

RJA

**Rajput Jain & Associates**  
Chartered Accountants

**Goods & Service Tax  
Place of Supply**



# About Us

- Rajput Jain & Associates is a Chartered Accountants firm, with its headquarter situated at New Delhi (the capital of India). The firm has been set up by a group of young, enthusiastic, highly skilled and motivated professionals who have taken experience from top consulting firms and are extensively experienced in their chosen fields has providing a wide array of Accounting, Auditing, Taxation, Assurance and Business advisory services to various clients and their stakeholders. focus at providing tailor made solutions to challenging problems of our clients, and perform with high quality and timely service.
- Rajput Jain & Associates, a professional firm, offers its clients a full range of services, To serve better and to bring bucket of services under one roof, the firm has merged with its various Chartered Accountancy firms pioneer in diversified fields
- Our main office is located at Delhi. Incidentally, Delhi is the Capital of India. Our other offices are in Mankapur & Moradabad (U.P.). We have associates all over India in big cities. All our offices are well equipped with latest technological support with updated reference materials. We have a large team of professionals other than our Core Team members to meet the requirements of our prospective clients including the existing ones. However, considering our commitment towards high quality services to our clients, our team keeps on growing with more and more associates having strong professional background with good exposure in the related areas of responsibility. Further to meet the growing demands of the fiercely competitive market we are constantly looking forward for team of associates comprising of highly skilled professionals to cater the needs ever increasing clientele.



# GST - The Framework

- Who shall pay → Taxable Person
- On what GST shall be paid → Supply of Goods and services - Section 7
- When GST shall be paid → Point of Supply
- Where shall GST be paid → Place of Supply
- To whom shall it be paid → Respective Government
- How to Pay → Cash / Credit



# Important points

- Before you determine Place of supply, please decide classification
- Location of Supplier is very important to decide
- Decide who is recipient of service
- Be clear of the Section your Services fall in
- Place of supply is not equal to place of performance
- Determination of Place of Supply of goods is different from that of Services



