

A photograph of a long, straight asphalt road stretching into the distance under a sunset sky. The road has a dashed yellow center line and solid white edge lines. The landscape is flat with sparse vegetation. The sky is a gradient of orange and yellow, transitioning to a dark blue at the top.

NATURE OF SUPPLY

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Inter – State Supply [IGST Act - Sec 7]

- Supply of goods and services from one state or UT to other state or UT.
- Import and export of goods and services.
- Supply of goods to / by SEZ.
- Supplies to international tourists.
- Supplies in the taxable territory which is not intra-state supply.

Intra – State Supply [IGST Act - Sec 8]

- Supply of goods or services within a same State / Union Territory.
- Supply of goods or services to / by SEZ, even if the SEZ is located in the same state is **NOT** intra-state supplies.
- Goods/services supplied to an international tourist is **NOT** intra-state supplies.

POS - Supply of goods within India [IGST Act - Sec 10]

| IGST Section | Situation | Place of Supply |
|--------------|------------------------------------|--|
| 10 (1) (a) | Supply involving movement of goods | Location of the goods at the time when the movement of goods terminates for delivery to the recipient. |

Mr. Modi of Gujarat goes to Delhi to purchase some goods from Mr. Kejriwal and asked him to send the goods to Gujarat. Mr. Kejriwal takes the charge to send goods to Gujarat. In this case, POS will be Gujarat, as effective control of goods is handed over to Mr. Modi in Gujarat.

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| 10 (1) (b) | Goods delivered to a recipient (ship to) on direction of third person (bill to). | Principal place of business of the third person (Bill to) as it will be deemed that the third person has received the goods. |
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Mr. Devendra of Maharashtra supplies goods to Mr. Yogi of UP.
Mr. Yogi of UP asked Mr. Devendra of Maharashtra to send the goods to Ms. Mamta of West Bengal. In this case, POS will be principal place of business of Mr. Yogi.

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| 10 (1) (c) | Supply does not involve movement of goods. | Location of such goods at the time of the delivery/handing over to the recipient. |
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Mr. Krish purchased goods from Roy Stores in Pondicherry. POS will be Pondicherry as goods are handed over to Mr. Krish in Pondicherry.

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| 10 (1) (d) | Goods are assembled or installed at site. | Place of such installation or assembly. |
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Mr. Tufail (Pune) purchased a machinery from Mr. Arbaz (Kanpur) to be installed at his site in Bengaluru, Karnataka. POS will be the place of such installation, i.e. Karnataka.

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| 10 (1) (e) | Goods are supplied on board a conveyance, including a vessel, aircraft, train or motor vehicle. | Location at which such goods are taken on board. |
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Mr. Bakasur purchased Coffee and Cheese Sandwich on board in Rajdhani Express. The food items were loaded into the train at Ahmedabad Jn. Hence, POS will be Ahmedabad, as this is the location where goods are taken on board.

POS – Import / Export of Goods [IGST Act - Sec 11]

| Nature | Place of Supply |
|---------------------------|--------------------------|
| Goods imported to India | Location of the IMPORTER |
| Goods exported from India | Location OUTSIDE INDIA |

Note:

- 1. Merchant trading where goods do not enter India will not be a supply in the taxable territory of India.**
- 2. In case the original importer sells the goods to a third person before goods entering for entering clearance, the final buyer will be responsible to pay GST on the full value of goods.
(High Sea Sales)**

POS – Services within India [IGST Act – Sec 12]

General Rule for services except specified services

[Sec 12 (2)]

- a. If the recipient is a registered person, then the POS will be **location of such place of business.**
- b. If recipient is not a registered person, then POS will be the **location of the recipient where address on record exist or location of supplier of services.**

[Same rule for Supplier]

