

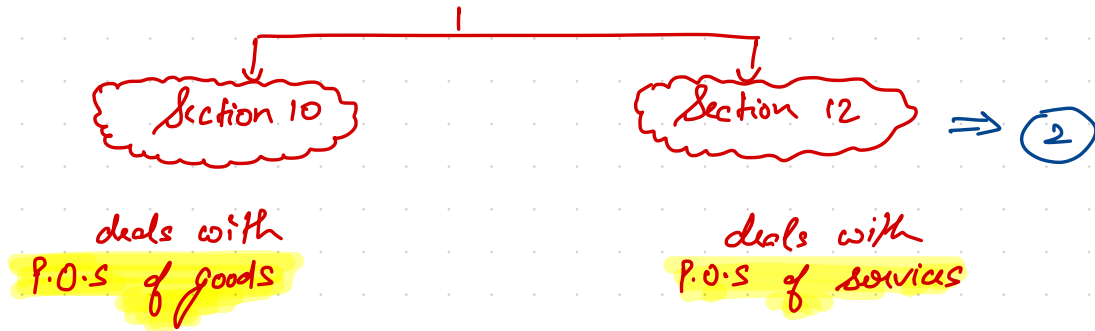
USE

# PLACE OF SUPPLY

IGST

## Overview

We will deal with 2 sections of IGST Act, 2017



This concept of P.O.S is important as it helps to decide whether a supply is an Inter-state supply or Intra-state supply

Section 7 of IGST Act defines Inter-state supply, when

THE LOCATION OF  
SUPPLIER

AND

THE PLACE OF  
SUPPLY

are in

- two diff<sup>n</sup> states OR
- two diff<sup>n</sup> U.T OR
- a state & a U.T.

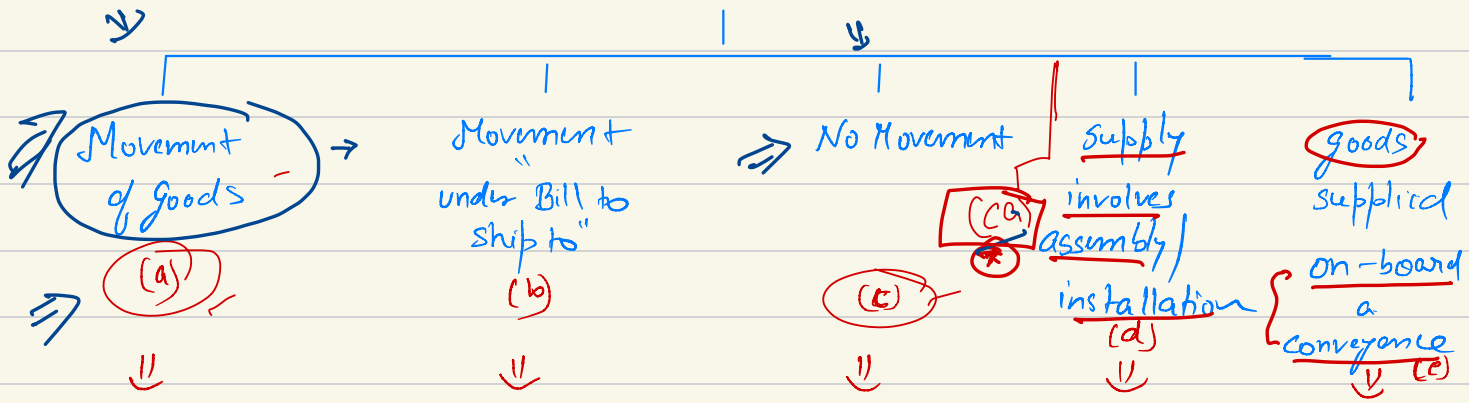
Hence, to decide, whether a supply is an Intra-state supply or inter-state supply, we must first identify the Place of supply of such goods / services.

