During this period, the outstanding buyer to whom the delivery is allocated will not be allowed to refuse delivery.

2.10 That is, if a buyer does not want to take delivery, then he/she has to mandatorily close the contract before it enters the staggered delivery period. In other words, traders who prefer physical delivery of the goods would keep an open position till the expiry, while others would close their contracts before staggered delivery period starts. On expiry of the contract, all the open positions are marked for compulsory delivery.

2.11 The querist has multiple designated warehouses across India for the sellers to deposit their commodities. In case there is only a single delivery centre for a metal, then the delivery is marked amongst outstanding buyers. In case of multiple centres, the buyers are allowed to tender their preferred delivery centre (prior to marking/allotment) while submitting buying intentions. Deliveries to the extent of common intentions between buyers and sellers for a delivery centre are matched. The remaining quantity is randomly marked amongst all the outstanding buyers irrespective of their preference of delivery centre.

2.12 The buyer will take delivery of the commodities from the allotted warehouses and transport it to buyer's own warehouses in the same or different states. Market participants like financial investors enter into commodity trading only to buy and/or sell at an opportune time and do not intend to take physical delivery of the commodities from the querist's warehouse. In such cases, delivery is only constructive

in nature, i.e., delivery by transfer of the electronic holdings from the seller's account to the buyer's account with the actual goods continuing to remain at the querist's warehouse.

2.13 The current combination of the contract and the delivery centres of the querist is as below:

SN	Contract name	Respective metal delivery centres across regions				
1	Aluminium	Raipur (Primary delivery centre)	Thane	Palwal	Kolkata	Chennai
2	Copper		Thane (Primary delivery centre)	Palwal	Kolkata	Chennai
3	Lead		Thane	Palwal	Kolkata	Chennai (Primary delivery centre)
4	Nickel		Thane (Primary delivery centre)	Palwal	Kolkata	Chennai
5	Zinc		Thane (Primary delivery centre)		Kolkata	
6	Steel TMT	Raipur (Primary delivery centre)	Thane	Palwal	Kolkata	Chennai

2.14 I am informed that in most cases the sellers are registered in the state where the warehouse is located. However, there may be cases where the buyers and sellers may not have GST registration in the states where the querist's warehouses are located.

3. The querist has shared with me a detailed table of various possible scenarios for analysing the GST implication in case of each of them. Before giving my views on the scenarios mentioned in the said table, I will first broadly discuss the relevant GST provisions and explain the legal position applicable to the querist as follows.

My Opinion

Query 1:

4. What would be the place of supply in a scenario where the seller is registered in the state where the querist's warehouse is located, however, the buyer is not registered in the same state? In this case, the buyer would be removing the goods from the said warehouse to its place of business in another state.

Answer to Query 1:

4.1 Since we are concerned with goods in the present context, we can confine our discussion to that.

4.2 Under Section 9(1) of respective CGST Act or SGST Act, tax is levied on intra-state supply of goods. The scope of the term 'supply' has been explained in Section 7 of the Central Goods and Services Tax Act, 2017 ("**CGST Act**").

4.3 Vide Section 5 (1) of IGST Act, IGST shall be levied on all inter-state supplies of goods.

4.4 Definition of intra-state supply and inter-state supply is contained in Section7(1) of IGST Act.

4.5 Said Section 7 (1) provides that supply of goods, when the location of the supplier and the place of supply are in two different States; it shall be treated as a supply of goods in the course of interstate trade or commerce. For simplicity of discussion, we can ignore for the moment union territories without legislature like union territories of Chandigarh, Daman, Diu etc.

4.6 Section 8 of the IGST Act states that supply of goods where the location of the supplier and the place of supply of goods are in the same State shall be treated as intra-State supply. CGST + SGST is payable on intra state supplies.

4.7 From the above provisions, it is clear the nature of tax payable (CGST+SGST or IGST) on a transaction will be determined based on the **location of the supplier** and the **place of supply**.

5.1 For the sake of simplicity, let us take a scenario where the seller has deposited and stored goods in a warehouse of MCX situated in Maharashtra. Then, location of supplier in this case would be Maharashtra.

5.2 In case the place of supply is outside Maharashtra, then it would be an inter-state supply as per Section 7 of the IGST Act. In that case, the seller should raise IGST invoice on the buyer.

