

IGST Act, 2017 (Place of Supply)



Section 7 : Inter-State Supply

1) **Inter-State SOG (within India):-** Subject to Sec 10, supply of goods, where the **Location Of The Supplier (LOS)** and the **Place Of Supply (POS)** are in

(a) two different States
 (b) two different Union territories; or
 (c) a State and a Union territory,

shall be treated as a supply of goods in the course of inter-State trade or commerce.

2) **Inter-State SOS (within India):-** Subject to Sec 12, supply of services, where the **Location Of the Supplier (LOS)** and the **Place Of Supply (POS)** are in

(a) two different States
 (b) two different Union territories; or
 (c) a State and a Union territory,

shall be treated as a supply of services in the course of inter-State trade or commerce.

3) **Inter-State Supply (SOG or SOS outside India):** Supply of goods or services or both,

(a) when the supplier is located in India and the POS is outside India
 (b) to or by a SEZ developer or a SEZ unit
 (c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,

Section 8 : Intra-State Supply

1) **Intra State SOG:-** Subject to the Sec 10, supply of goods where the **LOS & POS of goods are in**

⊃ the same State or
 ⊃ same Union territory
 shall be treated as intra-State supply

2) **Intra State SOS:-** Subject to the Sec 12, supply of services where the **LOS & POS of services are in**

⊃ the same State or
 ⊃ same Union territory
 shall be treated as intra-State supply

Section 9 : Supply in Territorial Water

Notwithstanding anything contained in this Act,

a Where the location of the supplier is in the territorial waters,
 OR
 b Where the place of supply is in the territorial waters,

LOS (for clause (a) & POS (for clause (b))) shall be deemed to be in the coastal State or UT where the nearest point of the appropriate baseline is located.

Diagram showing Territorial Water 12 NM and Oil Extraction. The location of the supplier will be the nearest coastal point.

Sec 12 (1) - Pos where LOS and LOR of Services in India

| Sec | Description of Service | Place of Supply | | |
|--|---|--|---|--|
| | | Supply to unregistered person | Supply to RP | |
| 12(2) | General rule for all services except covered in 12(3) to 12(14) | (i) Address in records exists POS= LOR (ii) Address in records does not exist- POS=LOS | POS= Location of such registered person | |
| 12(5) | Training and performance appraisal | POS = Place of performance | | |
| 12(7) | Organisation of events including ancillary services, sponsorship | Place where event is actually held & If held outside India - POS = LOR | | |
| Rule 5 prescribed for supply of services attributable to different States or Union territories, of Sec 12(7) | | Basis of apportionment | | |
| In case of service | | Shall be determined by application of the GAAP | | |
| 12(8) | transportation of goods, mail or courier | POS= Place where goods are handed over for their transportation If transportation is outside India, the POS = destination of such goods | | |
| 12(9) | Passenger transport service | POS= Place where person embarks on the conveyance for continuous Journey Exception : Right to passage for future & embarkation-not known - POS as per 12(2) | | |
| 12(13) | Insurance service | POS= LOR of service in records of insurance Co. | | |
| 12(3) | Service directly related to immovable property including agents, experts, lodging n hotels, inn, accommodation for functions & ancillary services | POS = Place where immovable property is located or intended to be located if immovable property located outside India - POS=LOR | | |
| Rule 4:- The supply of services attributable to different States or Union territories, under section 12(3) | | Basis of apportionment & Value of services | | |
| In case of service | | number of nights stayed in such property | | |
| (i) By way of lodging accommodation by a hotel, inn, guest house, club or campsite, and services ancillary to such services (except cover in (ii)) | | area of the immovable property lying in each State or Union territory | | |
| (ii) a single property located in two or more contiguous States or Union territories or both, and services ancillary to such services | | time spent by the boat or vessel in each such State or Union territory, | | |
| (iii) lodging accommodation by a house boat or any other vessel and services ancillary to such services | | | | |
| 12(4) | Restaurant catering, personal grooming fitness, beauty treatment, health services including plastic surgery | POS=Place where service is actually performed. | | |
| 12(6) | Admission to events or amusement park & ancillary Services | POS=Place where event actually held or park is located. | | |
| 12(10) | Service on board a conveyance | POS= Location of 1st scheduled point of departure of that conveyance for the journey. | | |
| 12(11) | Supply of telecom services including data transfer, broadcast, cable or DTH | (a) Fixed lease or cable line (b) Postpaid mobile, internet, DTH (c) Prepaid mobile, internet, DTH (d) In all other cases | (a) POS=Location of installation (b) Billing Address exists- POS= LOR Billing address do not exist - POS=LOS (c) Supply through agent/distributor - POS=Address of agent/distributor supply to final consumer - POS=Location of payment recvd. or voucher sold. (d) POS=LOR if address available otherwise POS= LOS | |
| Proviso - Prepaid - electronic payment | | POS=LOR | | |
| Rule 6 is prescribed supply of services attributable to different ST/UT, under sub section (11) of section 12 of the said Act, | | Basis of apportionment | | |
| In case of service | | in proportion to the number of points lying in the ST or UT | | |
| 12(12) | Banking & Financial Sector including stock broking | POS=LOR if address available in records of supplier else, POS=LOS | | |
| 12(14) | Advertisement services to Govt. or Local authority | POS=Each of such ST/UT where advertisements broadcasted, run, played | | |

POS for supply of Goods

Sec 10 :- Place of Supply of Goods other than imported or export goods

| S.No. | Nature of Supply | Parties Involved | Place of Supply |
|-------|---|--|--|
| a) | Involves Movement of Goods | ⊃ Supplier ⊃ Recipient ⊃ Any other person | Location of the goods when the movement of goods terminates for delivery to the recipient |
| b) | Bill-to-Ship-to Sale | ⊃ Supplier ⊃ Recipient (Shipping address) ⊃ Third Person (Billing Address) | Principal place of Business of Third person, |
| c) | Does not involve Movement of Goods | ⊃ Supplier ⊃ Recipient | Location of goods at the time of delivery to the recipient |
| ca) | Supply of goods to URP (overrides sec 10(1)(a)/(c)) | ⊃ Supplier ⊃ Recipient | Location as per address (State) of URP recorded in invoice, otherwise location of supplier |
| d) | Installation and Assembly of Goods at Site | - | Place of Installation or assembly of Goods |
| e) | Goods are supplied on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle | - | Location at which such goods are taken on board. |

Case Study 1: Mr A of Pune supplied goods to Mr. B of Nagpur for ₹ 1,00,000. Determine nature of supply and POS of Mr. A delivered the goods at the place of Mr. B.
 In given case, LOS is Pune Maharashtra and movement terminates in Nagpur. Hence, POS is therefore, transaction is Intra-state supply.

Case Study 2: What will be your ans is above case, if Mr. B has taken the delivery on Ex-factory basis (i.e. at factory gate) and move the goods from MH to MP.
 ⊃ In given case, movement of goods made by Recipient Mr. B to his place in MP, movement of goods terminated in MP. Hence, POS is MP.

Case Study 3 :- Mr. A sold goods to Mr. C (URP from Kerala) for ₹ 20,000. State name (Kerala) is mentioned in invoice.
 ⊃ In given case, POS is location as per address in invoice (Kerala) for Mr. C. This is because Mr. C is an URP & the state name mentioned in invoice.

Note : Where the place of supply of goods cannot be determined, the POS shall be determined as per the prescribed Sec 10(2)