OTC

IGST

# P.O.s of Goods

: Section 10(1) of IGST Act



- POS =

where the movement terminates for delivery of goods

(has nothing to do with title in goods)

① for trans. betn  
 ⇒ Supplier to 3rd party <sup>→ Main goods</sup>  
 - POS = PPOB of 3rd party

② for trans. betn  
 3rd party & the  
 Recipient of goods  
 - POS = 10(1)(a)

Location of goods  
 at the time of delivery

Location of Place where goods are assembled or installed

Location of goods where goods are taken on-board

\* Delivery means when the risk & reward of the goods are transferred

\* 3rd party means on whose direction the goods are shipped to the person who actually received goods

\* PPOB = Principal Place of Business

\* New addition of clause (ca)

New section 10(1) (ca)

How many  
POS provisions

For sale of goods

Over the Counter (OTC)  
to URP



Address of  
URP  
available  
on Record

Address of  
URP NOT available  
on Record

⇓  
POS = Location of  
Recipient

⇓  
POS = Location  
of  
Supplier

\* Simply mentioning the STATE of the  
URP shall be considered as having  
address on Record.

## P.O.S of SERVICES

: Section 12 of 1957 Act

① Condition : sub-section 1

This section shall apply only when the

LOCATION OF  
SUPPLIER  
OF  
SERVICES

&

LOCATION OF  
RECIPIENT  
OF  
SERVICES

IS IN INDIA

② P.O.S in case of IMMOVABLE PROPERTY, ACCOMODATION & LODGING ACCOMODATION (Sub-3)

### Nature of services

# a) • services directly in relation to an immovable property (including services by architect, interior decorator, surveyor, engineer & other related experts or estate agent)

• services provided by way grant of Rights →

① to use immovable property or (Rent)

② to carry out / coordination of construction work.



b) services by way of LODGING ACCOMODATION by a

- Hotel
- Inn
- guest house
- home-stay
- club
- campsite

including • House boat • any other vessel

c) services by way of Accommodation in any immovable property for organising any

- marriage or reception or matter related thereto
- official, social, cultural, religious or business functions

including services provided in relation to such function at such property

d) any services ancillary to services referred in (a), (b) & (c) above

P.O.S of such services



P.O.S = Location of such property

P.O.S = Location of the RECIPIENT

In case location of property / boat / vessel is in multiple states / U.T,

then P.O.S shall in each such respective states / U.T, in proportion of

^

- value of services separately collected / determined in terms of contract (agreement or
- in case of absence of such contract, on the basis as may be prescribed



Rule 4 has been prescribed in respect of certain situation

S. No.	Type of service in relation to immovable property	Factor which determines the proportionate value of service supplied in different States/Union territories
(a)	Service provided by way of lodging accommodation by hotel, inn, guest house etc. and its ancillary services (other than	Number of nights stayed in such property <i>Refer Example 14 on next page</i>
	the cases where such property is a single property located in 2 or more contiguous States/ Union territories or both)	

(b)	<ul style="list-style-type: none"> <li>• All other services provided in relation to immovable property including services by way of accommodation in any immovable property for organising any marriage or reception etc. and in cases of supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called where such property is a single property located in 2 or more contiguous States or/and Union territories</li> <li>• Services ancillary to services mentioned above</li> </ul>	<p>Area of the immovable property lying in each State/ Union territories</p> <p><i>Refer Example 15</i></p>
(c)	<p>Services by way of lodging accommodation by a <u>house boat</u> or vessel and its ancillary services</p>	<p><u>Time spent by the boat or vessel</u> in each such <u>State/ Union territories</u>, to be determined on the <u>basis of declaration</u> made by the service provider</p> <p><i>Refer Example 16</i></p>

③ P.O.S in case of Restaurant & catering services, personal grooming  
..... etc

Sub-section 4

Nature of services

Services of

- a) Fitness,
- b) personal grooming,
- c) beauty treatment
- d) restaurant and catering services,
- e) Health services (incl. cosmetic & plastic surgery)

