

Topic: Meaning and Scope of Supply-Part 2

Class: B.Com (Hons) Semester VI

Subject: Goods and Services Tax (GST)

Unit: 1

Paper: CC-13

Meaning and Scope of Supply

No movement of goods

As per section 10(1) (c): “Where 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.”

If the supply does not involve movement of goods, the place of supply is the location of goods at the time of delivery to the recipient.

Examples

Mr. Deepak let rent his house to Mrs. Deepa. Mrs. Deepa installed an AC in her rented house. After two year, she vacated the house but agreed with the landlord to leave behind the AC for the landlord without removing it. The supply of AC by the tenant to the landlord does not involve movement of goods and the place of supply shall be where the AC is fixed.

- a.** Axis Bank Ltd opens a new branch office at Jamshedpur. It purchases a building for office from KK builders, Jamshedpur along with pre –installed office furniture and fixtures. Though there will be no GST liability on Purchase of building, office furniture and fixtures, the place of supply of such goods is their location at the time of delivery to the recipient Axis Bank Ltd. i.e. Jamshedpur

Goods Assembled or Installed at Site

As per section 10(1) (d) of IGST act, 2017 “where the goods are assembled or installed at site, the place of supply shall be place of such installation or assembled”.

Here supply means only involves of goods, works contract under GST is treated as supply of service and the provisions of this section are not applicable. It means the supply involves goods

which are to be installed or assembled at site; the place of supply is the place of such installation or assembly.

Examples

Determine place of supply of goods in the following cases and also state nature of supply and the type of tax leviable

Case 1:- Infosys Ltd., Bengaluru installs a sophisticated internet Service for MTNL Chennai.

Case 2:- Mr. Bansilal located in Patna, place order on Mr. Baharsi Das of Patna for installation of machinery at his factory in Jamshedpur (Jharkhand). Mr. Baharsi procures the various parts of the machinery from different states and arranges for installation or the same in Bansilal factory at Jamshedpur

Case 3:-Mr. Roshan of Katak purchases a machine from Mrs. Roshan of Rohtak to be installed in his factory at Rohtak.

Solution:

Case	Location of Supplier	Place of Assembly/ Installation of goods	Place of Supply	Nature of Supply	Tax
1.	Infosys Ltd. Bengaluru	Chennai	Chennai	Inter-State	IGST
2.	Mr. Baharsi Das Patna	Jamshedpur (Jharkhand)	Jamshedpur (Jharkhand)	Inter-State	IGST
3.	Mrs.Roshni Rohtak	Rohtak	Rohtak	Intra-State	CGST and SGST

Goods Supplied on a Vessel/-Conveyance

As per section 10 (1)(e) Where the goods are supplied on board a conveyance including a vessel, an aircraft, a train or a motor vehicle, the place of supply shall be the location at which such goods are taken on board.

Examples:

Determine place of supply of goods in the following cases and also state nature of supply and the types of tax leviable.

Case 1: Mr. Raman of Ranchi entered into contract with the Railway authority for the supply of food to the passengers on Ranchi – Delhi route. Journey commenced from Ranchi, the goods were loaded in Patna. .When the train reaches Kanpur, he sells certain goods

Case 2:Mr.Suman boarded the train at New Delhi for its destination Jamshedpur. He carried some goods with him for the purpose of sale during the Journey. When the train reaches Aligarh, he sells certain goods

Case	Location of Supplier	Place where goods are taken board a conveyance-	Place where the goods are Supplied to the passengers during journey	Place of Supply	Nature of Supply	Tax
1.	Ranchi	Patna	Kanpur	Patna	Inter state	IGST
2.	New Delhi	New Delhi	Aligarh	New Delhi	Intra state	CGST and SGST

When Place of Supply Can Not be Determined

Where the place of supply of goods cannot be determined the place of supply shall be determined in such manner as may be prescribed. The Central Government will prescribe rules on the recommendation of GST council regarding the manner of its determination.

Prepared by: Dr. Md. Moazzam Nazri
Assistant Professor, Faculty of Commerce
Karim City College, Jamshedpur
Email:moazzam.nazri@gmail.com