# Important points

- Section 2(15) - Location of Supplier of Services

Supply made from Premises which is registered

- Location of premises shall determine the location of supplier

Supply made from an unregistered fixed establishment

- location of such establishment

Supply from multiple establishments

- establishment most directly concerned with the provision of the Supply

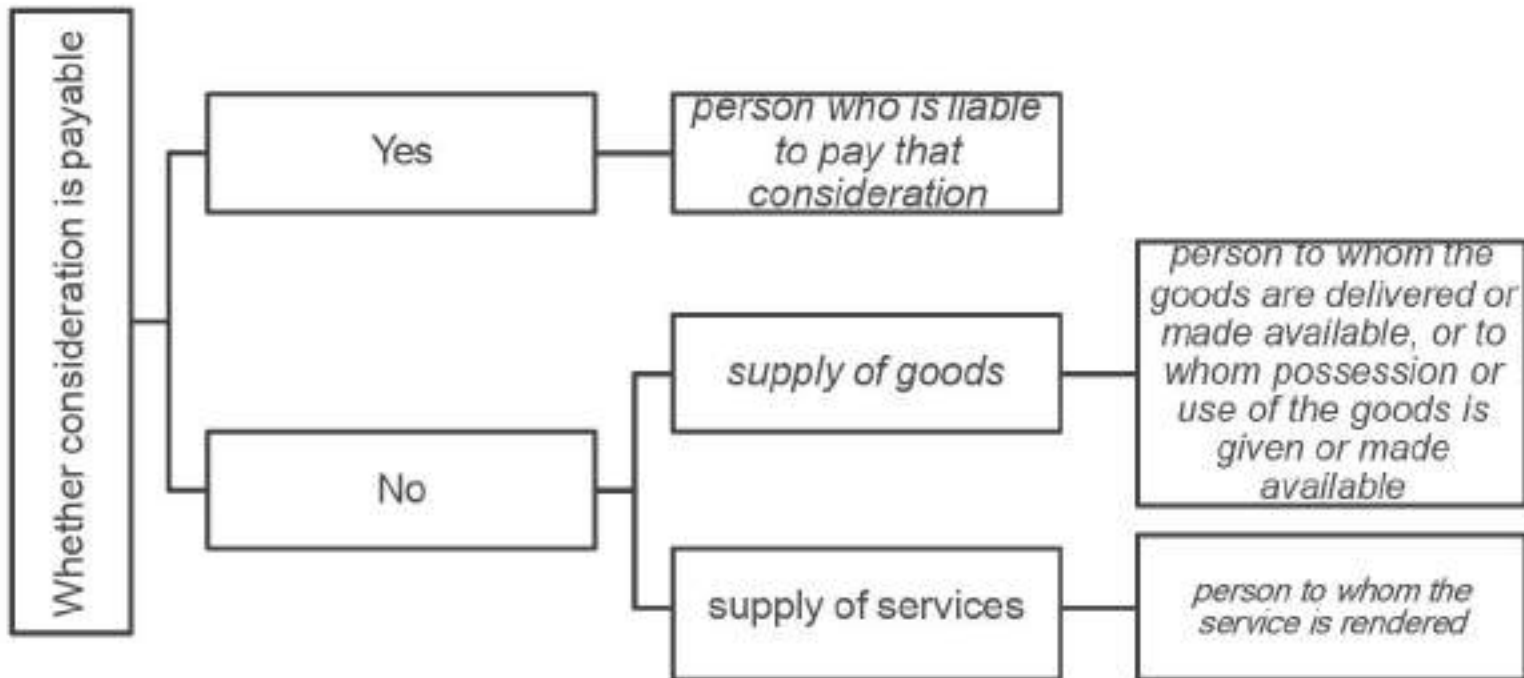
in all other cases

- place of residence of Supplier



# Important points

- Section 2(93) CGST- Recipient of Supply





# Important points

- Inter state Supply



- Inter state Supply



# Need for Place of Supply







# Intra State Supplies

## Section 77 of CGST Act / Section 19 of IGST Act

- (1) A registered person who has paid the Central tax and State tax or, as the case may be, the central tax and the Union territory tax on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall be refunded the amount of taxes so paid in such manner and subject to such conditions as may be prescribed.
  
- (2) A registered person who has paid integrated tax on a transaction considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of Central tax and State tax or, as the case may be, the Central tax and the Union territory tax payable.

# Understanding Intra State Supply





# Intra State Supplies

## Intra state Supply - Section 8 of IGST Act

(1) Subject to the provisions of section 10, supply of **goods** where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply:

Provided that the following supply of goods shall not be treated as intra-State supply, namely:—

- (i) supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;
- (ii) goods imported into the territory of India till they cross the customs frontiers of India; or
- (iii) supplies made to a tourist referred to in section 15.

(2) Subject to the provisions of section 12, supply of **services** where the location of the supplier and the place of supply of services are in the same State or same Union territory shall be treated as intra-State supply:

Provided that the intra-State supply of services shall not include supply of services to or by a Special Economic Zone developer or a Special Economic Zone unit.



# Intra State Supplies

## Intra state Supply - Section 8 of IGST Act

Explanation 1.—For the purposes of this Act, where a person has,—

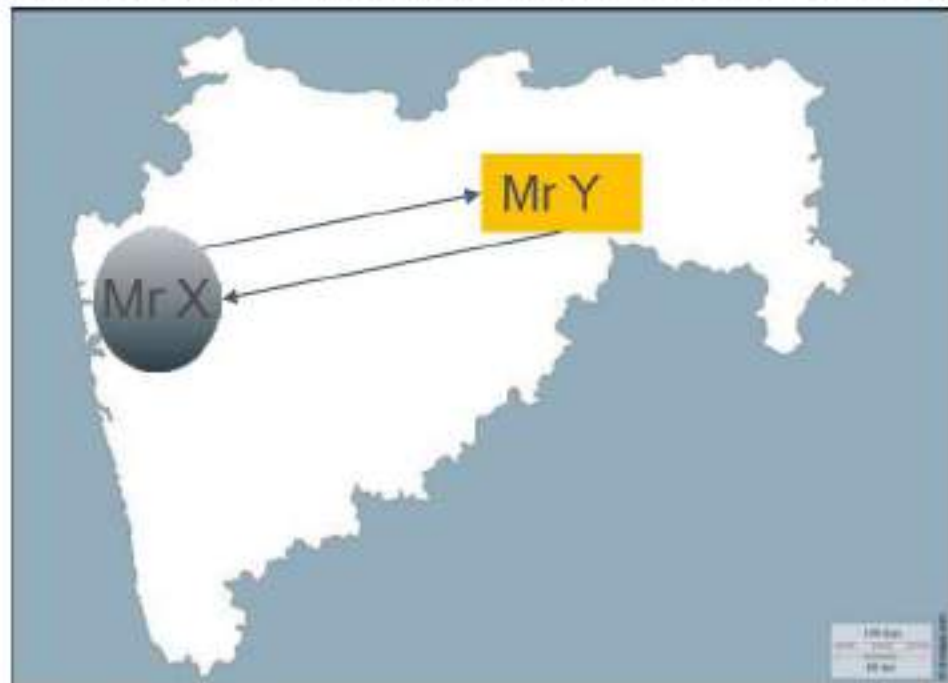
- (i) an establishment in India and any other establishment outside India;
- (ii) an establishment in a State or Union territory and any other establishment outside that State or Union territory; or
- (iii) an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory, then such establishments shall be treated as establishments of distinct persons.

Explanation 2.—A person carrying on a business through a branch or an agency or a representational office in any territory shall be treated as having an establishment in that territory.



# Intra State Supplies

- Supply of goods where the location of the supplier and the place of supply of goods are in the same State or same Union territory





# Intra State Supplies

- Not an intra state supply of goods



Import of Goods till they cross custom frontier



Supply to or from SEZ



Supply to a tourist - a person not normally resident in India, who enters India for a stay of not more than 6 months for legitimate non-immigrant purposes.

# Understanding Inter State Supply





# Inter State Supplies

- Inter state Supply - Section 7 of IGST Act
  - (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.





# Inter State v Intra state

- (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.