5.3 In case the place of supply is also Maharashtra, then it would be an intra-state supply as per Section 8 of the IGST Act. In that case, the seller should raise CGST+SGST invoice on the buyer.

5.4 The next question is where the place of supply is. That has to be decided as per Section 10 of the CGST Act.

5.5 Let us assume the buyer will take delivery of the goods from the warehouse of the querist (where the seller has deposited metals) and move the goods to buyer's location.

5.5 Ignoring unnecessary words for the moment, Section 10 (1) (a) the IGST Act provides that where the supply involves movement of goods, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient.

5.6 Section 10 (1) (c) of the IGST Act provides that where the supply does not involve movement of goods, the place of supply shall be the location of such goods at the time of the delivery to the recipient. Relevant provision has been extracted hereunder for easy reference.

> *"**SECTION 10. Place of supply of goods other than supply of goods imported into, or exported from India.** – (1) The place of supply of goods, other than supply of goods imported into, or exported from India, shall be as under, -*
>
> .....
>
> *(c) where the **supply does not involve movement of goods**, whether by the supplier or the recipient, the place of supply shall be the location of such goods at the time of the delivery to the recipient;"*

5.7 Thus, section 10(1)(a) is applicable if the supply involves movement of goods. If the supply does not involve movement of goods, then Section (10)(1)(c) would be applicable.

5.8 Let us assume, qua the example of seller in Maharashtra, that buyer is located in Gujarat.

5.9 Let us assume that the title, risk and ownership of the goods is transferred to the buyer at the warehouse itself. In other words, let it be assumed that transaction gets concluded at the warehouse itself. Therefore, a doubt is whether the supply in the present case involves "movement of goods" attracting Section 10(1)(a) or not involving movement attracting Section 19(1)(c). Dilemma is whether the place of supply provisions contained in Section 10(1)(a) or Section 10(1)(c) would be applicable. If it involves movement, seller in Maharashtra will charge IGST to buyer in Gujarat. If no movement is involved, seller in Maharashtra will charge CGST & SGST in Maharashtra.

5.10 As stated above, in the example seller and the MCX warehouse is located/registered in Maharashtra and buyer is located in Gujarat. Let us make a crucial assumption. The buyer has no GST registration or establishments in Maharashtra. Let us assume that the buyer will take delivery of goods from the Maharashtra warehouse of MCX but transport the goods to its place of business in Gujarat. Let us also assume that seller is not at all interested or concerned with said movement.

5.11 In this example, there is indeed a movement of goods. The said movement of goods may be caused by the buyer/recipient of supply without seller being not involved or concerned with it. Still since the buyer moves the goods from the querist's warehouse to the location of the buyer it would attract Section 10(1)(a) and place of

supply would be Gujarat. The buyers will also have to generate E-way bills for movement of goods as per Rule 138 of the CGST Rules.

5.12 It is significant to note that, whether movement is caused by the buyer before or after ownership has been passed on to the buyer, is irrelevant to the matter. That used to be the bone of contention under Central Sales Tax Act, 1956 prevailing prior to introduction of GST. Parliament deliberately decided to get rid of this problem and enacted Section 10(1)(a) in the way it has.

5.13 Relevant provision is extracted hereunder for easy reference.

> *"**SECTION 10. Place of supply of goods other than supply of goods imported into, or exported from India.** – (1) The place of supply of goods, other than supply of goods imported into, or exported from India, shall be as under, -*
>
> *(a) where the **supply involves movement of goods**, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient;"*

5.13 Thereafter, even if the 'contractual delivery' of goods may have taken place at MCX warehouse in Maharashtra, goods have been moved by the buyer to Gujarat and actual physical delivery has taken place. As long as movement has indeed taken place, whether caused by supplier or recipient, section 10 (1) (a) of IGST Act would be applicable. Place of supply would be in Gujarat.

5.14 The doubt that there is no movement of goods since constructive delivery from seller to buyer takes place at the warehouse itself, is an incorrect doubt. Section 10(1)(a) expressly refers to 'movement by the recipient'.

5.15 Therefore, section 10(1)(a) of IGST Act would be applicable in the example.

5.16 Section 10(1)(a) of IGST Act states that place of supply shall be the **location where the "movement of goods terminates for delivery to the recipient"**.

5.17 Section 10(1)(a) of IGST Act, 2017 does not say delivery to recipient'. Section 10(1)(a) refers transmission or movement for the delivery to recipient.

