

## Place of Supply

### Introduction:

- GST is a destination-based tax, i.e. the tax is levied at the place where the goods or services are consumed, rather than the place where they are produced.
- The determination of '**place of supply**' and the 'location of the supplier' is essential to ascertain the nature of supply, i.e. whether a supply is intra-State or inter- State. As per Sec. 7 of the IGST Act, when the location of supplier and the place of supply are in two different States (or Union territory), then it will be an **inter-State** supply and IGST would be chargeable. And when they are in the same State (or Union territory), then it will be an **intra-State** supply and CGST/ SGST or UTGST would be chargeable.
- If an inter-State transaction is wrongly treated as intra-State or vice-versa and tax paid accordingly, the correct tax will be required to be paid and refund to be claimed for tax wrongly paid. Though no interest is levied in such a case, procedural requirements increase and working capital gets blocked where the amount involved is huge. Hence, determining correct place of supply is of the paramount importance.
- Section 2(86) of the CGST Act, 2017 defines 'place of supply' to mean the place of supply as referred to in Chapter V of the Integrated Goods and Services Tax Act, 2017.
- Place of supply determines the State or Union Territory to which the SGST portion of the revenue accrues.

Place of Supply			
Section (IGST Act)	Goods	Section (IGST Act)	Services
10	Place of supply of goods other than supply of goods imported into, or exported from India	12	Place of supply of services where location of supplier and recipient is in India
11	Place of supply of goods imported into, or exported from India	13	Place of supply of services where location of supplier or location of recipient is outside India
		14	Payment of tax by a supplier of Online Information and Database Access or Retrieval Services (OIDARS)

**Place of supply of goods other than supply of goods imported into, or exported from India [Sec. 10 of the IGST Act]:**

<b>Situation</b>	<b>Place of Supply</b>
Where the supply <b><u>involves movement of goods</u></b> , whether by the supplier or the recipient or by any other person. [Section 10(1)(a)]	The place of supply of such goods shall be the location of the goods at the time at which the <b><u>movement of goods terminates</u></b> for delivery to the recipient. <b>e.g.</b> A supplier located in Kolkata supplies goods to the recipient in Delhi. In this case place of supply shall be Delhi
Where the goods are delivered by the supplier to a recipient or any other person <b><u>on the direction of a third person</u></b> , whether acting as an agent or otherwise, before or during movement of goods by way of transfer of documents of title to the goods or otherwise. [Section 10(1)(b)]	The place of supply of such goods shall be the <b><u>principal place of business of third person</u></b>  <b>e.g.,</b> B of West Bengal supplied goods to R of Tamilnadu. When goods start moving, R instructs the supplier i.e. Mr. B to deliver the goods to C at Kerala on his behalf. The place of supply will be Tamilnadu
Where the supply <b><u>does not involve movement of goods</u></b> , whether by the supplier or the recipient [Section 10(1) (c)]	The place of supply shall be the <b><u>location of such goods at the time of the delivery to the recipient.</u></b>  <b>e.g.,</b> R took a building on rent from S. He installed the centralized AC in the building. After three years, R vacated the building but agreed with S to leave behind the AC without dismantling it. The supply of AC by R to S does not involve movement of goods and the place of supply shall be where the AC is fixed.
W.e.f. 01-10-2023, supply of goods purchased Over the Counter in one State and transported to another State by the unregistered buyer [Section 10(1)(ca)]	The place of supply shall be the <b><u>location as per the address of the said person recorded in the invoice</u></b> issued in respect of the said supply and the location of the supplier where the address of the said person is not recorded in the invoice.