# Inter State Supplies

- Goods - Location of supplier and place of supply in different states / UT



Supplier located in  
Maharashtra



Place of supply  
located in Uttarakhand



# Inter State Supplies

- Goods imported into the territory of India



(10) “import of goods” with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India;



# Inter State Supplies

- Services - Location of supplier and place of supply in different states / UT



Supplier located in  
Maharashtra



Place of supply  
located in Uttarakhand



# Inter State Supplies

## Services imported into the territory of India



- (11) "import of services" means the supply of any service, where—
- (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 Supplies

Supply when the supplier is located in India and the place of supply is outside India





# Inter State Supplies

- Supply to or by a Special Economic Zone developer or a Special Economic Zone unit





# Inter State Supplies

- Supply in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,





# Supply in Territorial Water





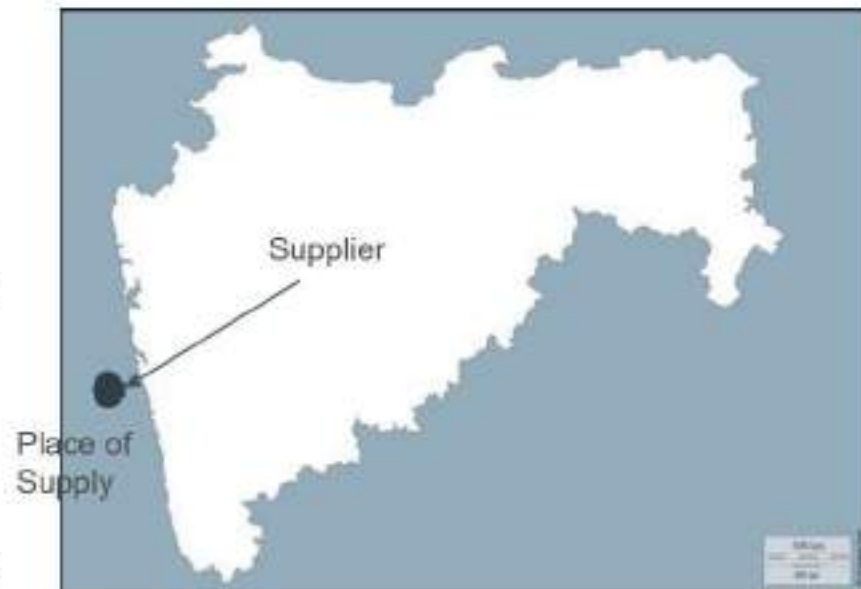
# Territorial Water

## Section 9 of IGST Act

Notwithstanding anything contained in this Act,—

- (a) where the location of the supplier is in the territorial waters, the location of such supplier; or
- (b) where the place of supply is in the territorial waters, the place of supply,

shall, for the purposes of this Act, be deemed to be in the coastal State or Union territory where the nearest point of the appropriate baseline is located.



# Imports and Exports





# Imports

## Levy on imported goods - Section 5 of IGST Act

Provided that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 (51 of 1975) on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962 (52 of 1962).





# Exports

## Export of goods



## Section 2 of IGST Act

(5) “export of goods” with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;



# Exports

## Export of Services



### Section 2 of IGST Act

(6) "export of services" means the 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; and
- (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8;

# Place of Supply



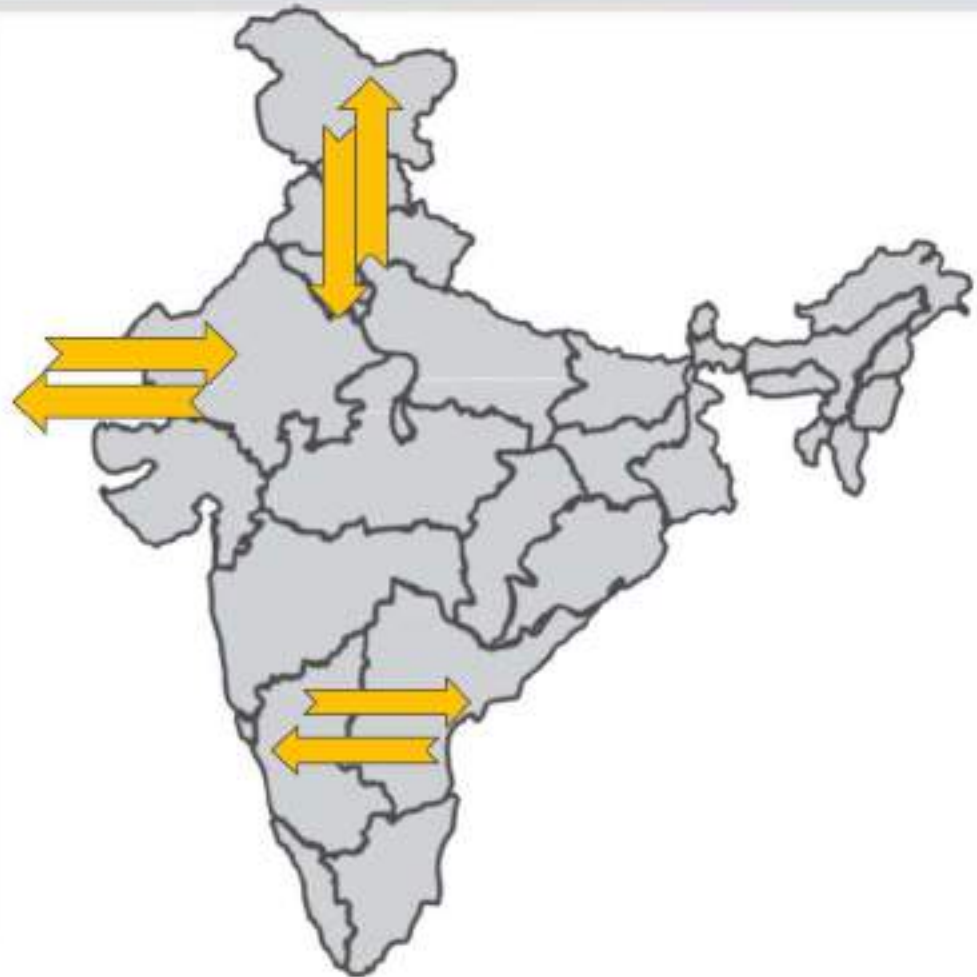


# Need for Place of Supply

## For whom are these rules meant?

These rules are primarily meant for:

- persons who deal in cross-border services
- Persons dealing in interstate transactions
- Suppliers operating within India from multiple locations and supplying goods /services from different locations
- Special transaction zones like SEZ, exempted zones etc







# POS - Need

- To enable determination of place of levy and jurisdiction
- To ensure no double taxation by different states on same transaction
- To ensure proper tax collection by different states and enabling them to get their proper share
- To ensure proper Rules for Goods and Services separately
- Ensure seamless credit





# IGST - Levy

## IGST on supply of goods

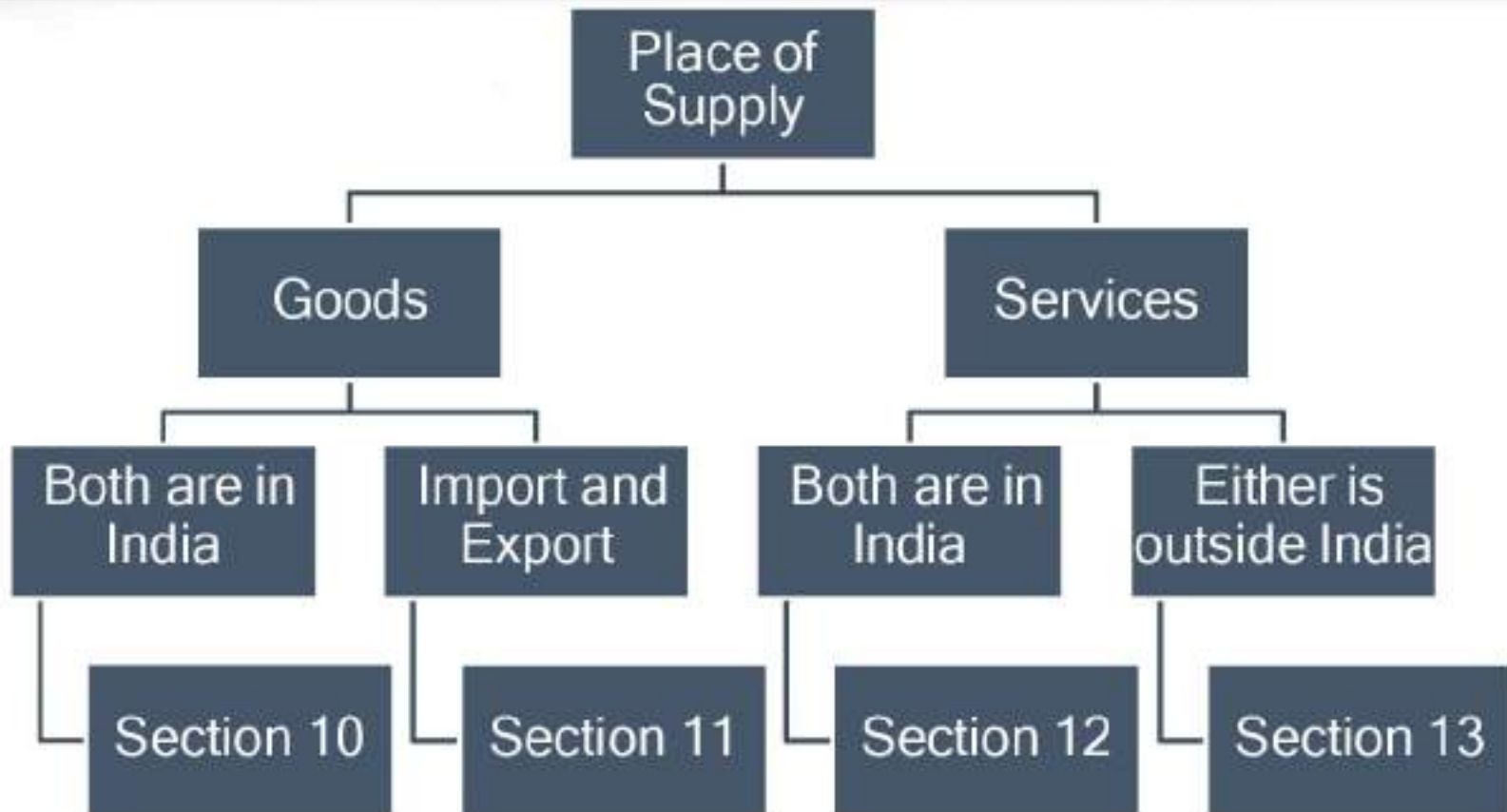
- supply of goods in the course of inter-State trade or commerce means any supply where:
  - o the location of the supplier and
  - o the place of supplyare in different States
  
- Deemed Inter State Supply
  - o A supply of goods and/or services in the course of import
  - o An export of goods and/or services
  