5.18 Therefore, if buyer intimates to the seller, his place of business and GST registration number etc. the seller is bound under both GST law and underlying principles of commercial contract, to incorporate the said details in the tax invoice.

5.19 Therefore, since the location of supplier is in Maharashtra, and the place of business of the buyer, as intimated to the seller, is Gujarat, and the buyer intends to move the goods to Gujarat, then the seller is required to raise IGST invoice.

5.20 It may be advised that a covenant/intimation about movement of the goods from one state to another is mentioned in the PO/ contract between the seller to buyer or even in the tax invoice issued by seller to buyer. Tax invoice should state the place of supply as per section 10(1)(a) of IGST Act/place of business of the buyer.

5.21 In my view, once the buyer intimates to the seller that he is going to move the goods to other state and accordingly give GSTIN of such state, the supplier can issue IGST invoice. Issuance of invoice basis such disclosure is sufficient compliance on the part of the seller and no further burden can be imposed on the seller to verify the correctness of such details. However, the underlying transaction should be genuine

and should not involve furnishing of false or fictitious details by collusion between seller and buyer.

5.22 Since the seller is effecting sales when the goods are in warehouse of MCX, it would constitute a place of business of seller. Hence, it is mandatory for the seller to get himself registered in the state of location of warehouse. Non-compliance with this mandatory requirement would amount to breach of GST law by the seller. Also, seller has to add the warehouse as place of business in his registration certificate.

5.23 Of course, if the buyer so choose, he can also register himself in the above example in the State of Maharashtra also. Such a registration in Maharashtra by buyer is entirely optional. However, he is required to be mandatorily registered in Gujarat where movement is being terminated. This is subject to exception mentioned in para 5.22 infra.

5.24 If there is no movement of goods at all after purchase by the buyer, the legal position explained above will not be applicable. The buyer has to take registration in the state of purchase, namely state of Maharashtra in the above example. It would be mandatory for purchaser to get such a registration in Maharashtra. Since MCX warehouse would become purchaser's place of business also, the buyer can issue proper tax invoice when he resells the goods. In effect, the buyer should be registered at MCX warehouse if he intends to hold the goods there after purchase and further resell.

5.25 Section 22 of the CGST Act states that every supplier shall be liable to be registered in the State or Union territory from where he makes a taxable supply of

goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees.

5.26 In the present example, the seller of metal commodities will deposit and store the goods in the querist's warehouses in Maharashtra during staggered delivery period. The buyer to whom the delivery is allotted during the staggered delivery period will accept delivery of the goods from the said warehouse.

5.27 Thus, the seller is essentially making taxable supply of goods from the state where the querist's warehouse (Maharashtra in the example) is located. Therefore, as per Section 22 of the CGST Act, the sellers are legally required to take registration in the State where the querist's warehouse is located.

6. Place of supply would not be state or location of MCX warehouse wherein goods are lying. It would be state in which movement terminated. It would be IGST sale from Maharashtra, in the above example and place of supply would be Gujarat. Buyer need not be registered in Maharashtra. Even if he so registered, it would be an IGST sale from Maharashtra to Gujarat.

Query 2

7. Whether the sellers are mandatorily required to take registration in the state where the warehouse is located under GST law?

Answer to Query 2:

8.1 Let us take the example of a seller depositing aluminum in the warehouse at Thane.

8.2 If the seller already has GST registration in Maharashtra, he/she should add the querist's warehouse as an Additional Place of Business ("**APOB**") of the seller's registered office in Maharashtra.

8.3 If the seller does not have GST registration in Maharashtra, then the seller is required to get registered in Maharashtra. The querist's warehouse can be easily declared as the principal place of business of the seller.

8.4 GST law mandates that a registered person should maintain books of accounts and other records at such principal place of business and such records should be readily available for inspection by the tax authorities. The records can be electronic form. Evidently, the records regarding goods lying/stored in the warehouse, their PAN card etc. would be available in the warehouse, though in electronic format.

Query 3

9.1 In certain cases, especially involving financial institutions (FI), the buyers may not be registered in the state where the MCX warehouses are located. However, the buyers may have to take physical delivery of the goods at such warehouse at the end of the contract period. In the subsequent months, the buyer may sell the goods further on the MCX exchange without moving the goods from the warehouse.

9.2 What is the correct GST practice to be followed in case the original buyer/recipient does not move the goods from warehouse and resells the the goods in the exchange?