P.O.S of such services

P.O.S = location where services are Actually  
performed

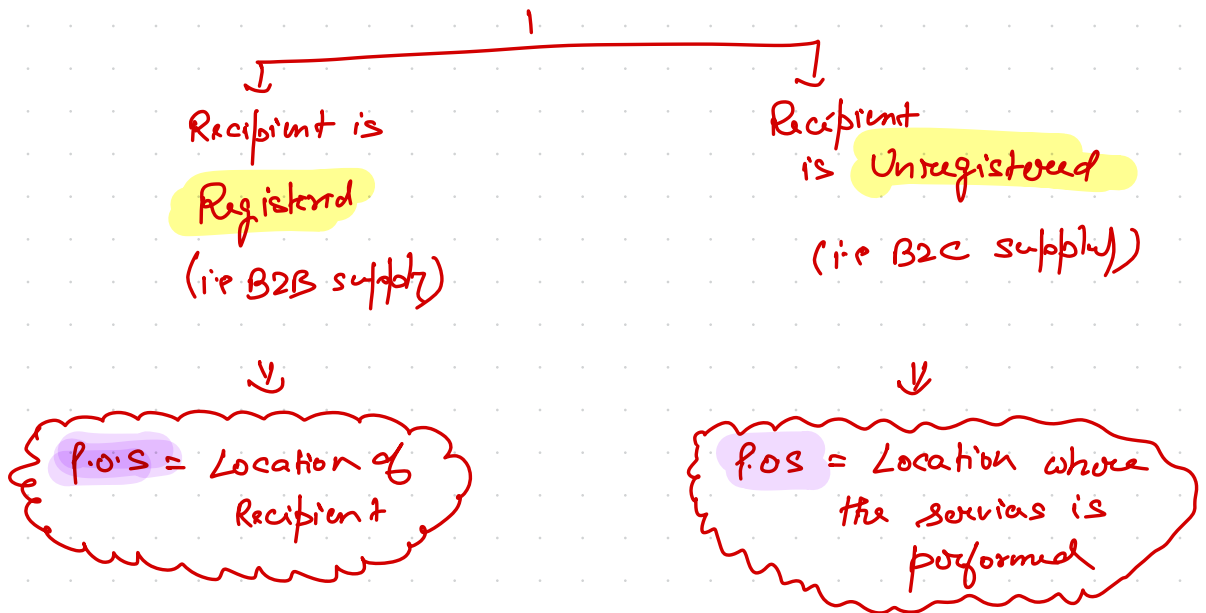
## ④ P.O.S in case of training & performance appraisal

Nature of services

sub-section 5

Services in relation to TRAINING & PERFORMANCE APPRAISAL

P.O.S of such services



⑤ P.O.S in case of service of admission to an event or other place

sub-section 6

Nature of services

services provided by way of admission (entry) to

- a cultural, artistic, sporting, scientific, educational entertainment EVENT
- or
- a amusement park or any other place

+

services ancillary thereto

P.O.S of such services

P.O.S = Location of the place where such

- Event is held or
- park / other place is located.

## ⑥ P.O.S in case of service of ORGANISING an event & ancillary services

sub-section 7

### Nature of services

a) Services provided by way of ORGANISATION of a

- cultural
- artistic
- sporting
- scientific
- educational
- entertainment

EVENT

incl. services in relation to a

- conference or similar
- fair
- exhibition
- celebration

EVENT

b) services • ancillary to services of (a)

- assigning of sponsorship to such event.

### P.O.S of such services

↓  
Recipient is

Registered

(i.e. B2B supply)

↓  
P.O.S = Location of Recipient

↓  
Recipient is

Unregistered

(i.e. B2C supply)

↓  
Event is held in India

↓  
P.O.S = Location where Event is HELD

↓  
Event is held outside India

↓  
P.O.S = Location of Recipient

In case location of Event that is held in multiple States/U.T

then P.O.S shall in each such respective states/U.T, in proportion of

~

- value of services separately collected/ determined in terms of contract (agreement or
- in case of absence of such contract, on the basis as may be prescribed



Rule 5 has been prescribed that in absence of a contract / agreement the proportionation shall be done by application of generally accepted accounting principles



