

**NATIONAL COMMODITY CLEARING LIMITED**

**Frequently Asked Questions (FAQs) - Invoicing and GST related issues**

**Version 2**

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## FAQs on Invoicing and GST related issues

### Disclaimer:

*This FAQ is not a legal or tax advice. Buyers and sellers are required to seek professional advice on specific matters relating to GST and legal. The FAQ is based on the current provisions of the GST laws and members are advised to keep themselves updated with any revision in the said provisions from time to time. Any decision made solely relying on the FAQ shall be at the sole risk and consequence of the entities relying upon this FAQ for taking decisions and NCCL shall not be responsible for any such decisions or actions based on the FAQ.*

*This document is intended to serve as a general guidance to the participants giving and taking delivery against their obligation arising out of the transaction in the Exchange traded commodity derivatives only.*

The questions below are based on Buyer - Seller - Commodity Location

Buyer Seller Commodity Permutation Combination					
Details	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Buyer Location	State 1	State 1	State 1	State 1	State 2
Seller Location	State 1	State 1	State 2	State 2	State 1
Commodity Location	State 1	State 2	State 3	State 1	State 1

**The applicable provisions of GST Law based on which the following answers are provided, are reproduced herewith:**

### **Section 10(1)(c) of IGST Act, 2017**

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.

#### **1. Buyer and seller are from same state and commodities lie in the same state where the buyer and seller have GST registration, what is the procedure to be followed?**

A. As per section 10(1)(c) of the IGST Act, 2017, place of supply shall be location where the goods are located. Since, the seller and goods are located in the same state, it will be treated as an intra-state transaction and CGST+SGST will be payable.

#### **2. Buyer and seller are from same state but commodities lie in a different state, what is the procedure to be followed?**

A. As per section 10(1)(c) of the IGST Act, 2017, place of supply shall be location where the goods are located. Since, the seller and goods are located in different states, it will be treated as an inter-state transaction and IGST will be payable, with place of supply as location of goods.

**3. Buyer is from State 1, seller is from State 2 and commodities lie in a 3rd State, what is the procedure to be followed?**

A. As per section 10(1)(c) of the IGST Act, 2017, place of supply shall be location where the goods are located. Since, the seller and goods are located in different states, it will be treated as an inter-state transaction and IGST will be payable, with place of supply as location of goods i.e. 3<sup>rd</sup> state.

**4. Buyer is from the same state where commodities lie, however seller is from a different state, what is the procedure to be followed?**

A. As per section 10(1)(c) of the IGST Act, 2017, place of supply shall be location where the goods are located. Since, the seller and goods are located in different states, it will be treated as an inter-state transaction and IGST will be payable, with place of supply as location of goods.

**5. Seller is from the same state where commodities lie, however buyer is from a different state, what is the procedure to be followed?**

A. As per section 10(1)(c) of the IGST Act, 2017, place of supply shall be location where the goods are located. Since, the seller and goods are located in the same state, it will be treated as an intra-state transaction and CGST+SGST will be payable.

**6. The commodity being traded is GST exempt. e.g. Cotton Seed Oil Cake (COCUD), Guarseed10. What type of invoice is to be issued?**

A. As per section 31(3)(c) of the CGST Act, 2017, a document namely 'Bill of Supply' is to be issued by the supplier making exempt supply. The particulars to be captured in 'Bill of Supply' are prescribed in Rule 49 of the CGST Rules, 2017.

**7. Is it mandatory for GST details to be shared by the buyer to seller if the commodity is GST exempt?**

A. If the buyer is registered in GST, then even for exempt supplies he is required to share his GST details with the seller.

**8. Is it mandatory to have GST registration of all states where delivery centers are notified by Exchange and client having positions resulting in taking or giving deliveries at any such location?**

A. Section 2(85) of the CGST Act, 2017 defines the term 'place of business' to include a warehouse. Therefore, if a member stores goods in the warehouse of the NCCL, then he is required to obtain GST registration of such location or a state in which the goods are stored. This is also clarified by CBIC vide Circular No. 61/35/2018-GST dated 04.09.2018.

Further, Section 23(1)(a) of the CGST Act, 2017, explicitly states that any person engaged exclusively in the business of supplying goods or services or both that are **not liable to tax or wholly exempt from tax** under the CGST Act or the Integrated Goods and Services Tax Act, 2017 (IGST Act, 2017), shall **not be liable to registration**. This exemption applies irrespective of the quantum of the aggregate turnover generated from such supplies. If a seller or buyer is dealing exclusively in goods that are wholly exempt (e.g., specific agricultural produce or certain 0% GST rated products), they are generally not required to obtain GST registration. Therefore, in such cases, the condition can be relaxed.

