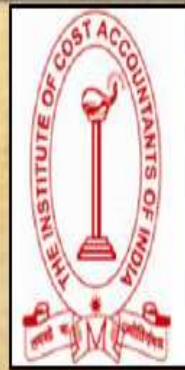


Advanced Certificate Course on GST



Advanced Certificate Course on GST - TRD



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)
Tax Research Department

PLACE OF SUPPLY UNDER GST



Introduction to GST

GST is known as the Goods and Services Tax

- ❖ It is an indirect tax which has replaced many indirect taxes in India such as the excise duty, VAT, CST, Services tax, Entertainment Tax and Luxury Tax etc.
- ❖ The Goods and Service Tax Act was passed in the Parliament on 29.03.2017 and came into effect on 1st July 2017
- ❖ Goods and Services Tax Law in India is a
 - ✓ **Comprehensive**: GST has wider in scope
 - ✓ **Multi-stage**: GST is levied on the value additions at each stage, i.e., the monetary value added at each stage to achieve the final sale to the end customer
 - ✓ **Destination Based Tax**: GST is called as destination-based tax or consumption-based tax, it means Goods and Service Tax is levied at the point of consumption.

Taxable Event

- The Foundation stone of any taxation system is **“Taxable Event”**
- It determines the **point at which tax** would be levied
- Before levying any tax, taxable event needs to be ascertained.
- The GST laws resolve these issues by laying down **one comprehensive word** called as taxable event i.e.,
“Supply”

Parameters of “Supply”

- Supply should be of **Goods** or **Services** or **both**
- Supply of anything **other than** goods or services like money, securities, actionable claims etc. does not attract GST
- Supply should be made for a **consideration**
- Supply should be made in the **course** or **furtherance** of **business**.

What constitutes supply?

Supply includes:

- ✓ Sale
- ✓ Transfer
- ✓ Barter
- ✓ Exchange
- ✓ License
- ✓ Rental
- ✓ Lease
- ✓ Disposal
- ✓ Import of services for a consideration

Benefits of GST



Importance of Time, Place and Value of Supply

❑ Time of Supply:

- ✓ Time of supply means the point in time when goods/services are considered supplied
- ✓ When the seller knows the 'time', it helps him identify due date for payment of taxes

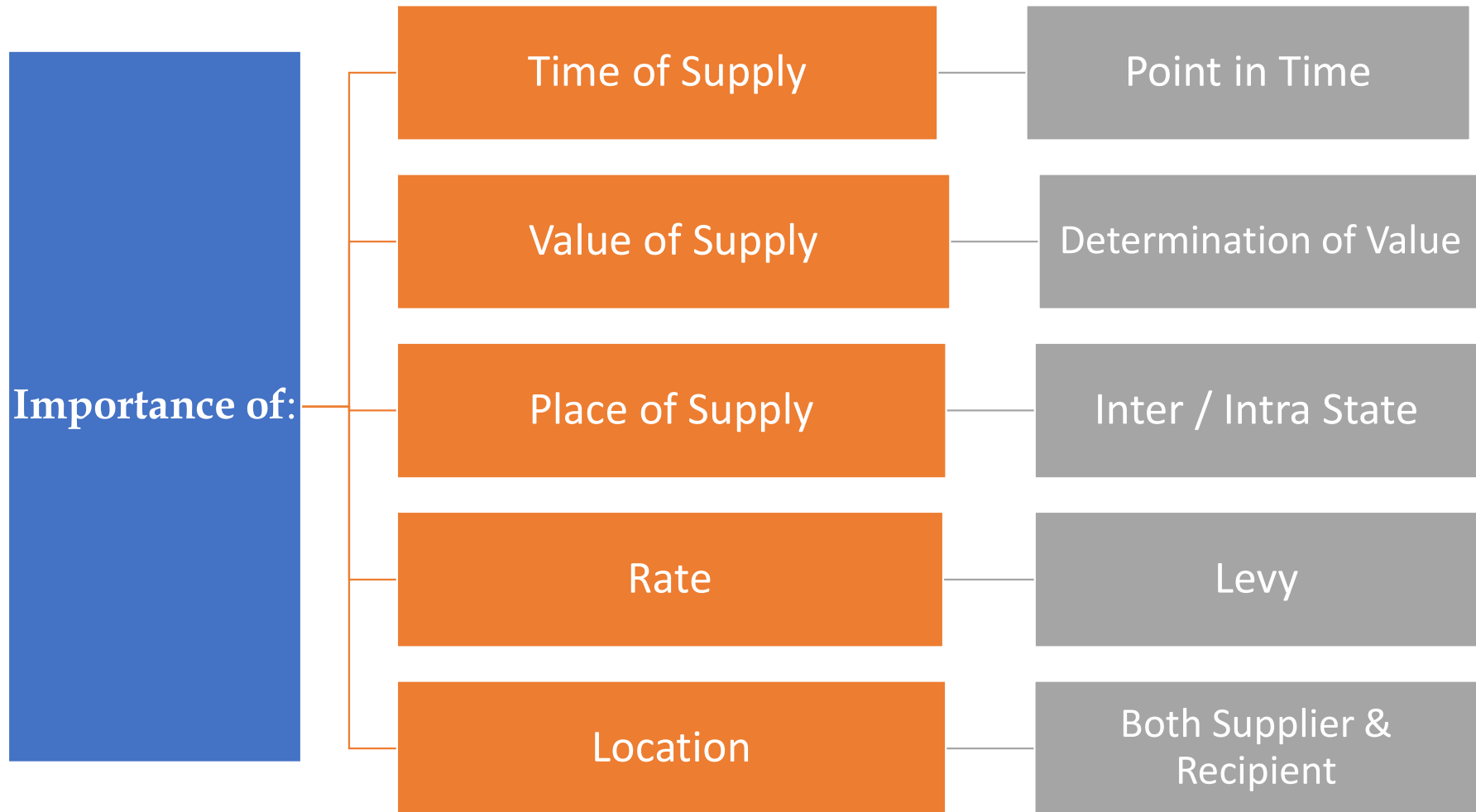
❑ Value of Supply:

- ✓ Value of supply is important because GST is calculated on the value of the sale
- ✓ If the value is calculated incorrectly, then the amount of GST charged is also incorrect

❑ Place of Supply:

- ✓ Place of supply is required for determining the right tax to be charged on the invoice
- ✓ Whether CGST & SGST or IGST will apply for a particular Transaction

General Implication on the Supply



Supplier & Recipient

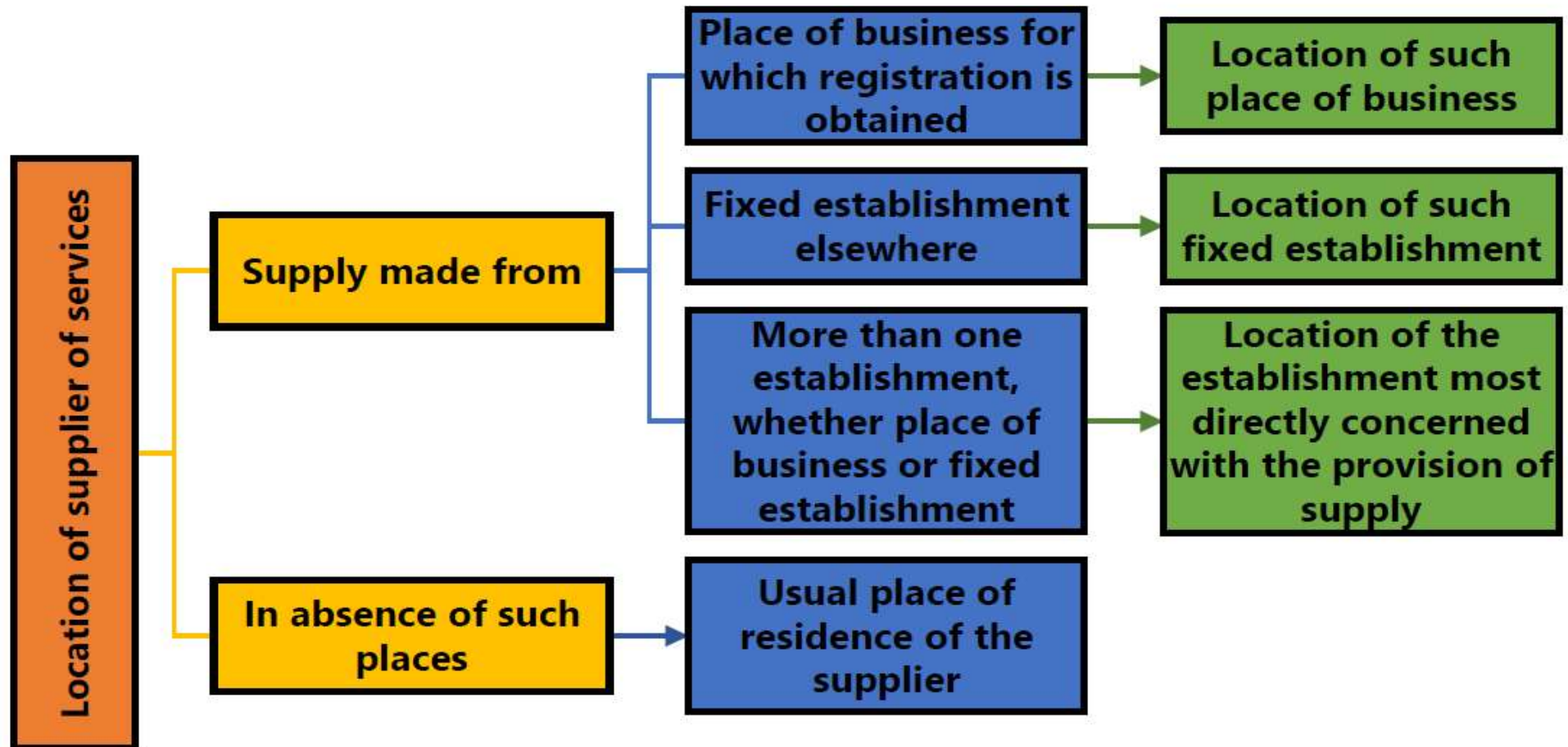
❖ “**Supplier**” means:

- The person supplying the said Goods or Services or Both and
- include an agent acting on behalf of the supplier