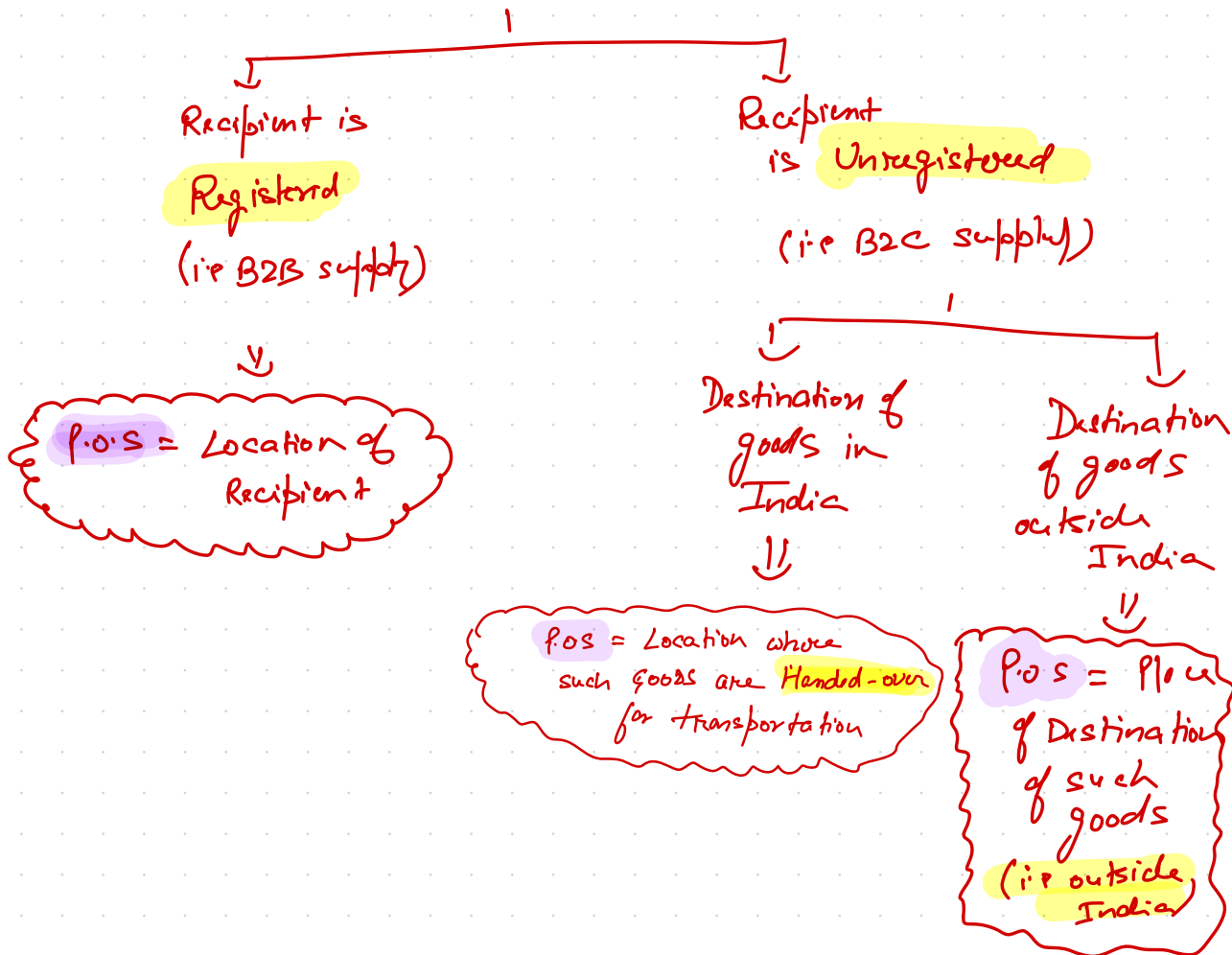
# 7 P.O.S in case of services of transportation of goods