**9. When should I put “RCM – No” in the invoice?**

- A. When GST is payable under forward charge mechanism by the supplier.

**10. When can an IGST bill be issued for commodities traded on the Exchange platform?**

- A. When a transaction is an inter-state supply meaning location of supplier and place of supply are in different states then IGST has to be charged on the invoice.

**11. Is there a standard invoice format issued by the GST department for reference?**

- A. The particulars and details to be captured in a tax invoice are prescribed in Rule 46 of the CGST Rules, 2017. The said Rule is reproduced herewith:

*“Subject to [rule 54](#), a tax invoice referred to in [section 31](#) shall be issued by the registered person containing the following particulars, namely,-*

- (a) name, address and Goods and Services Tax Identification Number of the supplier;*
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;*
- (c) date of its issue;*
- (d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;*
- (e) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is fifty thousand rupees or more;*
- (f) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is less than fifty thousand rupees and the recipient requests that such details be recorded in the tax invoice;*

*[Provided that in cases involving supply of online money gaming or in cases where any taxable service is supplied by or through an electronic commerce operator or by a supplier of online information and database access or retrieval services to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall*

*contain the name of the state of the recipient and the same shall be deemed to be the address on record of the recipient]*

- (g) Harmonised System of Nomenclature code for goods or services;*
- (h) description of goods or services;*
- (i) quantity in case of goods and unit or Unique Quantity Code thereof;*
- (j) total value of supply of goods or services or both;*
- (k) taxable value of the supply of goods or services or both taking into account discount or abatement, if any;*
- (l) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);*
- (m) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);*
- (n) place of supply along with the name of the State, in the case of a supply in the course of inter-State trade or commerce;*
- (o) address of delivery where the same is different from the place of supply;*
- (p) whether the tax is payable on reverse charge basis; and*
- (q) signature or digital signature of the supplier or his authorised representative*
- (r) Quick Reference code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of [rule 48](#).*
- (s) a declaration as below, that invoice is not required to be issued in the manner specified under sub-rule (4) of rule 48, in all cases where an invoice is issued, other than in the manner so specified under the said sub-rule (4) of [rule 48](#), by the taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than the aggregate turnover as notified under the said sub-rule (4) of rule 48-*

*I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule.*

*Provided that the Board may, on the recommendations of the Council, by notification, specify-*

- (i) the number of digits of Harmonised System of Nomenclature code for goods or services that a class of registered persons shall be required to mention; or*

- (ii) a class of supply of goods or services for which specified number of digits of Harmonised System of Nomenclature code shall be required to be mentioned by all registered taxpayers; and*

- (iii) the class of registered persons that would not be required to mention the Harmonised System of Nomenclature code for goods or services*

*Provided further that in the case of the export of goods or services, the invoice shall carry an endorsement "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX" or "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX", as the case*

may be, and shall, in lieu of the details specified in clause (e), contain the following details, namely,-

- (i) name and address of the recipient;
- (ii) address of delivery; and
- (iii) name of the country of destination

Provided also that a registered person, other than the supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens, may not issue a tax invoice in accordance with the provisions of clause (b) of sub-section (3) of section 31 subject to the following conditions, namely, -

- (a) the recipient is not a registered person; and
- (b) the recipient does not require such invoice, and shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies.

Provided also that the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of an electronic invoice in accordance with the provisions of the Information Technology Act, 2000 (21 of 2000).

Provided also that the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the tax invoice shall have Quick Response (QR) code.”

**The above answers to the questions have been summarized in the table below for ease of reference.**

Check for the location of seller and commodity combination and issue the GST invoice accordingly.