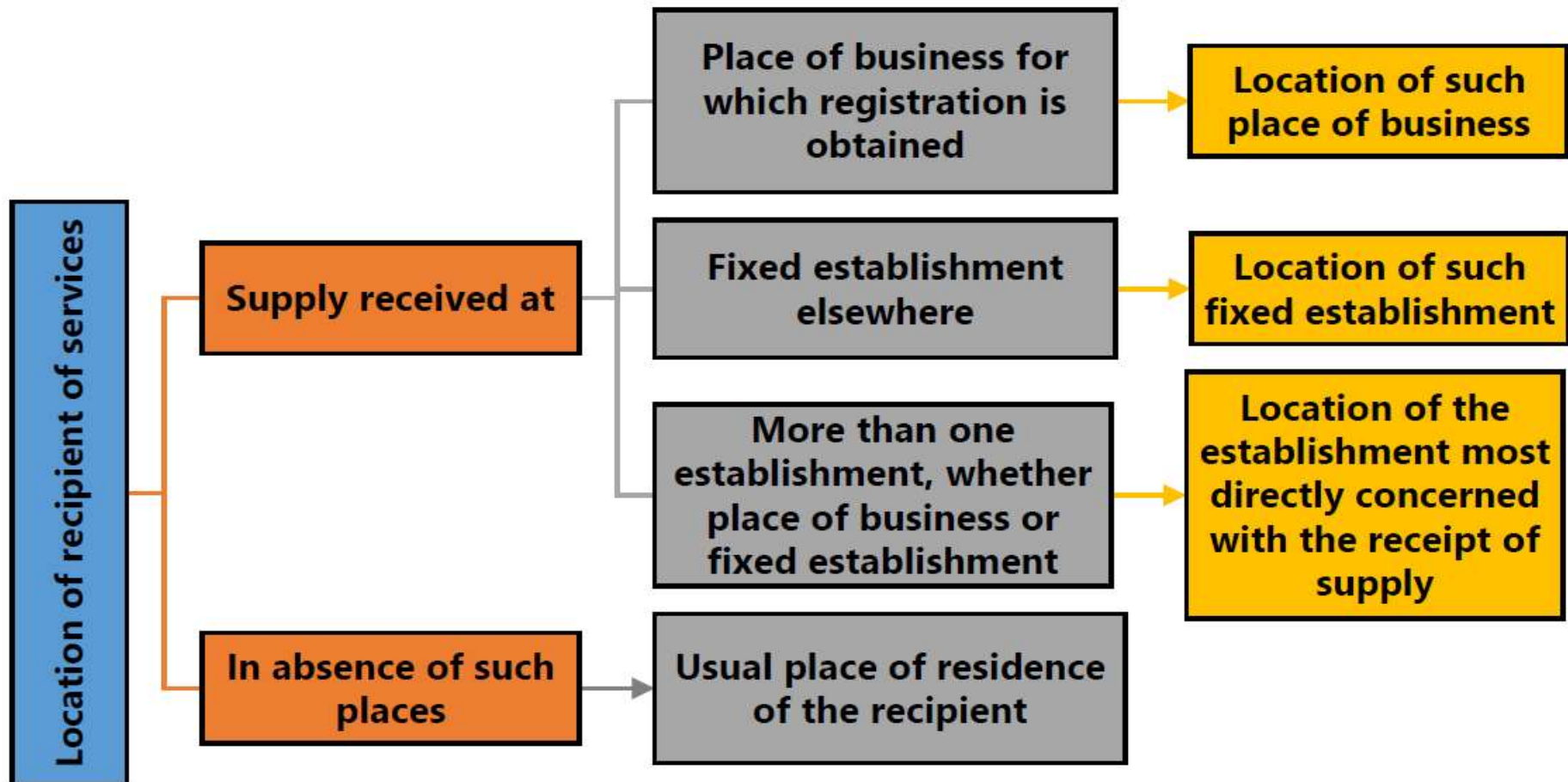
❖ “**Recipient**” means:

- Where a consideration is payable: The **person who is liable to pay** that consideration;
- Where NO consideration is payable:
 - ✓ **For Goods**: the person to whom the goods are delivered or made available,
or to whom possession or use of the goods is given or made available;
 - ✓ **For Service**: the person to whom the service is rendered

Location of Supplier of Service



Location of Recipient of Service



Import & Export of Goods

❖ **Export of Goods:** means

- ✓ Taking Goods out of India to a place outside India;

❖ **Import of Goods:** means

- ✓ Bringing Goods into India from a place outside India;

Import & Export of Services

❖ **Export of services:** means, the of Supply of any Service when,

- i. The supplier of service is located in India
- ii. The recipient of service is located outside India;
- iii. The place of supply of service is outside India
- iv. The payment for such service has been received by the supplier of service in convertible foreign exchange [or INR wherever permitted by the RBI]; and
- v. The supplier of service and the recipient of service are not merely establishments of a distinct person

❖ **Import of Service:** means

- i. The supplier of service is located outside India
- ii. The recipient of service is located in India, and
- iii. The place of supply of service is in India

Inter-State vs Intra State Supply

(S.7 & S.8 of IGST Act, 2017)

S.7 Inter State Supply

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

Then tax shall be levied is **IGST**

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.

Then tax shall be levied is **IGST**

S.8 Intra State Supply

Supply of goods

Where the **location of the supplier (LOS)** and the **place of supply (POS)** are in--

- ✓ the same State or
- ✓ same Union territory

- ✓ shall be treated as intra-State supply:

Then tax shall be levied is CGST + SGST

Supply of services

Where the **location of the supplier (LOS)** and the **place of supply (POS)** are in--

- ✓ the same State or
- ✓ same Union territory

- ✓ shall be treated as intra-State supply:

Then tax shall be levied is CGST + SGST

Place of Supply

(S.10, S.11, S.12 & S.13 of IGST Act, 2017)

Place of Supply - Introduction

- ✚ Determining the Place of Supply of Goods or Services is very important as it would determine the **nature of tax to be paid**.
- ✚ The **nature** of tax to be paid whether IGST, CGST & SGST is depends on a fundamental twin principal's i.e.,
 - ❖ Location of the Supplier (**LOS**)
 - ❖ Place of Supply (**POS**)
- ✚ whereas the location of the supplier and the place of supply is in a different state – IGST would be levied (S.7)
- ✚ In case the location of the supplier and the place of supply are within the same state – CGST & SGST would be levied (S.8)

| LOS | POS | Nature | Type of Tax |
|-----|-----|--------|-------------|
| AP | MH | Inter | IGST |
| AP | AP | Intra | CGST + SGST |

❑ **Place of supply** is required for determining the **right tax** to be charged on the invoice & paid to the Govt.

Need for determination of Place of Supply

- ✓ GST is destination-based tax i.e., consumption tax
- ✓ Which means tax will be levied where goods and services are **consumed** and will accrue to **that state**
- ✓ So, the state where they are consumed will have the right to collect GST
- ✓ This, in turn, makes the concept of place of supply crucial under GST as all provisions of GST revolves around it.