Nature of services

Sub-section 8

services by way of transportation of goods  
including by MAIL or COURIER

P.O.S of such services



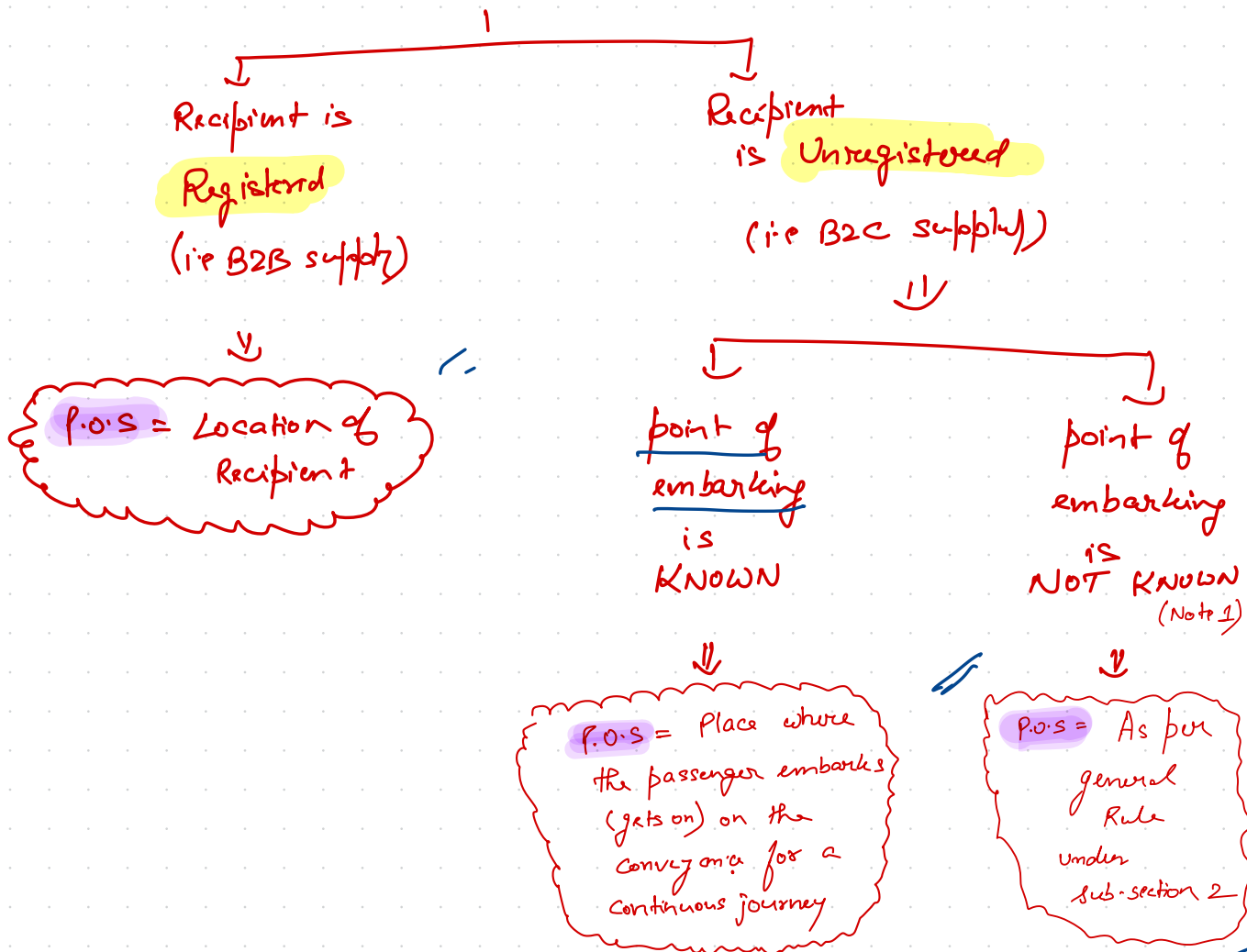
# 8} P.O.S in case of service of transportation of PASSENGERS

Sub-section : 9

## Nature of services

Service by way of passenger transportation services

## P.O.S of such services



\* Note 1: This situation will arise when the Right to passage is given for future use and the point of embarkation is not known

\* Note 2: In case Return journey is also booked at that time, such Return journey is treated as separate journey, even if the Right to passage for onward & return journey is issued at the same time.

