

CHAPTER - IV
DETERMINATION OF NATURE OF SUPPLY

Section 7 : Inter-State supply

- (1) Subject to the provisions of section 10, supply of goods, where the location of the supplier and the place of supply 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) Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.
 - (3) Subject to the provisions of section 12, supply of services, where the location of the supplier and the place of supply 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.
 - (4) Supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter-State trade or commerce.
 - (5) Supply of goods or services or both,—
 - (a) when the supplier is located in India and the place of supply is outside India;
 - (b) to or by a Special Economic Zone developer or a Special Economic Zone unit; or
 - (c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.
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