- Exceptions to this Rule given in Section 5

# Place of Supply





# IGST - Levy



# Place of Supply of Goods





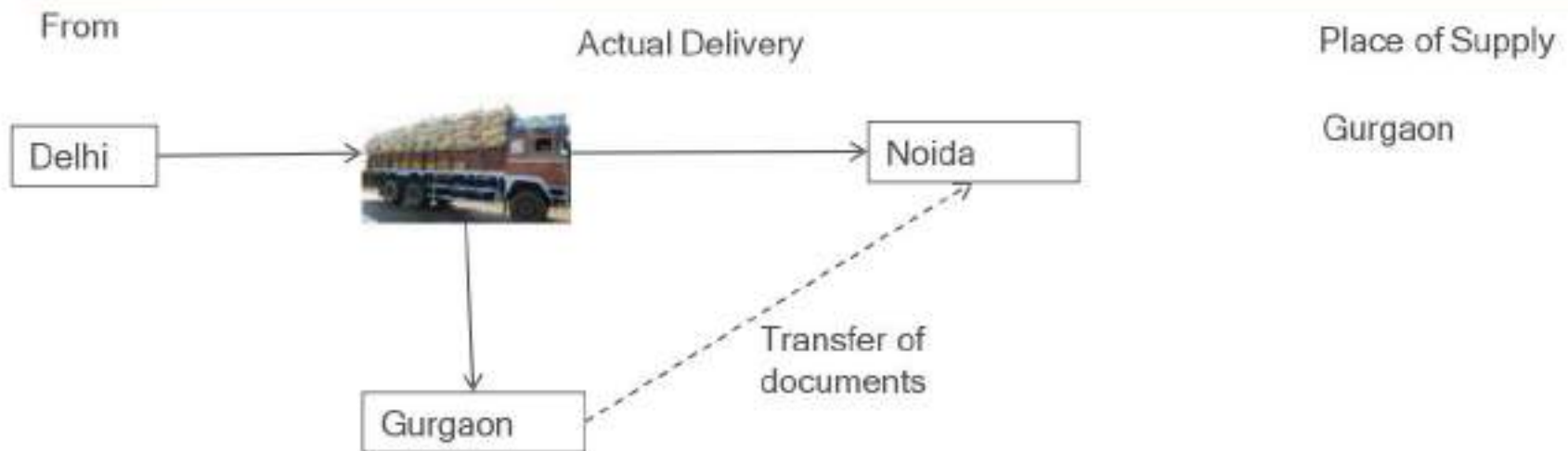
# Place of Supply of Goods

S No.	Transactions of Supply	Place of Supply	
1	Supply of Goods involving movement of Goods	Location of Goods at which the movement of goods terminate for delivery to the recipient	
From		Buyer	Termination Place of Supply of movement
Delhi		Gurgaon	Gurgaon
Delhi		Gurgaon (unregistered)	Chandigarh



# Place of Supply of Goods

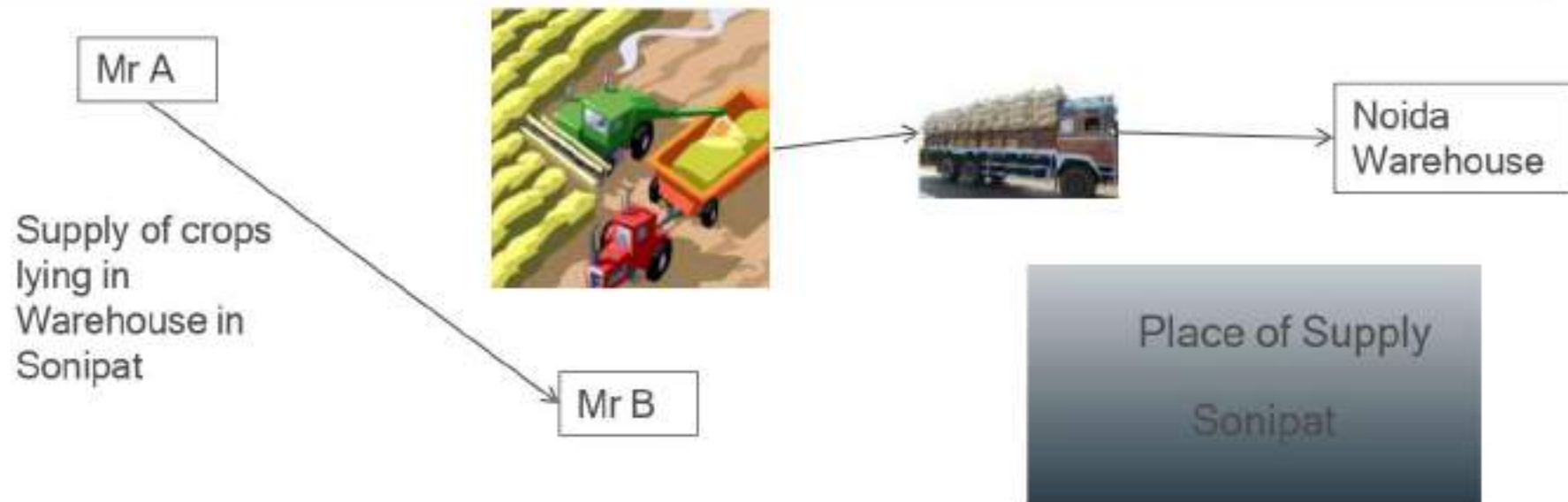
S No.	Transactions of Supply	Place of Supply
2	Supply of goods by way of transfer of title of documents of the goods to a person before or during movement of goods	Principal Place of business of receiver