Specific Rules [Sec 12(3) to (14) of IGST Act]

| Section | Situation | Place of Supply |
|---------------|---|---|
| 12 (3) | Services directly in relation to immovable property. <ul style="list-style-type: none"> • Services provided by architects, decorators, engineers, grant of rights, etc. • Lodging or accommodation by a hotel, guest house, home stay, campsite, house boat or vessel. • Services by way of accommodation in any immovable property for marriage or any religious function. • Ancillary services to the above services. | Location at which the immovable property or boat/vessel is located or intended to be located. <p style="text-align: center;">&</p> If the immovable property is located outside India, then its location of the service recipient. |
| 12 (4) | Restaurant and catering services, personal grooming, fitness, beauty treatment, health services including cosmetic and plastic surgery | Place where the service is actually performed. |
| 12 (5) | Services in relation to training and performance appraisal | If recipient is a registered person, the location of such person. Else, location where the service is actually performed |

| 12 (6) | Services provided by way of admission to cultural artistic, sporting, scientific, educational, entertainment event or amusement park and its ancillary service. | Place where the event is actually held or the park is actually located. |
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| 12 (7) | Organizing a cultural, artistic, sporting, scientific, educational, entertainment event with ancillary services. | <ul style="list-style-type: none"> • If recipient is registered, then location of such person. • If recipient is unregistered, then place where the event is actually held. • If event is held outside India, then location of the recipient. |
| 12 (8) | Services by way of transportation of goods, including mail or courier. | <p>If recipient is registered, the location of such person.</p> <p>Else, location at which such goods are handed over for transportation.</p> |
| 12 (9) | <p>Services by way of transportation of passengers.</p> <p>- If place of embarkation (boarding) is not known</p> | <ul style="list-style-type: none"> • If recipient is registered, the location of such person. • If recipient is unregistered, then place of embarkation (boarding). <ul style="list-style-type: none"> • If recipient is registered, then location of such person. • If recipient is unregistered, then location of the recipient when address on record is available or location of supplier. |

| 12 (10) | Services supplied on board a conveyance, including vessel, air aircraft, a train or a motor vehicle. | Location of the first schedule point of departure of that conveyance for the journey. |
|----------------|---|---|
| 12 (11) | <p>Telecommunication services including data, broadcasting cable and home television services.</p> <p>(a) Fixed Line (b) Post Paid (c) Prepaid (d) Prepaid through Internet</p> | <ul style="list-style-type: none"> - Location where line is installed. - Billing Address of the recipient. - Location of the selling agent. - Billing Address of the recipient. |
| 12 (12) | Banking and Financial services including stock broking services | <p>Location of the recipient of services on records of supplier of services. If location of recipient is not in records of the supplier, then location of the supplier of such services is the POS.</p> |
| 12 (13) | Insurance Services | <p>If recipient is registered, then location of such person. Else, location of the recipient on the records of the supplier.</p> |
| 12 (14) | Advertising services to the Government | Each of such states where the advertisement is disseminated. |

POS – Services outside India [IGST Act – Sec 13]

General Rule for services except specified services

[Sec 13 (2)]

Wherein either location of the supplier or location of the recipient is outside India, POS will be:

a. The location of the recipient of such service

OR

b. The location of supplier, if location of recipient is not available.

Specific Rules [Sec 13(3) to (12) of IGST Act]

| Section | Situation | Place of Supply |
|-----------------|--|--|
| 13(3)(a) | Supply of services with respect to goods Services provided electronically w.r.t goods | Location where the service is actually performed. Location of goods |
| 13(3)(b) | Services supplied to an individual as recipient or acting on behalf of the recipient. | Location where the service is actually performed. |
| 13 (4) | Services directly in relation to immovable property. <ul style="list-style-type: none"> • Services provided by architects, decorators, engineers, grant of rights, etc. • Lodging or accommodation by a hotel, guest house, home stay, campsite, house boat or vessel. • Services by way of accommodation in any immovable property for marriage or any religious function. • Ancillary services to the above services. | Place where immovable property is located or intended to be located. |
| 13 (5) | Admission to / organization of cultural, artistic, sporting, scientific, educational, entertainment event with ancillary services. | Place where event is actually held. |

| 13 (6) | Services supplied at more than one location including taxable territory. | Place located in the taxable territory. |
|----------------|--|---|
| 13 (7) | Services performed in ore than one state. | Each such state where the service is performed. |
| 13 (8) | Banking and Financial Services, Intermediary Services, Hiring of means of transportation, except aircraft and vessels. | Location of the Service Provider. |
| 13 (9) | Transportation of goods. | Place of destination of the goods. |
| 13 (10) | Passenger Transportation | Place of embarkation (boarding). |
| 13 (11) | Services on board a conveyance. | First schedule point of departure of that conveyance for the journey. |
| 13 (12) | Online Information and Database Access or Retrieval Services (OIDAR) | Location of recipient of services. |

**Samajh me
aaya kya?**