The reasons why an accurate determination of place of Supply is important for business are listed below :

- ✓ Wrong classification of supply between interstate or intra-state and vice-versa may lead to hardship to the taxpayer as per section 19 of IGST Act and section 70 of CGST Act.
- ✓ Also, correct determination of place of supply will help us in knowing the incidence of tax.
- ✓ As if place of supply is determined as a place outside India, then tax will not have to be paid on that transaction

Consequences and Remedy for wrong payment of Tax

❖ S.70 of CGST Act, 2017

Power to summon person to give evidence and produce documents

- ✓ Conduct Enquiry
- ✓ Ask for Produce of Books
- ✓ The Powers similar to code of civil procedures, 1908
- ✓ Deemed to be Judicial Proceedings

❖ S.19 of IGST Act, 2017

Tax wrongfully collected and paid to Central Government or State Government.

- ✓ The Taxpayer will have to pay the **correct tax** on the basis of revised/correct classification
- ✓ And the wrong taxes have been paid, **refund** will have to be claimed by the taxpayer
- ✓ Such refund shall be claimed with in 2 years from the date of payment of such wrong tax.

PLACE OF SUPPLY

Place of Supply

In case of
Goods

Both Supplier &
Recipient
located in India

Sec 10 of IGST Act

5 Cases

Imports &
Exports

Sec 11 of IGST Act

2 Cases

In case of
Services

Both supplier &
recipient located
in India

Sec 12 of IGST Act

13 Cases

Either supplier (or)
recipient located
outside India

Sec 13 of IGST Act

10 Cases

Place of Supply - Goods

(S.10 & S.11 of IGST Act, 2017)

A. Place of supply of goods other than import and export [Section 10]

| S.N | Nature of Supply | Place of Supply | Examples |
|-----|---|--|---|
| 1. | Where the supply involves the movement of goods, whether by the supplier or the recipient or by any other person | Location of the goods at the time at which, the movement of goods terminates for delivery to the recipient | <p>(i) Mr. A of Nasik, Maharashtra sells 10 refrigerators to Mr. B of Pune, Maharashtra for delivery at Mr. B's place of business in Pune. The place of supply is Pune in Maharashtra.</p> <p>(ii) Mr. A of Nasik, Maharashtra sells 20 refrigerators to Mr. C of Ahmadabad, Gujarat for delivery at Mr. C's place of business in Ahmadabad. The place of supply is Ahmadabad.</p> |
| 2. | Where the goods are delivered to the recipient, or any person on the direction of the third person by way of transfer of title or otherwise, its Shall be deemed that the third person has received the goods | The principal place of business of such third person | <p>Mr. X (a supplier registered in Uttar Pradesh having principal place of business at Noida) asks Mr. Y of Ahmadabad, Gujarat to deliver 50 washing machines to his buyer Mr. Z at Jaipur, Rajasthan. In this case, two supplies are involved, one between Mr. X and Mr. Z and other between Mr. Y and Mr. X.</p> <p>While the former supply is covered under clause (a) of section 10(1), the latter one i.e., between Mr. Y and Mr. X is covered under clause (b) of section 10(1).</p> <p>Accordingly, in this case, the place of supply of goods is not the location of delivery of such goods (Jaipur) but the principal place of business of third person i.e., principal place of business of Mr. X located at Noida.</p> |
| 3. | Where there is no movement of goods either by supplier or recipient | Location of such goods at the time of delivery to the recipient | <p>(i) Mr. A (New Delhi) has leased his machine (cost Rs 8,00,000) to Mr. B (Noida, Uttar Pradesh) for production of goods on a monthly rent of ₹ 40,000. After 14 months Mr. B requested Mr. A to sell the machine to him for Rs 4,00,000, which is agreed to by Mr. A.</p> <p>In this case, there will be no movement of goods and the same will be sold on as is where is basis. Thus, the location of the machine at the time of such sale will be the place of supply i.e., Noida.</p> |

| | | | |
|----|---|--|--|
| | | | <p>(ii) XZ Ltd. (Mumbai, Maharashtra) opens a new branch office at Gurugram, Haryana. It purchases a building for office from KTS Builders (Gurugram) along with pre-installed office furniture and fixtures.</p> <p>Though there will be no GST liability on purchase of building, office furniture and fixtures will be liable to GST. Since there is no movement of office furniture and fixtures, the place of supply of such goods is their location at the time of delivery to the recipient (XZ Ltd.) i.e., Gurugram.</p> |
| 4. | Where goods are assembled or installed at site | The place where the goods are assembled or installed | <p>(i) Mr. A (New Delhi) purchases a machine from Mr. B (New Delhi) for being installed in his factory at Noida, Uttar Pradesh. The place of supply is the site at which the machine is installed i.e., Noida.</p> <p>(ii) Pure Refineries (Mumbai, Maharashtra) gives a contract to PQ Ltd. (Ranchi, Jharkhand) to assemble a power plant in its Kutch, Gujarat refinery. The place of supply is the site of assembly of power plant i.e., Kutch even though Pure refineries is located in Maharashtra.</p> |
| 5. | Where the goods are supplied onboard a conveyance like a vessel, aircraft, train or motor vehicle | The place where such goods are taken on-board the conveyance | <p>(i) Mr. X (New Delhi) boards the New Delhi-Kota train at New Delhi. He sells the goods taken on board by him (at New Delhi), at Jaipur during the journey. The place of supply of goods is the location at which the goods are taken on board i.e., New Delhi and not Jaipur where they have been sold.</p> <p>(ii) Mr. W, an unregistered person, purchases coffee and snacks on board a Airjet Mumbai-New Delhi flight. The food items were loaded into the aircraft at Mumbai. The place of supply of goods by Airjet to Mr. W is the location at which the goods are taken on board i.e., Mumbai.</p> <p>(iii) Ms. P (New Delhi) boards a New Delhi-Kolkata flight to attend a business meeting at Kolkata. She buys lunch in the flight. The food items were loaded into the aircraft at New Delhi. The Airlines is registered in New Delhi and Kolkata. The place of supply of food items</p> |

by the airlines to Ms. P is the location at which the goods are taken on board i.e., New Delhi. It is irrelevant whether the buyer is registered or unregistered.