<b>Buyer Seller Commodity Location Permutation Combination</b>					
<b>Details</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>	<b>Scenario 5</b>
Buyer Location	State 1	State 1	State 1	State 1	State 2
Seller Location	State 1	State 1	State 2	State 2	State 1
Commodity Location	State 1	State 2	State 3	State 1	State 1
GST type to be applied	CGST+SGST	IGST	IGST	IGST	CGST+SGST
If GST exempt commodity	Bill of Supply				

A sample invoice has been presented below in the annexure

**Annexure**

**SAMPLE INVOICE**

<On **Seller's Letterhead**>

Registered Address : <Seller's Regd. Address>  
 Correspondence Address: <Seller's Correspondence Address>  
 Contact: <Seller's contact numbers / email > GSTIN:  
 <Seller's GST>

**TAX INVOICE**

Original for Recipient

<b>Tax on Reverse Charge:</b> No <b>Invoice No. :</b> INVOICE/24-25/001 <b>Invoice Date:</b> 21-Aug-24 <b>State Code:</b> eWay 36 <b>State:</b> Telangana <b>Bill No.</b>		<b>Transportation Mode:</b> <b>Vehicle No.:</b> <b>Date of Supply:</b> <b>Place of Supply:</b> Telangana <b>Delivery:</b> Delivery within same warehouse				
<b>Details of Receiver / Billed to</b>		<b>Details of Consignee / Shipped to</b>				
<b>Name:</b> M/S XYZ ABC PVT.LTD. <b>Address:</b> < Buyer Address with state and pincode > <b>GSTIN:</b> <b>State:</b> < Buyer's GST > Telangana <b>State Code:</b> 36		<b>Name:</b> <b>Address:</b> <b>GSTIN:</b> <b>State:</b> State Code:				
<b>Seller Member CM/TMID:</b> CMID as per NCCL membership <b>Seller Member Name:</b> < Seller Member Name > <b>Address:</b> < Seller address with state and pincode >		<b>Buyer Member CM/TMID:</b> CMID as per NCCL membership <b>Buyer Member Name:</b> < Buyer Member Name > <b>Address:</b> < Buyer address with state and pincode >				
<b>Settlement No.</b> <b>Delivery ID (SS06):</b>	2024035 9	<b>Warehouse &amp; Location:</b>	(Name of NCCL accredited Warehouse), Nizamabad			
		<b>Through:</b>	NCDEX Platform Contract AUG-2024			
<b>Sr. No.</b>	<b>Commodity</b>	<b>HSN SAC</b>	<b>UOM</b>	<b>Qty</b>	<b>Rate</b>	<b>Amount</b>
1	XXXXXXXXXX	999999	MTS	229.9878	160,821.5	3,69,86,982.98
<b>TOTAL</b>				229.9878		3,69,86,982.98
<b>Premium / Discount</b>						0.00
<b>Location Discount</b>						0.00
<b>Total Amount Before Tax</b>						3,69,86,982.98
<b>CGST 2.50%</b>					9,24,674.57	
<b>SGST 2.50%</b>					9,24,674.57	
<b>IGST 0.00%</b>					0.00	
<b>Total GST</b>						18,49,349.15
<b>Other Charges</b>						0.00
<b>Round Off</b>						0.13

Amount in Words (INR): Rupees: <b>Three crore eighty eight lakh thirty six thousand three hundred thirty two only</b>	Total Amount After Tax 3,88,36,332.00
IRN	ACK No.:
Bank Details: Sample Bank, Branch   Account No.: Bank Account No.   IFSC: IFSC code	
E&OE Terms & Condition	For <Seller >
1.	Authorized Signatory
2.	

**Disclaimer:-**

1. Above invoice is a sample invoice for reference.
2. Following items are to be **mandatorily** mentioned in the invoice
  - a. Tax Invoice
  - b. Original For Recipient
  - c. Seller name, Buyer name
  - d. Place Of Supply (State Name With Code)
  - e. Address with pincode
  - f. Commodity name (common commodity name)
  - g. Minimum 6 Digit HSN Code.
  - h. Tax Payable On Reverse Charge (RCM) – No (if supplier is not charging GST)
  - i. Mandi tax Paid and Krishi Kalyan Cess Paid – [Check for state and commodity wise applicability](#). e.g. Required in Rajasthan state
  - j. Exact quantity as per CC file. No rounding off quantity in invoice. (The enWR commodities are in 4 decimal places)
  - k. Exact rate and discount / premium should be shown in invoice separately (anywhere in invoice) as per CC file.
  - l. Unit of Measurement (UOM)
  - m. Sale on NCDEX platform
  - n. Settlement no. & date

**Other important points to note:**

1. Bill details (Invoice no. and date, HSN code, GST amount & total amount) should be same as filed on GST portal.
2. Sellers must register in mandi that delivery is given, so that mandi related documents are easily available from their side.
3. Numeric digits must be upto 2 decimals only.