9

P.O.S in case service provided on board a conveyance

sub-section 10

Nature of services

Service by way of any service provided on board a conveyance  
(including a vessel, an aircraft, a train or a motor car)

P.O.S of such services

P.O.S = Location of FIRST SCHEDULED POINT OF DEPARTURE  
of that conveyance

# 10 P.O.S in core services of telecommunication / DTH

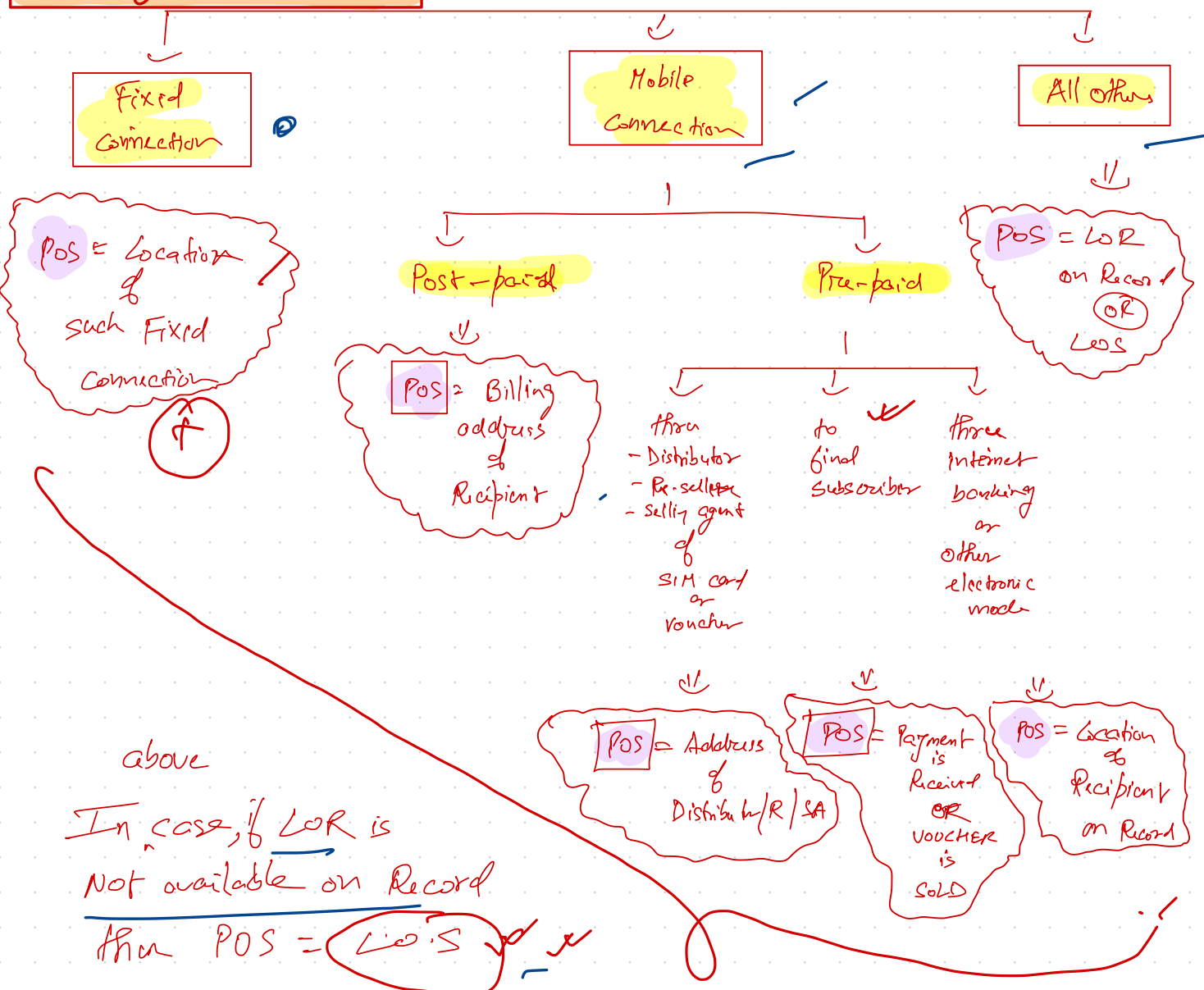
Sub-section 11

## Nature of services

Services by way

- telecommunication services (including data transfer)
- broadcasting
- cable
- Direct to home telecommunication (DTH)