(iv) Ms. S, an unregistered person, (New Delhi) is travelling from New Delhi to Kanpur, Uttar Pradesh in a train. The train starts at New Delhi and stops at three stations before reaching Kanpur. The food items were loaded into the train at Aligarh (Uttar Pradesh) – 2nd Station. Ms. S buys dinner on board the train. The place of supply is the location at which the goods are taken on board i.e., Aligarh. The location at which Ms. S boards the train is irrelevant.

B. Place of supply of goods imported into, or exported from India [section 11]

| S.N | Nature of Supply of Goods | Place of Supply | Example |
|-----|---------------------------|------------------------|--|
| 1. | Import | Location of importer | Ms. M imports electric kettles from China for her Kitchen Store in Noida, Uttar Pradesh. Ms. M is registered in Uttar Pradesh. The place of supply is Noida. |
| 2. | Export | Location outside India | Ms. Lavanya (New Delhi) exports spices from New Delhi to London, UK. The place of supply is London. |

Let's answer - POS

- ☐ Mr. A of AP places an order for 100 washing machines to Mr. B of Bangalore (KA) and the terms of conditions are Mr. B has to give delivery of goods at Mr. A's location
 - a) AP b) KA
- ☐ Mr. A of AP places an order for 100 washing machines to Mr. B of Bangalore (KA) and the terms of conditions are Mr. A has to take delivery of goods at Mr. B's location
 - a) AP b) KA
- ☐ Mr. A of AP places an order for 100 washing machines to Mr. B of Bangalore (KA) and instructs Mr. B to give delivery of goods at Mr. C of Chennai
 - a) AP b) KA c) TN
- ☐ Mr. N of Nagpur is willing to buy 10,000 washing machines along with warehouse located at Delhi from D of Delhi
 - a) MH b) Delhi
- ☐ M/s of LMN Ltd of UP avails a installation of lift service from OTIS of AP for their office located at Mumbai
 - a) AP b) UP c) MH

Place of Supply - Services

(S.12 of IGST Act, 2017)

C. Place of supply of services where location of supplier AND recipient is in India [Section 12]

In respect of the following 12 categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

| No. | Nature of Service | Place of Supply | |
|-----|---|---|---|
| 1. | Immovable property related-services including accommodation inn | <p>Location at which the immovable property is located or intended to be located</p> <p>If property is located outside India then POS is the location of the recipient</p> | <p>(i) KTS Builders (Mumbai) is constructing a factory building for PLM Pvt. Ltd. (Kolkata), in New Delhi. The place of supply is the location of the immovable property i.e., New Delhi.</p> <p>(ii) Shah and Shah, an architectural firm at Kolkata, has been hired by MKF Builders of Mumbai to draw up a plan for a high rise building to be constructed by them in Ahmadabad, Gujarat. The place of supply is the place where the immovable property is intended to be located i.e., Ahmadabad.</p> <p>(iii) Mr. Ramesh, a Chartered Accountant, (New Delhi) travels to Mumbai for business and stays in a hotel there. The place of supply of accommodation service is the place where the hotel is located i.e., Mumbai.</p> <p>(iv) Mr. X, a consulting engineer based in Mumbai, Maharashtra renders professional services in respect of an immovable property of Mr. Y (Bangalore) located in Australia. Since the immovable property is located outside India, the place of supply of service is the location of recipient i.e., Bangalore and not the place where the immovable property is located (Australia)</p> |
| 2. | Restaurant and catering services, personal grooming, fitness, beauty treatment and health service | Location where the services are actually performed | <p>(i) Mr. A, a business man from Pune dines in a restaurant at Mumbai while on a business trip. The place of supply of restaurant service is the location where such service is performed i.e., Mumbai.</p> <p>(ii) Mr. Timmy Ferreira, a makeup artist at Kolkata, goes to Jaipur, Rajasthan for doing the makeup of Ms. Simran Kapoor, a Bollywood actress based in Mumbai. The place of supply is the location where such service is performed i.e., Jaipur</p> |

Let's answer - POS

- ☐ Mr. A (Builder) of Bangalore, appoints Mr. B (Architect) of Bangalore for building plan and location of Site at Hyderabad
 - a) Telangana b) Karnataka

- ☐ M/s. XYZ Ltd of Hyderabad avails the engineering service for its immovable property located at Punjab, from Mr. P of Punjab
 - a) Hyderabad b) Punjab

- ☐ NHAI has allotted work to NCC Ltd, Hyderabad, Develop a high way from Hyderabad to Pune, contract value is determined based on the distance covered.
 - a) Telangana b) MH c) TS & MH in Proportion of the distance covered

- ☐ ICAI-Delhi has issued the work order to L&T-Delhi to construct an office in Dubai.
 - a) Delhi b) Dubai c) Not covered in this provision