Answer to Query 3:

10.1 Market participants like financial investors enter into commodity trading only to buy and/or sell at an opportune time and do not intend to take physical delivery of the commodities from the querist's warehouse. In such cases, delivery is only constructive in nature, i.e., delivery by transfer of the electronic holdings from the seller's account to the buyer's account with the actual goods continuing to remain in the designated warehouse. After buying the goods, they resell the goods at the exchange without taking actual delivery of the goods.

10.2 In this scenario, the original buyers would become sellers in the subsequent transaction. In other words, original buyer has a place of business in that state (i.e. Maharashtra in the above example). As already discussed above, Section 22 of the CGST Act mandates that a supplier is liable to be registered in the State from where he makes taxable supply of goods. Therefore, even in case of a one-off sale, registration requirement under section 22 of CGST Act gets triggered. There is no choice in the matter.

10.3 Hence, in my view, the sellers/financial players (original buyers/recipients) should take registration in the state from which they make supply. That is, the state where the warehouse is located. However, if the goods are moved outside the state, immediately after first sale by original seller to initial/original buyer, buyer need not be registered in Maharashtra. It is enough if he registered in Gujarat.

10.4 Furthermore, if the financial player is not registered in state where the warehouse is located, they would not be able to take ITC of GST charged in the earlier transaction by the original seller. This is explained below in detail.

10.5 In case of a transaction where the recipient is a financial player who will not be taking the goods out of the MCX warehouse, there would be no movement of goods either by the supplier or the recipient.

10.6 In such cases, the place of supply would be determined as per section 10(1)(c) of the IGST Act which provides that where the supply does not involve movement of goods, the place of supply shall be the location of such goods at the time of the delivery to the recipient.

10.7 In the present scenario, the location of the goods when the recipient takes constructive delivery of goods would be the state where the warehouse is located. Therefore, in such scenarios since the location of the supplier and place of supply would be in the same state, only CGST+SGST billing would be possible.

10.8 Let us take the example of a supplier who has deposited goods in a warehouse located in Maharashtra and a recipient (who is a financial player intending to take only constructive delivery of goods in Maharashtra, but is otherwise) located/registered in Gujarat. In this case, the location of supplier is in Maharashtra, no movement of goods is involved at all, the place of supply would be state where the goods are located as per section 10(1)(c), i.e., in Maharashtra only.

10.9 Since the location of the supplier and place of supply are in the same state, it would qualify as intra-state supply, and the seller should raise CGST+SGST invoice even though the recipient is located in Gujarat.

10.10 Therefore, if the financial player is not registered in Maharashtra, then he/she would not be able to take credit of the CGST+SGST invoice raised by the seller.

10.11 If the financial player takes registration in Maharashtra, then there would be no such a problem. There would be uninterrupted/free flow of input tax credit.

Query 4

11 The querist has sought my view on certain specific scenarios mentioned in the following table. My views are mentioned in the last column.

Answer to Query 4:

Sl.no	Scenarios	State where the seller is located	MCX Warehouse	Buyer Registration as on invoice	MY Views
1	In these cases, the goods are removed by the buyer from warehouse for self-consumption.	State A	State A	State A	In this case, seller may issue a CGST+SGST invoice, since the location of supplier and place of supply are in same state (intra-state supply)
2		State A	State A	State B	In this case, the seller may issue an IGST invoice since the location of supplier and place of supply are in state (inter-state supply)
3		State A	State B	State B	In this case, the seller would be required to obtain registration in State B as discussed. The seller may issue an invoice from State A to State B to stock transfer the goods. Thereafter, the seller can issue CGST+SGST invoices from state B to the buyer in State B. (Please refer discussion in paras 5.24 to 5.26 and 8.1 to 8.4 regarding seller's requirement to register in the state where the warehouse is located)
4		State A	State B	State A	In this case, the seller would be required to obtain registration in State B. The seller's appropriate registration may issue an invoice to the registration in State B to stock transfer the goods. Thereafter, the seller in State B can issue IGST invoice to the buyer in State A. (Please refer discussion in paras 5.24 to 5.26 and 8.1 to 8.4