Where the goods are assembled or installed at site [Section 10(1)(d)]	<p>The place of supply will be the location of such installation or assembly</p> <p><b>e.g.,</b> A Ltd., Karnataka, purchases a lift to be installed in their Chennai office from a vendor located in Karnataka. In this case, the place of supply would be considered as Chennai as the lift has been installed in Chennai.</p>
Where goods are supplied on-board a conveyance [Section 10(1)(e)]	<p>The place of supply will be the location at which the goods are taken on-board.</p> <p><b>e.g.,</b> Mr. J boarded the train at Kolkata for its destination Bhopal, MP. He is carrying certain goods with him for the purpose and sale during the journey. When the train reaches TATA Nagar, Jharkhand, he sells certain goods. Now, in this case the place of supply of such goods will be Kolkata <b><u>(the location at which the goods are taken on board)</u></b>.</p>

**Place of supply of goods imported into, or exported from India**  
**[Sec. 11 of the IGST Act]**

<b>Case</b>	<b>Place of Supply</b>
Import	The place of supply of goods imported into India shall be the location of the importer
Export	The place of supply of goods exported from India shall be the location outside India

**Place of supply of services where location of supplier and recipient is in India**  
**[Sec. 12 of the IGST Act]**

<b>Case</b>	<b>Place of Supply</b>
In general	<p>The place of supply of services:</p> <p>a) made to a registered person shall be the location of such person;</p> <p>b) made to any person other than a registered person shall be, --</p> <ol style="list-style-type: none"> <li>i. the location of the recipient where the address on record exists; and</li> <li>ii. the location of the supplier of services in other cases.</li> </ol>

<b>Immovable property</b>	
<p>a. directly in relation to an immovable property, including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work; or</p> <p>b. by way of lodging accommodation by a hotel, inn, guest house, home stay, club or campsite, by whatever name called, and including a house boat or any other vessel; or</p> <p>c. by way of accommodation in any immovable property for organizing any marriage or reception or matters related thereto, official, social, cultural, religious or business function including services provided in relation to such function at such property; or</p> <p>d. any services ancillary to the services referred to in clauses (a), (b) and (c)</p>	<p>The place of supply of services shall be the location at which the immovable property or boat or vessel, as the case may be, is located or intended to be located.</p> <p>However, where the immovable property or boat or vessel is located in more than one State or Union territory, the supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.</p>
If the location of the immovable property or boat or vessel is located or intended to be located outside India.	The place of supply shall be the location of the recipient
Restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery	The place of supply shall be the location where the services are actually performed
Training and performance appraisal	The place of supply of services in relation to training and performance appraisal to, -

	<ul style="list-style-type: none"> <li>a. a registered person, shall be the location of such person;</li> <li>b. a person other than a registered person, shall be the location where the services are actually performed.</li> </ul>
<p>Admission to a cultural, artistic, sporting, scientific, educational, entertainment event or amusement park or any other place and services ancillary thereto Services provided by way of, –</p> <ul style="list-style-type: none"> <li>a. organization of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or</li> <li>b. services ancillary to organization of any of the events or services referred to above; or</li> <li>c. assigning of sponsorship to such events</li> </ul>	<p>The place of supply of services shall be the place where the event is actually held or where the park or such other place is located.</p> <p>The place of supply of service shall be</p> <ul style="list-style-type: none"> <li>i. to a registered person, shall be the location of such person;</li> <li>ii. to a person other than a registered person, shall be the place where the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient.</li> </ul> <p>Where the event is held in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such event, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed</p>
Transportation of goods, including by mail or courier	<p>The place of supply of services by way of transportation of goods, including by mail or courier to, --</p> <ul style="list-style-type: none"> <li>a. a registered person, shall be the location of such person;</li> <li>b. a person other than a registered person, shall be the location at which such goods are handed over for their transportation.</li> </ul>
Passenger transportation service	<p>The place of supply of passenger transportation service to –</p> <ul style="list-style-type: none"> <li>a. a registered person, shall be the location of such person;</li> <li>b. a person other than a registered person, shall be the place where the passenger embarks on the conveyance for a continuous journey.</li> </ul> <p>The return journey shall be treated as a separate</p>