## P.O.S of such services



In case leased circuit is installed in multiple States/U.T & consolidated amount is charged

then P.O.S shall be in each such respective states/U.T, in proportion of

~

- value of services separately collected/  
determined in terms of contract/agreement  
or

- in case of absence of such contract,  
on the basis as may be prescribed



Rule 6 has been prescribed that in absence of a contract/agreement the proportionation shall be done in proportion to the number of points lying in each such state/U.T



The number of points in a circuit is determined in the following manner-

- (i) In the case of a circuit between two points or places, the starting point or place of the circuit and the end point or place of the circuit will invariably constitute two points - Refer Example 42
- (ii) Any intermediate point or place in the circuit will also constitute a point provided that the benefit of the leased circuit is also available at that intermediate point - Refer Example 43 & 44

## ⑪ P.O.S in case of service of banking & other financial services

sub-section 12

### Nature of services

service by way of Banking & other financial services  
(including stock broking services)

### P.O.S of such services

Location of  
Recipient is available  
on record



P.O.S = Location of Recipient  
on the records  
of the supplier  
of services

Location of Recipient  
is NOT AVAILABLE  
on record



P.O.S = Location of  
the supplier of  
services

12

## P.O.S in case of service of Insurance

sub-section 13

### Nature of services

service by way of INSURANCE SERVICES

### P.O.S of such services

↓  
Recipient is  
Registered  
(i.e B2B supply)

↓

P.O.S = Location of  
Recipient

↓  
Recipient  
is Unregistered  
(i.e B2C supply)

11

P.O.S = Location of  
Recipient on  
the records of  
the supplier of  
services



13

P.O.S in case service of Advertisement to C.G/S.G etc

Sub-Section 14

Nature of services

services by way of ADVERTISEMENT SERVICE

to - the Central Government,  
- a state Government  
- a statutory body or  
- a local authority  
meant for the States & Union territories

P.O.S of such services

P.O.S = Each such States / U.T as identified by  
the agreement / contract.

The value shall be proportioned among the states / U.T  
as attributable by way of dissemination in respective  
States / U.T by way of

- value of services separately collected/  
determined in terms of contract / agreement

OR

- in case of absence of such contract,  
on the basis as may be prescribed

Rule 3 prescribes the method of proportionation

Sl. No.	Type of advertisement	Value of service attributable to dissemination in different States/Union territories where the advertisement is broadcasted/ run /played/disseminated
1.	Advertisements in newspapers and publications	Amount payable for publishing an advertisement in all the editions of a newspaper or publication, which are published in each State/Union territory <i>Refer Example 50</i>
2.	Advertisements through printed material like pamphlets, leaflets, diaries, calendars, T-shirts, etc.	Amount payable for the distribution of a specific number of such material in each State/Union territory <i>Refer Example 51</i>
3.	Advertisements in hoardings (other than those on trains)	Amount payable for the hoardings located in each State/ Union territory <i>Refer Example 52</i>
4.	Advertisements on trains	Amount attributable to each State/Union territory calculated in the ratio of length of the railway track in each of such State/Union territory, for that train <i>Refer Example 53</i>
5.	Advertisements on the back of utility bills of oil and gas companies, etc.	Amount payable to each State/Union territory for the advertisements on bills pertaining to consumers having billing addresses in each of such State/Union territory
6.	Advertisements on railway tickets	Amount attributable to each State/Union territory calculated in the ratio of number of Railway Stations in each of such State/Union territory <i>Refer Example 54</i>
7.	Advertisements on radio stations	Amount payable to such radio station, which by virtue of its name is part of each State/Union territory <i>Refer Example 55</i>