- ☐ Mr. A Director of ABC Ltd from Hyderabad, went to Mumbai and stayed in a Hotel for accommodation
 - a) Hyderabad b) MH c) Not covered in this provision

| | | | |
|----|---|---|--|
| 3 | Training and performance appraisal | <p>B2B: Location of such registered person</p> <p>B2C: Location where the services are actually performed</p> | <p>(i) DEO Consultants (Kolkata) impart GST training to accounts and finance personnel of Sun Cements Ltd. (Guwahati, Assam) at the company's Kolkata office. Since the recipient is registered, the place of supply is the location of the registered person i.e., Guwahati.</p> <p>(ii) Mr. Suresh (unregistered person based in Noida) signs up with Excellent Linguistics (New Delhi) for training on English speaking at their New Delhi Centre. Since the recipient is unregistered, the place of supply is the location where services are provided i.e., New Delhi.</p> |
| 4. | Admission to an event or amusement park | Place where the event is actually held or where the park or the other place is located | <p>(i) Mr. A, a resident of Ghaziabad, Uttar Pradesh, buys a ticket for a circus organized at Gurugram, Haryana by a circus company based in New Delhi. The place of supply is the location where the circus is held i.e., Gurugram.</p> <p>(ii) Mr. B of New Delhi buys a ticket for an amusement park located in Noida, Uttar Pradesh. The place of the supply is the location where the park is located i.e., Noida.</p> |
| 5. | Organisation of an event | <p>B2B: Location of such registered Person</p> <p>B2C: Location where the event is actually held</p> <p>• If the event is held outside India: Location of the recipient</p> | <p>(i) Mega Events, an event management company at New Delhi, organizes an award function for Shah Diamond Merchants of Ahmadabad (registered in Gujarat), at Mumbai. Since the recipient is a registered person, the place of supply is the location of the recipient, i.e., Ahmadabad.</p> <p>(ii) Mega Events, an event management company at New Delhi, organizes an award function for Shah Diamond Merchants of Ahmadabad (registered in Gujarat), at Mauritius. Since the recipient is a registered person, the place of supply is the location of the recipient, i.e., Ahmadabad.</p> <p>(iii) Grand Wedding Planners (Chennai) is hired by Mr. Ramesh (unregistered person based in Hyderabad) to plan and organise his wedding at New Delhi. The recipient being an unregistered person, the place of supply is the location where the event is held i.e., New Delhi.</p> <p>(iv) Grand Wedding Planners (Chennai) is hired by Mr. Ramesh (unregistered person based in Hyderabad) to plan and organise his wedding at Seychelles. The recipient</p> |

Let's answer - POS

- ☐ Chutney's – Hyderabad, providing catering for a wedding ceremony in Bangalore
Telangana b) Karnataka

- ☐ Mr. A of AP (registered dealer) had Biryani at hotel paradise Hyderabad , what is the POS & type of taxes levied ?
a) AP b) Telangana

- ☐ Mr. K (registered dealer) of Hyderabad went to Wonderlla (water park) of Bangalore
a) TS b) Karnataka

- ☐ An American hospital has sent their patient for surgery in Apollo hospital of Hyderabad, Amount received in USD.
a) Telangana b) Outside India c) Not covered in this Provision

Let's answer - POS

- ☐ Mr. X who of Gujarat avails Plastic surgery from an Hospital located in Kerala
 - a) Gujarat b) Kerala c) Not covered in this Provision

- ☐ Mr. C of Chennai came to Hyderabad to see Ramoji Film City
 - a) Chennai b) Telangana

- ☐ M/s. Blue fox hotels of Hyderabad organizing an annual day event at Japan to employees of M/s. Capital IQ, Hyderabad
 - a) USA b) Telangana c) None

- ☐ M/s. of Infosys Bangalore sends its newly joined employees to Delhi for orientation as well as training purpose
 - a) Bangalore b) Delhi c) None

- ☐ IIAM Ahmadabad conducting conference at Lucknow (UP)
 - a) Gujarat b) UP

| | | | |
|----|--|---|---|
| | | | being an unregistered person and the event held outside India, the place of supply is the location of the recipient i.e., Hyderabad and not the location where the event is held i.e., Seychelles. |
| 6. | Transportation of goods, including mails | <p>B2B: Location of such registered person</p> <p>B2C: Location at which such goods are handed over for their transportation</p> <p>Where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods.</p> | <p>(i) M/s XYZ Pvt. Ltd. is a registered company in New Delhi. It sends its courier to Pune through M/s Brue Air Courier Service. The recipient being registered person, the place of supply is the location of recipient i.e., New Delhi.</p> <p>(ii) Mr. Y, an unregistered person, of New Delhi sends a courier to his brother in Amritsar, Punjab. The recipient being unregistered person, the place of supply is the location where goods are handed over for their transportation i.e., New Delhi.</p> <p>(iii) PR Pvt. Ltd., a Goods Transportation Agency based in Kanpur, Uttar Pradesh, is hired by Hajela Enterprises (registered supplier in Kanpur) to transport its consignment of goods to a buyer in New Delhi. The recipient being registered, the place of supply is the location of recipient i.e., Kanpur.</p> <p>(iv) ST Pvt. Ltd., a Goods Transportation Agency based in Noida, Uttar Pradesh, is hired by Chhaya Trade Links (registered supplier in New Delhi) to transport its consignment of goods to a buyer in Kanpur, Uttar Pradesh. The recipient being registered, the place of supply is the location of recipient i.e., New Delhi.</p> <p>(v) Mr. Srikant, a manager in a Bank, is transferred from Bareilly, Uttar Pradesh to Bhopal, Madhya Pradesh. Mr. Srikant's family is stationed in Kanpur, Uttar Pradesh. He hires Goel Carriers of Lucknow, Uttar Pradesh (registered in Uttar Pradesh), to transport his household goods from Kanpur to Bhopal. The recipient being unregistered person, the place of supply is the location where goods are handed over for their transportation i.e., Kanpur.</p> |
| 7. | Passenger transportation | <p>B2B: Location of such registered person</p> <p>B2C: Place where the passenger embarks on the conveyance for a</p> | <p>Examples of issue of right to passage for future use-point of boarding not known at the time of issue of right</p> <p>(i) An airline may issue seasonal tickets, containing say 10 leafs which could be used for travel between any two locations in the country.</p> |