	journey, even if the right to passage for onward and return journey is issued at the same time.
Services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle	The place of supply of services shall be the location of the first scheduled point of departure of that conveyance for the journey
<b>Telecommunication services including data transfer, broadcasting, cable and direct to home television services</b>	
<ul style="list-style-type: none"> <li>Services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna</li> </ul>	The place of supply of services shall be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services
<ul style="list-style-type: none"> <li>Mobile connection for telecommunication and internet services provided on post-paid basis</li> </ul>	The place of supply of services shall be the location of billing address of the recipient of services on the record of the supplier of services
<ul style="list-style-type: none"> <li>Mobile connection for telecommunication, internet service and direct to home television services are provided on pre-payment basis through a voucher or any other means</li> </ul>	<p>a. through a selling agent or a re-seller or a distributor of subscriber identity module card or re-charge voucher,</p> <p>Address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply; or</p> <p>b. by any person to the final subscriber, be the location where such prepayment is received or such vouchers are sold</p>
Banking and other financial services including stock broking services to any person	The place of supply shall be the location of the recipient of services on the records of the supplier of services
Insurance services	<p>The place of supply shall, --</p> <ol style="list-style-type: none"> <li>to a registered person, be the location of such person;</li> <li>to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.</li> </ol>
<p>Advertisement services to</p> <ul style="list-style-type: none"> <li>Central Government</li> <li>State Government</li> <li>Statutory Body</li> <li>Local Authority</li> </ul>	The place of supply shall be located in each of such states 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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**Place of supply of service where location of Supplier of Service or Location of Recipient of service is outside India [Sec. 13(1) of the IGST Act]**

<b>Situation</b>	<b>Place of Supply</b>
Default Section [Section 13(2)]	Where Location of service receiver is available in the ordinary course of business, place of supply shall be location of the service recipient is the place of supply of service. Where Location of service receiver is not available in the ordinary course of business, place of supply shall be location of the service recipient is the place of supply of service.
Where in respect of goods that are made physically available, by the receiver to the service provider in order to provide the service [Section 13(3)(a)].	Place of supply of service shall be location where the services are actually performed.
Where services provided by way of electronic means in relation to tangible goods [Section 13(3)(a)].	Place of supply of service shall be the actual location of goods.
Where services supplied to an Individual, represented either as the service receiver or a person acting on behalf of the receiver, which require physical presence of the recipient or the person acting on his behalf, with the supplier for the supply of services. [Section 13(3) (b)].	Place of supply of service shall be location where the services are actually performed.
Where services supplied directly in relation to an Immovable Property, such as: <ul style="list-style-type: none"> <li>• Lease or a right to use, occupation enjoyment or provision of hotel accommodation by a hotel, guest house, club</li> <li>• Construction service</li> <li>• Architects</li> </ul>	Place of supply of service shall be where immovable property is located or intended to be located

<ul style="list-style-type: none"> <li>• Interior decorators</li> <li>• Renting of immovable property</li> <li>• Real estate agents</li> <li>• Auctioneers, engineers and similar experts or professional people, relating to land, buildings or civil engineering works etc., [Section 13(4)]</li> </ul>	
Where services supplied by way of admission to, or organization of Cultural, Artistic, Sporting, Scientific, Educational, Entertainment event, Celebration, Conference, Fair, Exhibition, Similar events and Services ancillary to such admission or organisation. [Section 13(5)]	Place of supply of service shall be where event is actually held.
Where any service stated in sub-section 3, 4, or 5 of section 13 is provided at more than one location, including a location of taxable territory. [Section 13(6)]	Place of supply shall be the location in the taxable territory.
Where Services performed as per Section 13(3) or (4) or (5) in more than one State or Union Territory, [Section 13(7)]	Place of supply of such services shall be taken as deemed in each of the State or Union Territories in proportion to the value of services so provided.
<p>In case of Specified Services which includes:</p> <ul style="list-style-type: none"> <li>a) Services provided by a banking company, or financial company, or a NBFC to account holders</li> <li>b) Intermediary services</li> <li>c) Services consisting of hiring of means of transport, other than — <ul style="list-style-type: none"> <li>i. aircrafts, and</li> <li>ii. vessels except yachts</li> </ul> </li> </ul> <p>upto a period of one month [Section 13(8)]</p>	Place of supply of services shall be the location of the service provider



Passenger Transportation Services [Section 13(10)]	Place of supply of service will be where the passenger embarks on the conveyance for a continuous journey.
Where any service provided on board a conveyance (aircraft, vessel, rail, or roadways bus)	Place of supply of services shall be the first scheduled point of departure of that conveyance for the journey.
In case of online information and database access or retrieval services	Place of supply of services shall be the location of the recipient of service