

Topic: Meaning and Scope of Supply-Part 7

Class: B.Com (Hons) Semester VI

Subject: Goods and Services Tax (GST)

Unit: 1

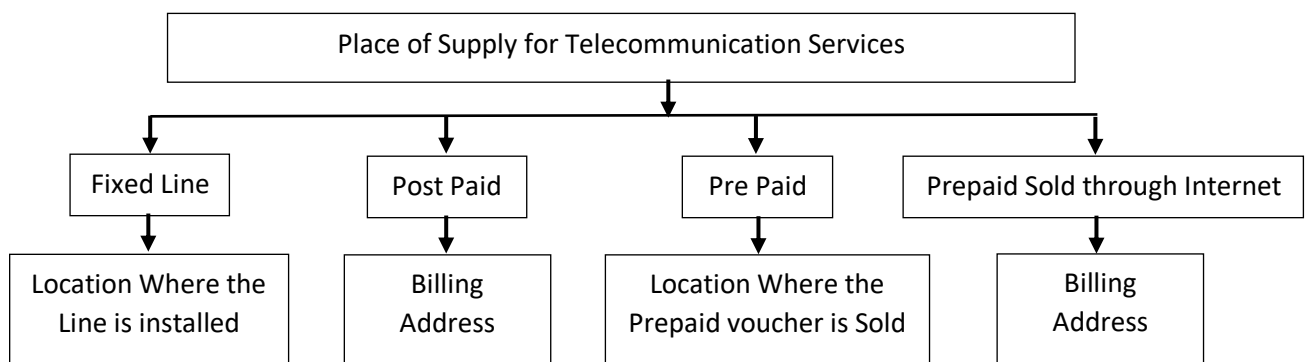
Paper: CC-13

Place of supply in respect of service

9. Telecommunication Service [Section 12(11)]

The place of supply of telecommunication services including data transfer, broadcasting, cable and direct to home television service depends upon into following four parts

- a. Fixed Line/Leased Circuit: Where service are provided by way of fixed telecommunication line leased circuits, internet leased circuit cable or dish antenna, the place of supply will be location where the telecommunication line/leased circuit/cable connection/dish antenna is installed for recipient of services.
- b. Post Paid: Where mobile connection for telecommunication and internet service provided on post paid basis, the place of supply will be location of billing address of the recipient of service on record of the supplier of services.
- c. Pre Paid: Where mobile connection for telecommunication and internet service are provided on pre payment through or voucher or any other method, the place of supply will be the location where such pre – payment is reserved or such voucher is sold.
- d. Pre Paid Sold Through Internet: If such prepaid service is availed or the recharge is made through internet banking or other electronic mode of payment then the place of supply will be location of the recipient of service on record of the supplier of services summonsed for of provision for determining place of supply for telecommunication service are given as under –



Example: Mrs. Hem Lata resident of Patna takes post paid mobile connection from Voda phone Ltd. A company based unit of Mumbai. She uses the mobile for her travel throughout India. The place of supply of service in relation to the post paid mobile connection shall be the billing address of Mrs Hem Lata as per the records of Voda phone Ltd. regardless of where Mrs Hem Lata utilise the mobile service.

Example: Mr Kapoor of Kanpur purchases a pre paid card from a selling agent in Lucknow. The place of supply is the address of the selling agent or re-seller i.e. Lucknow. A software Ltd company based unit of Bangalore procure service of leased circuit lines for its branches in Mumbai, Hyderabad and Lucknow from XYZ Ltd company based out of Kolkata, then the place of supply of service of leased circuit lines shall be proportionately at each branch where the installation is done. In case software Ltd pays a lump sum amount for the latest circuit line services of all branches, then the apportionment between states shall be done on reasonable basis or may be prescribed in this regard.

10. Banking and other Financial services including stock broking service [section 12(12)]:- The place of supply of banking and other financial service including stock broking service to any person will be located of recipient of the service on record of the supplier of services. If the location of recipient of service is not in the records of the supplier the place of supply will be the location of the supplier of service.

Example: Mr. Sohan of Jamshedpur (Jharkhand) buys shares from a broker in Kolkata on NSE in Mumbai. The place of supply will be the location of the recipient of service on the records of the supplier of service. Therefore, Jamshedpur will be the place of supply.

Example: Mr. Ramesh of Katak has a saving account in State Bank of India branch (Katak). He goes to Allahabad Bank in Patna where his account is not linked and takes a demand draft. The place of supply for issue of draft will be location of the supplier i.e. bank in Patna issuing the demand draft. However if the service linked to the account of the person, the place of supply will be Katak, the location of recipient on the records of the supplier.

11. Insurance Services [Section 12(13)]: The place of supply is dependent on whether the recipient is registered or unregistered

(i) The place of supply of insurance service is the location of recipient when provided to a registered recipient.

(ii). If such service are provided to a person other than a registered person, the place of supply is the location of the recipient of service in the records of the supplier of service.

Example: ABC Ltd Delhi is registered under GST in Delhi takes insurance cover for the inventory stored in company factory located at Delhi from oriented insurance Company Mumbai. The place of supply is location on the registered recipient i.e. Delhi.

Example: Mr. Sohan is an unregistered person and takes an insurance policy for his children. The place of supply is location of Mr. Sohan i.e. the address of Mr. Sohan in the records of the insurer.

12 .Advertisement Service to the central government, state government, a statutory body or a local authority [section 12(14)]: Advertisement service to the central government, a state

government, a statutory body or local authority meant for the states or union territories identified in the contract or agreement.

Place of supply shall be taken as being in each of such state or union territories. The value of such supplies specific to each state shall be in proportion to amount attributable to service provided by way of dissemination in the respective states. In the absence of such contract or agreement on such other basis as may be prescribed in this behalf.

Example: Government of India launched a project “Make in India” and appointed XYZ advertising agency of Rajasthan for advertisement of the project all over the India. “XYZ advertisement agency” advertises the project in all states of India. In the case the place of supply will be each state where advertisement agency and the value of such supplies specific to each state shall be in proportion to amount attributable to service provided by way of dissemination in the respective states.

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