8.	Advertisement on television channels	<p>Amount attributable to each State/Union territory calculated basis the viewership of such channel in each of such State/ Union territory which shall be derived as under:</p> <p>(a) Viewership can be ascertained from the channel viewership figures published by the Broadcast Audience Research Council.</p> <p>(b) Figures for the last week of a given quarter is used for calculating viewership for the succeeding quarter.</p> <p>(c) Where the channel viewership figures relate to a region comprising of more than one State/Union territory, the viewership figures for a State/ Union territory of that region, is calculated in ratio of the</p>
		<p>populations of that State/Union territory, as determined in the latest Census.</p> <p>(d) The ratio of the viewership figures for each State or Union territory so calculated, when applied to the amount payable for the service, shall represent the portion of the value attributable to the dissemination in that State or Union territory</p> <p><i>Refer Example 56</i></p>
9.	Advertisements in cinema halls	<p>Amount payable to a cinema hall or screens in a multiplex in each State/ Union territory.</p> <p><i>Refer Example 57</i></p>

10.	<p>Advertisements on internet</p> <p>It is deemed that such service is provided all over India.</p>	<p>Amount attributable to each State/Union territory calculated basis the internet subscribers in each of such State/ Union territory which shall be derived in the following manner:</p> <p>(a) Internet subscribers can be ascertained from the internet subscriber figures published by the Telecom Regulatory Authority of India (TRAI).</p> <p>(b) Figures for the last quarter of a given financial year will be used for calculating the number of internet subscribers for the succeeding financial year.</p> <p>(c) Where the internet subscriber figures relate to a region comprising of more than one State/Union territory, the subscriber figures for a</p>
		<p>State/Union territory of that region shall be calculated in the ratio of the populations of that State/Union territory, as determined in the latest census.</p> <p>(d) The ratio of the subscriber figures for each State or Union territory so calculated, when applied to the amount payable for the service, shall represent the portion of the value attributable to the dissemination in that State or Union territory</p> <p><i>Refer Example 58</i></p>

11.	Advertisements through SMS	<p>Amount attributable to each State/Union territory calculated on the basis of the telecom subscribers in each of such State/ Union territory.</p> <p>(a) Telecom subscribers in a telecom circle can be ascertained from the telecom subscribers figures published by the TRAI. Figures for a given quarter will be used for calculating the subscribers for the succeeding quarter.</p> <p>(b) Where such figures relate to a telecom circle comprising of more than one State/Union territory, the subscriber figures for that State/Union territory shall be calculated in the ratio of the populations of that State/Union territory, as determined in the latest census.</p> <p><i>Refer Examples 59-62</i></p>
-----	----------------------------	--

(14)

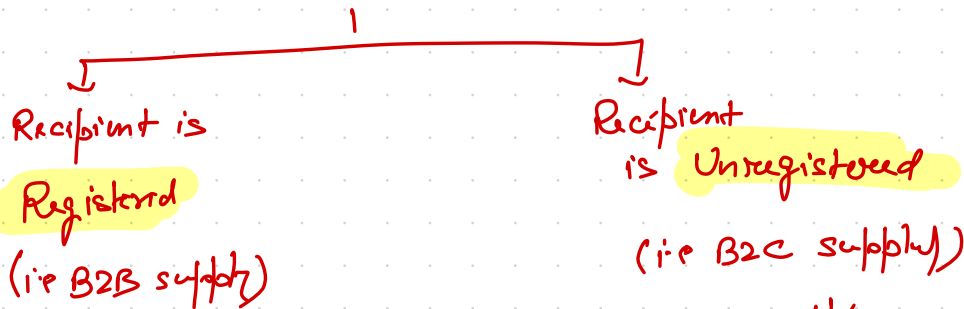
P.O.S in case of ALL OTHER SERVICES  
not mentioned sub-section 3 to 14.

sub-section 2

Nature of services

ALL OTHER SERVICES

P.O.S of such services



P.O.S = Location of Recipient

Address of Recipient exists ON RECORD

Address of Recipient DOES NOT exist ON RECORD

P.O.S = Location of Recipient

P.O.S = Location of Supplier

B2B : <sup>→ Trade</sup> TOPIS  
↓

TOPIC

⇒ T - Tra  
⇒ O - Orger  
⇒ P → Passy T  
⇒ I → Insurance  
⇒ G → Goods Transp

Multi

IOTA

1 - Inn  
⇒ O - Or →  
T → Take  
A - Adver-tis

G - Goods  
⇒ O - Or  
I - Inn!