Let's Answer - POS

- ☐ Mr. X Unregistered dealer in TS handed over the goods to Mr. B of TS to Transport the material to Chennai
 - a) Telangana b) Tamil Nadu
- ☐ M/s ABC Pvt Ltd avails the VRL Logistic services for transporting the goods from Hyderabad to Punjab ?
 - a) Telangana b) Punjab
- ☐ M/s ABC Pvt Ltd registered at TS booked a train ticket from Hyderabad (TS) to Assam
 - a) Telangana b) Assam
- ☐ Mr. K of Karnataka who is an un-registered dealer booked a train ticket from Nasik (MH) to Visakhapatnam (AP), where the boarding point is at Hyderabad
 - a) Karnataka b) TS c) AP d) MH
- ☐ While travelling from Delhi to Hyderabad, Mr. A of Odisha has ordered a meal, the supplier loaded the food at Nagpur (MH)
 - a) Delhi b) Telangana c) Odisha d) Nagpur

| | | | |
|----|--------------------------------------|---|--|
| | | <p>continuous journey</p> <p>In case of future use(Pre paid cards) i.e, point of boarding is not known then POS shall be location of the Recipient. If recipient location is not known then POS is location of Supplier</p> | <p>(ii) The card issued by New Delhi metro could be used by a person located in Noida, or New Delhi or Faridabad, without the New Delhi metro being able to distinguish the location or journeys at the time of receipt of payment.</p> <p>Other Examples</p> <p>(i) Mr. Amar (registered person in New Delhi) travels from Mumbai to Bangalore in Airjet flight. Mr. Amar has bought the tickets for the journey from Airjet's office registered in New Delhi. The place of supply is the location of recipient i.e., New Delhi.</p> <p>(ii) Mr. C (unregistered person in Chennai) has come to Delhi on a vacation. He buys pre-paid Delhi Metro Card from Delhi Metro (New Delhi) for hassle free commute in the National Capital Region. Recipient being unregistered person, the place of supply is the address of Mr. C i.e., Chennai. If address of Mr. C is not available with the Delhi Metro, the place of supply will be the location of the supplier of services i.e., New Delhi.</p> <p>(iii) Mr. Shyam, an unregistered person, based in Gurugram, Haryana books a two-way air journey ticket from New Delhi to Mumbai on 5th December. He leaves New Delhi on 10th December in a late-night flight and lands in Mumbai the next day. He leaves Mumbai on 14th December in a morning flight and lands in New Delhi the same day.</p> <p>The return journey is treated as a separate journey, even if the tickets for onward and return journey are issued at the same time. Thus, being an unregistered person, the place of supply for the outward and return journeys are the locations where the unregistered person embarks on the conveyance for the continuous journey i.e., New Delhi and Mumbai respectively.</p> |
| 8. | Services on board a conveyance | Location of the first scheduled point of departure of that conveyance for the journey | Mr. X is travelling from Delhi to Mumbai in an Airjet flight. He desires to watch an English movie during the journey by making the necessary payment. The place of supply of such service of showing 'movie on demand' is the first scheduled point of departure of the conveyance for the journey i.e., Delhi. |
| 9 | Banking and other financial services | Location of the recipient of services on the records of the supplier | (i) Mr. A (Chennai) buys shares from a broker in BSE (Mumbai). The place of supply is the location of the recipient of services on the records of the supplier i.e., Chennai. |

| | | | |
|-----|--|--|--|
| | | Location of the supplier of services if the location of the recipient of services is not available | <p>(ii) Mr. B (New Delhi) withdraws money from Best Bank's ATM in Amritsar. Mr. B has crossed his limit of free ATM withdrawals. The place of supply is the location of the recipient of services in the records of the supplier i.e., New Delhi</p> <p>(iii) Mr. C, an unregistered person from Varanasi, Uttar Pradesh, visits a bank registered in New Delhi for getting a demand draft made. Since the location of recipient is not available in the records of the supplier, the place of supply is the location of the supplier of services i.e., New Delhi.</p> |
| 10. | Insurance services | <p>B2B: Location of such registered Person</p> <p>B2C: Location of the recipient of services on the records of the supplier</p> | <p>(i) Mr. A, CEO of XY Ltd., Mumbai (a company registered in Maharashtra) buys insurance cover for the inventory stored in company's factory located at Mumbai, from Excellent Insurers, Chennai (registered in Tamil Nadu). The place of supply is the location of the registered recipient i.e., Mumbai.</p> <p>(ii) Ms. B (unregistered resident of Kolkata) goes to her native place Patna, Bihar and buys a medical insurance policy for her parents there from Safe Insurers, Patna (registered in Bihar). The place of supply is the location of the recipient of services on the records of the supplier i.e., Patna.</p> |
| 11. | Advertisement services to the Government | <p>a) Each of States/Union Territory where the advertisement is broadcasted/displayed/run</p> <p>b) Proportionate value in case of multiple States</p> | <p>(i) Gujarat Government gives an advertisement contract to an advertising agency (registered in Ahmadabad) to promote Gujarat tourism throughout the country. The place of supply is in all the States and Union Territories of India.</p> <p>(ii) Delhi Government gives an advertisement contract to an advertising agency registered in Delhi to promote its 'Every Child Can Read' campaign in Delhi. The place of supply is Delhi.</p> |
| 12. | Telecommunication services | <p>a) Services involving fixed line, circuits, dish etc: Location of such fixed equipment</p> <p>b) Mobile/ Internet post-paid services: Location of billing address</p> | <p>(i) Mr. X (Kolkata) gets a landline phone installed at his home from Skybel Ltd. The place of supply is the location where the telecommunication line is installed i.e., Kolkata.</p> <p>(ii) Mr. Y (Mumbai) gets a DTH installed at his home from RT Ltd. The place of supply is the location where the DTH is installed i.e., Mumbai.</p> |