# Place of Supply of Goods

S No.	Transactions of Supply	Place of Supply
3	Supply of goods which does not involve movement of goods	Location of goods at the time of delivery to the receiver

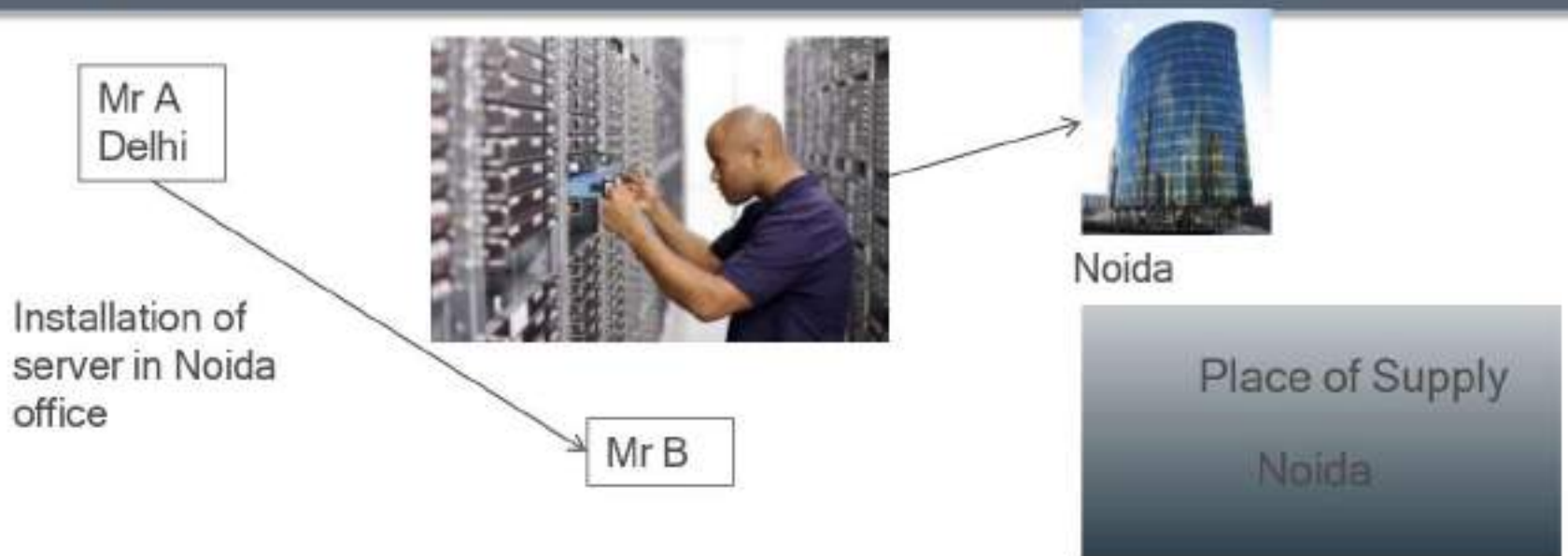






# Place of Supply of Goods

S No.	Transactions of Supply	Place of Supply
4	Installation/assembly of goods at site	Place of installation/assembly





# Place of Supply of Goods

S No.	Transactions of Supply	Place of Supply
5	Supply of goods on board a conveyance	Location at which goods are taken on board



Supply of goods on board

# Place of Supply of Services

-Both Supplier and recipient in India





# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
1	All Services	Location of Service Recipient	Location of Service Recipient if available on records, else  location of service provider



# Place of Supply of Services

S No	Transactions of Supply	Place of Supply	
		B2B	B2C
2	Services in relation to immovable property – Land related	Location of Immovable Property when within India, else location of recipient	



Indian Company gives contract of designing its office in Spain to US Architect firm



# Place of Supply of Services

S No	Transactions of Supply	Place of Supply	
		B2B	B2C
2	Services in relation to immovable property – Accommodation by	Location of Immovable Property when within India, else location of recipient	



Hotel at Agra



Houseboat at Allipy



Camp at Rishikesh



# Place of Supply of Services

## S Transactions of Supply

No

.

2 Services in relation to immovable property – accommodation in – such immovable property

B2B

B2C

Location of Immovable Property when within India, else location of recipient



Conference at Agra



Marriage in Delhi



Social gathering in London

# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
3	Restaurant and catering services, personal grooming, fitness, beauty treatment & health services	Location of performance of service	



Restaurant at  
Delhi



Catering in  
Mumbai



Beauty treatment  
in Gurgaon





# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
4.	Admission to a cultural, artistic, sporting, scientific, educational, or entertainment event or amusement park or any other place and services ancillary thereto		Location of Event



Admission to Lords



Amusement Park in Mumbai



Concert in Gurgaon



# Place of Supply of Services

S No .	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
5.	Services in relation to training and performance appraisal	location of such person	Location where the services are actually performed.





# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
5	Supply of services by way of organisation to events, conferences, fair, exhibition etc. + Sponsorship thereof	Location of recipient	Location where event is actually held if it is within India, else location of recipient



Sponsorship at Ferozshah Kotla



Fair in Mumbai



Conference in Gurgaon



# Place of Supply of Services

S No.	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
6	Transportation of goods	Location of such person	Location where goods are handed for transportation

From		To	Receipient Whether registered person	Place of Supply
Delhi		Gurgaon	Yes	Gurgaon
Delhi		Gurgaon	No	Delhi



# Place of Supply of Services

S No.	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
8	Passenger Transportation service	Location of such person	Location where passenger embarks on the conveyance for a continuous journey

Mumbai-Delhi

Mumbai

Delhi-London-New York-London-New York

Delhi

Singapore - Kolkata -Bangkok.  
(Jet) (Air India)

Singapore - Kolkata: Singapore  
Kolkata - Delhi: Kolkata





# Place of Supply of Services

S No.	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
9	Supply of services on board a conveyance	Location of first scheduled point of departure	

Mumbai-Delhi

Mumbai

Delhi-London-New York-London-New York

Delhi

Singapore to New York via Delhi

Singapore

Singapore - Kolkata - Bangkok.  
(Jet) (Air India)

Singapore





# Place of Supply of Services

S No.	Transactions of Supply	Place of Supply when services provided to	
		B2B	B2C
10	Telecommunication service by way of fixed line, leased circuit, cable or dish antenna	Location where telecommunications line, leased circuit or dish antenna is installed	
11	Supply of telecommunication service in case of post-paid mobile connection	Location of billing address of recipient of service on record of supplier of service	
12	Supply of telecommunication service in case of pre-paid mobile connection through a voucher or any other means	Location where pre-payment is received or voucher is sold (if payment is made online, place of supply will be location of recipient of service)	
13	Supply of banking or other financial service including stock broking service	Location of recipient of service on record of supplier of service Provided that if the service is not linked to the account of the recipient of services, the place of supply shall be location of the supplier of services.	
14	Supply of advertisement service to Government/state bodies/local authority	Location in each state in proportion to amount attributable to service provided	

# Place of Supply of Services

-Either Supplier and recipient outside India







# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
1	General	location of the recipient of services



Consulting service



Marketing service



BPO service



# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
2.	services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services	location where the services are actually performed



Cargo handling service



Repair of machine



Dry cleaning

A close-up photograph of a hand holding a golden key, positioned in the upper left corner of the slide. The hand is partially visible, with the thumb and index finger gripping the key's head. The key is oriented horizontally, pointing towards the right.

# Place of Supply of Services

## Exceptions:

Provided that when such services are provided from a remote location by way of electronic means, the place of supply shall be the location where goods are situated at the time of supply of services:

Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs and are exported after repairs without being put to any other use in India, than that which is required for such repairs;



# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
3.	services supplied to an individual, which require the physical presence of the recipient	location where the services are actually performed



Health Services



Training



Fitness



# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
4	services supplied directly in relation to an immovable property,	location of the immovable property



Construction Services



Land Surveyor



~~Services of an agent who arranges finance for the purchase of a property~~



# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
5.	Services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, events etc or admission thereof	place where the event is actually held.



Admission to Cricket match in Lords



Fair in Mumbai



Admission to a Performance in New York



# Place of Supply of Services

S.No.	Service	When both in India and outside India
3.	Performance based - in relation to goods and individual in person	Place of supply shall be the location in the taxable territory
4.	In relation to immovable property	
5.	Admission to, or organisation of an event	

S.No.	Service	When in more than one state / UT
3.	Performance based - in relation to goods and individual in person	Place of supply shall be taken as being in each States or UT and the value specific to each State or UT shall be in proportion to the value for services separately collected or determined
4.	In relation to immovable property	
5.	Admission to, or organisation of an event	



# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
8.	<ul style="list-style-type: none"><li>(a) services supplied by a banking company, or a financial institution, or a non-banking financial company, to account holders;</li><li>(b) intermediary services;</li><li>(c) services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month.</li></ul>	location of the supplier of services





# Intermediary

Person Acting on his own:



A freight forwarder picks the goods from factory in Pune to port and to Egypt and charges Rs 15 Lakhs - not an intermediary.



A freight forwarder agent arranges for transportation and charges commission of Rs 1 Lakh - an intermediary.



# Intermediary



Travel Agent



Commission Agent



Tour operator



# Place of Supply of Services

S No.	Transactions of Supply	Place of Supply when services provided to
9.	services of transportation of goods, other than by way of mail or courier	place of destination of such goods





# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
10.	place of supply in respect of passenger transportation services	place where the passenger embarks on the conveyance for a continuous journey





# Place of Supply of Services

## Journey

Mumbai-Delhi

Delhi-London-New York-London-  
New York

Singapore to New York via Delhi

Singapore - Kolkata -Bangkok.  
(Jet) (Air India)

## Place of Provision

Mumbai

Delhi

Singapore

Singapore - Kolkata: Singapore  
Kolkata - Delhi: Kolkata



# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
.	services provided on board a conveyance	first scheduled point of departure of that conveyance for the journey
	Mumbai-Delhi	Mumbai
	Delhi-London-New York-London-New York	Delhi
	Singapore to New York via Delhi	Singapore
	Singapore - Kolkata -Bangkok. (Jet) (Air India)	Singapore





# Place of Supply of Services

S No	Transactions of Supply	Place of Supply when services provided to
.	place of supply of online information and database access or retrieval services	location of the recipient of services



# Place of Supply

## **online information and database access or retrieval services**

means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology and includes electronic services such as,—

- advertising on the internet;
- providing cloud services;
- provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
- providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
- online supplies of digital content (movies, television shows, music and the like);
- digital data storage; and
- online gaming;