					regarding seller's requirement to register in the state where the warehouse is located)
5		State A	State B	State C	In this case, the seller would be required to obtain registration in State B. The seller's appropriate registration may issue a stock transfer invoice to the registration in State B to move the goods. Thereafter, the seller in State B can issue IGST invoice to the buyer in State C. Buyer need not be registered in State B. (Please refer discussion in paras 5.24 to 5.26 and 8.1 to 8.4 regarding seller's requirement to register in the state where the warehouse is located)
6	In these cases, the goods will remain in the querist's warehouse since the buyer may re-sell it in the exchange without moving the goods.	State D	State D	State D	In this case, since there is no movement of goods, the place of supply would be the state where the warehouse is located. Therefore, seller may issue a CGST+SGST invoice, since the location of supplier and place of supply are in same state D (intra-state supply)
7		State D	State D	State E	In this case, since there is no movement of goods, the place of supply would be the state where the warehouse is located. Therefore, the original seller will have to issue a CGST+SGST invoice, since the location of supplier and place of supply are in same state D (intra-state supply). Therefore, the buyer would have to take registration in the Warehouse state i.e. State D to be in a position to avail ITC and also further sell the goods on the exchange. (Also refer discussions in paras 10.1 to 10.11 above)
8		State D	State E	State E	In this case, the seller would be required to obtain registration in State E as discussed. Further, since there is no movement of goods, the place of supply would be the state where the warehouse is located. Therefore, the original seller may issue a CGST+SGST invoice, since the location of supplier and place of supply are in same state E.

9		State D	State E	State D	In this case, the seller would be required to obtain registration in State E as discussed. Further, since there is no movement of goods, the place of supply would be the state where the warehouse is located. Therefore, the original seller may issue a CGST+SGST invoice, since the location of supplier and place of supply are in same state E. Further, the buyer should also take registration in the Warehouse state i.e. State E to be in a position to avail ITC and also further sell the goods on the exchange. (Also refer discussions in paras 10.1 to 10.11 above)
10		State D	State E	State F	In this case, the seller would be required to obtain registration in State E as discussed. Further, since there is no movement of goods, the place of supply would be the state where the warehouse is located. Therefore, the seller may issue a CGST+SGST invoice, since the location of supplier and place of supply are in same state E. Further, the buyer should also take registration in the Warehouse state, i.e. State E, to be in a position to avail ITC and also further sell the goods on the exchange. (Also refer discussions in paras 10.1 to 10.11 above)
11	In cases where the goods are removed by the buyers from the warehouse to sell those to third parties who may or may not be registered at the Buyer's location.	State G	State G	State G	In case of transactions carried out through the exchange between the sellers and buyers where the buyers remove the goods from the warehouses, the principles explained in Sl.No.1 to 5 would be applicable. The nature of GST to be charged on further independent transactions between the buyers and third parties (outside of the querist's platform) would depend upon facts of each transaction. Broadly speaking, the principles explained above would also be applicable in those cases.
12		State G	State G	State H	
13		State G	State H	State H	
14		State G	State H	State G	
15		State G	State H	State I	

Conclusions in brief

1. Since the sellers are storing the goods at querist's warehouses, the sellers will be required to take registration at the warehouses as per Section 22 of the CGST Act.

2. Buyers need not take registration in the state where the warehouse is located, if the buyer is going to move the goods out of the warehouse after sale.

3. If location of supplier and place of supply are in the same state, then it would be treated as intra-state supply and CGST + SGST/UTGST will be leviable. However, if the location of supplier and place of supply are in different states, then it would be treated as inter-state supply and IGST shall be levied.

4. The place of supply is determined qua the location of the goods at the time of delivery. Section 10 (1) (a) the IGST Act states that the place of supply of goods shall be the location where the goods terminate for delivery to the recipient.

5. Therefore, even if the buyer is not registered at warehouse state but moves goods to another state after sale, the supply would qualify as inter-state supply and IGST would be leviable. However, if no movement of goods take place, the place of supply would be the place where the goods are located, that is, warehouse state itself. Accordingly, CGST+ SGST would have to be charged.

6. Seller can issue IGST invoice basis the intimation given by the buyer that there would be movement of goods.

7. If the buyers store the goods in querist's warehouse after purchase and further resell the commodity at the exchange without physically removing the goods from the warehouse, then the buyer should be registered at the querist's warehouse.

8. It is advisable that buyers should pre-emptively take registration at warehouses if they intend to resell the goods from the same warehouses.

Advised accordingly,

V. Sridharan
Senior Advocate

Date: 30.08.2025
Place: Mumbai

Ink. Signed on 31/10/2025

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