| | | | |
|--|--|--|---|
| | | of the recipient | (iii) Mr. D (Mumbai) takes a post-paid mobile connection in Mumbai from Skybel Ltd. The place of supply is the location of billing address of the recipient i.e., Mumbai. |
| | | c) Sale of pre-paid voucher: Place of sale of such vouchers | (iv) Mr. E (New Delhi) gets his post-paid bill paid online from Goa. The payment being made through electronic mode, the place of supply is the location of the recipient in the records of the supplier i.e., New Delhi. |
| | | d) Other cases: Address of the recipient in records | (v) Mr. C (Pune) purchases a pre-paid card from a selling agent in Mumbai. The place of supply is the address of the selling agent or re-seller i.e., Mumbai. |
| | | | (vi) Mr. F (Puducherry) gets a pre-paid recharged from a grocery shop in Chennai. The place of supply is the location where such pre-payment is received i.e, Chennai |

Default rule for the services other than the 12 specified services

| S.N | Description of Supply | Place of Supply | Examples |
|-----|-----------------------|---|--|
| 13. | B2B | Location of such registered person | (i) Mr. A (a Chartered Accountant registered in New Delhi) makes a supply of service to his client Mr. B of Noida, Uttar Pradesh (registered in Uttar Pradesh). In this cases, since the supply is made to a registered person, the place of supply is the location of the registered recipient i.e., Noida. |
| | B2C | Where the address on record exists: Location of the recipient Other cases: Location of the supplier of services | (ii) Mr. A, a barber in Gurugram, Haryana, (registered in Haryana) provides hair cutting services to his client Mr. C who is a resident of New Delhi but is not registered under GST. If the address of Mr. C is available in the records of Mr. A, location of Mr. C i.e., New Delhi will be the place of supply, else the location of Mr. A, which is Gurugram, will be the place of supply. |

Residuary Rule

If the given supply of services not covered in Sec 12(2) to 12(14)

| Scenario | Place of Supply |
|---|---|
| Supplied to registered person | Location of such person |
| Supplied to person other than registered person | Location of recipient as per records; |
| | LOR not available, location of supplier |

Examples of Services Covered

- Consultancy services
- Transaction / back office processing services
- Services of marketing / sales promotion of goods
- Manpower recruitment or supply services
- Development of information technology software
- Temporary transfer or permitting the use or enjoyment of IPR

Let's Answer - POS

- ☐ Mr. X avails on board services in a flight on payment of money by watching a movie, while travelling from Delhi to Bangalore
 - a) Delhi b) Karnataka
- ☐ HDFC Bank of Kerala issues a demand draft to a walk-in customer of Odisha at their branch
 - a) Kerala b) Odisha
- ☐ M/s ABC Pvt Ltd registered in AP avails a Business loan from SBI of Telangana, SBI charges Rs 1,00,000 as processing charges along with GST @ 18%
 - a) Telangana b) AP
- ☐ Mr. K of Odisha an un-registered dealer avails Jio internet services from Jio Mumbai (HO)
 - a) Odisha b) MH
- ☐ Mr. K of Telangana who is a CA and renders Auditing services to his client M/s. XYZ Ltd (reg) located at Odisha
 - a) Odisha b) Telangana
- ☐ Mr. K of Telangana who is a CA and renders IT filing services to his client Mr. Venkat (un-reg) located at Odisha
 - a) Telangana b) Odisha

Summary: Regd. Vs URD

For the services listed below, POS = Location of recipient (if registered)

| Scenario | POS (if not regd.) |
|--|--|
| Training and performance appraisal | Place where service is performed |
| Transportation of goods, including mail/courier | Place where such goods are handed over for their transportation. |
| Transportation of Passengers | Place where the passenger embarks on the conveyance for the continuous journey. |
| Insurance services | Location of the service receiver available on the records of the service provider. |
| Organization of events, conference, fair, exhibition, Ancillary services Or Assigning of sponsorship to above events | Place where event actually held |

**POS of Service –
If Supplier or Recipient is outside India**
(S.13 of IGST Act, 2017)

POS of Services:

| S.N | Nature of Service | Place of Supply |
|-----|---|---|
| 1 | Services supplied in respect of goods which are required to be made physically available | Location where services are performed |
| | Services supplied in respect of goods but from a remote location by way of electronic means | Location where goods are situated at the time of supply of services |
| | Above provisions are not applicable in case of goods that are temporarily imported into India for repairs and exported after repairs | |
| 2 | Services which require the physical presence of the recipient or the person acting on his behalf with the supplier of services | Location where the services are Performed |
| 3 | Service supplied directly in relation to an immovable property | Place where the immovable property is located or intended to be located |
| 4 | Admission to or organization of an event | Place where the event is held |

POS of Services:

| S.No | Nature of Service | Place of Supply |
|------|---|--|
| 5 | Services supplied by a) Banking Comp or NBFC to acc holders b) Intermediary Services c) Hiring of means of transport | Location of Supplier of Service |
| 6. | Transportation of goods other than by way of mail or courier | Place of destination of such goods |
| 7. | Passenger Transportation | Place where the passenger embarks on the conveyance for a continuous journey |
| 8. | Services provided on-board a conveyance | First scheduled point of departure of that conveyance for the journey |
| 9. | Online information and database access or retrieval services (OIDAR) | Location of recipient of service |

Residuary Rule

If the given supply of services not covered in Sec 13(3) to 13(13):

| Scenario | Place of Supply |
|------------------------|---|
| Supplied to any person | Location of recipient |
| | LOR not available, location of supplier |



*{Arise, awake and stop not until the goal is reached}
- Swami Vivekananda*