# Place of Supply

## Examples of Supplies not qualifying as OIDAR

Service	Whether Provision of service mediated by information technology over the internet or an electronic network	Whether it is Automated and impossible to ensure in the absence of information technology	OIDAR Service
Pdf document manually emailed by provider	Yes	No	No
Pdf document automatically emailed by provider's system	Yes	Yes	Yes
Pdf document automatically downloaded from site	Yes	Yes	Yes
Stock photographs available for automatic download	Yes	Yes	Yes
Online course consisting of pre-recorded videos and downloadable pdfs	Yes	Yes	Yes
Online course consisting of pre-recorded videos and downloadable pdfs plus support from a live tutor	Yes	No	No
Individually commissioned content sent in digital forme-g., photographs, reports, medical results	Yes	No	No



# Place of Supply

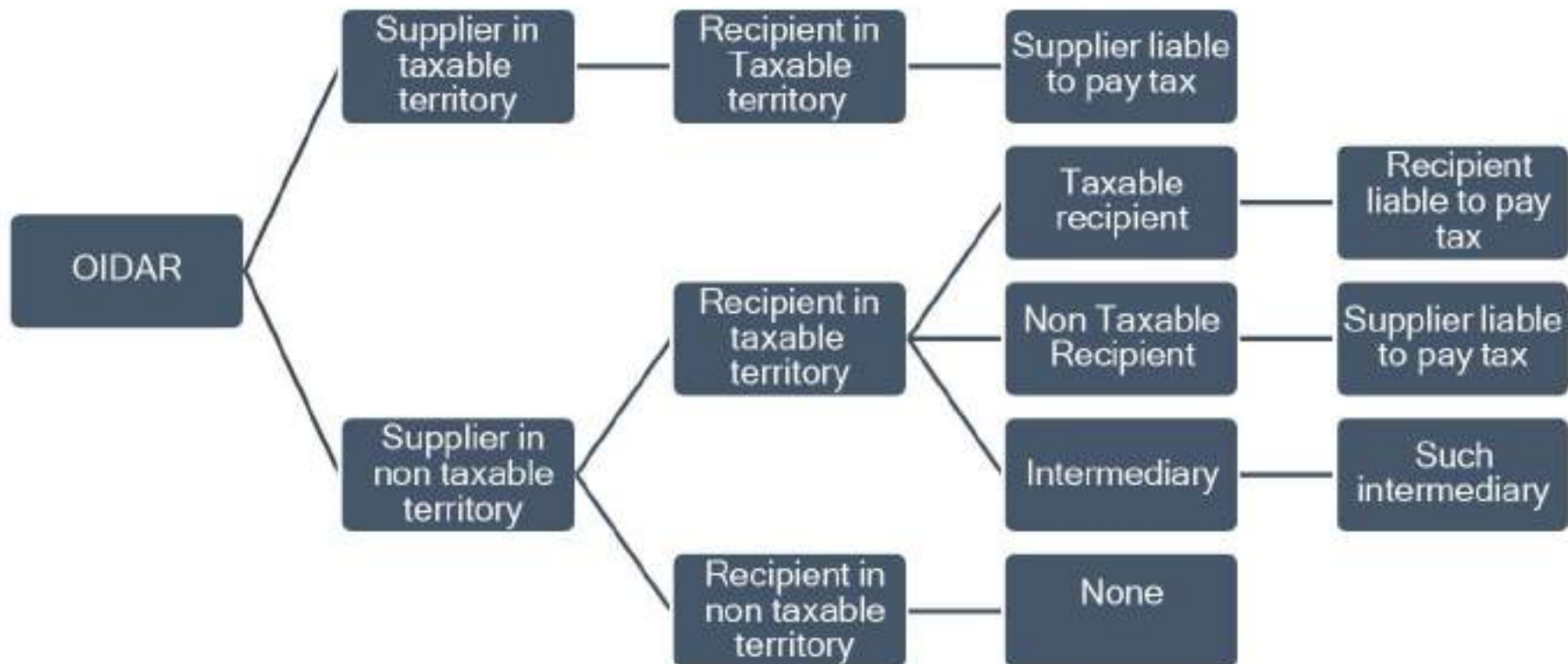
## Location of recipient in case of OIDAR

- the location of address presented by the recipient of services through internet is in the taxable territory;
- the credit card or debit card or store value card or charge card or smart card or any other card by which the recipient of services settles payment has been issued in the taxable territory;
- the billing address of the recipient of services is in the taxable territory;
- the internet protocol address of the device used by the recipient of services is in the taxable territory;
- the bank of the recipient of services in which the account used for payment is maintained is in the taxable territory;
- the country code of the subscriber identity module card used by the recipient of services is of taxable territory;
- the location of the fixed land line through which the service is received by the recipient is in the taxable territory.



# Place of Supply

## Special Provisions in relation to OIDAR [Section 14]





# Place of Supply

## **Conditions when intermediary not liable**

- the invoice or customer's bill or receipt issued or made available by such intermediary taking part in the supply clearly identifies the service in question and its supplier in non-taxable territory;
- the intermediary involved in the supply does not authorise the charge to the customer or take part in its charge which is that the intermediary neither collects or processes payment in any manner nor is responsible for the payment between the non-taxable online recipient and the supplier of such services;
- the intermediary involved in the supply does not authorise delivery; and
- the general terms and conditions of the supply are not set by the intermediary involved in the supply but by the supplier of services.

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## Branch Offices

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