

ONE PAGE

on
Place of Supply



INTER-STATE AND INTRA-STATE SUPPLIES UNDER GST

1. What are inter-state and intra-state supplies under GST? What is their relevance?

GST is a levy on supply of goods or services. To levy GST, supplies are categorised in two viz inter-state supplies (supplies from one state to another) and intra-state supplies (supplies within the state). In case of inter-state supplies, the Central Government will levy Integrated Tax under IGST Act, 2017 and in case of intra-state supplies, Central Government will levy Central Tax under CGST Act, 2017 and State Tax under SGST Act, 2017.

2. What are the parameters to decide whether a supply is inter-state or intra-state?

To decide whether a supply is inter-state or intra-state, two parameters are relevant viz. location of supplier and place of supply. In case of domestic supplies, if the location of supplier and place of supply are in two different states, then the supply is an inter-state supply to attract IGST. If the location of supplier and place of supply are in same State, then the supply is called intra-state supply to attract CGST and SGST. In case of cross border supplies i.e. supplies by supplier located in India to a recipient located outside India or vice-versa shall be treated as inter-state supplies.

3. What is the location of supplier and receiver?

The location of supplier is defined to mean a place of business for which registration has been obtained or the location of a fixed establishment in case where supply is made from unregistered place or the location of usual place of residence in cases where registered premises or fixed establishments are absent. The location of receiver is also defined in an identical manner to mean registered place of business, unregistered fixed establishment or the usual place of residence as the case may be. It is important to note that only location of supplier or receiver for services is defined.

4. In case of supplies of goods within India, how would we determine the place of supply?

S. No	Nature of Supply	Place of Supply
1	Supply involving movement of goods	Place where the movement terminates for delivery to recipient. Eg: Supplier in Hyderabad selling goods to a customer in Mumbai by transportation from Hyderabad to Mumbai— Place of supply is Mumbai (Maharashtra).
2	Goods are supplied to a recipient on the direction of a third person (bill to and ship to transactions)	There are two supplies involved. One is from the supplier to third person and the other one is from third person to a recipient. The place of supply for first supply shall be the location of third person and for second supply is the location of recipient. Eg: X Ltd, Hyderabad received an order from Y Ltd, Bengaluru to deliver goods at Z Ltd, Mumbai. Supply from X Ltd to Y Ltd, place of supply is Bengaluru (Karnataka) and supply from Y Ltd to Z Ltd is Mumbai (Maharashtra)
3	Supply does not involve movement of goods viz. Shop/Counter sales	Place of supply shall be the location of such goods at the time of delivery to recipient. Eg: Mr. X of Delhi visited Hyderabad. During visit, he purchased medicine from a medical store in Hyderabad. The place of supply shall be Hyderabad (Telangana) as the goods does not involve movement and are delivered in Hyderabad.
4	Goods are assembled or installed at site	Place of supply shall be the place of such installation or assembly
5	Goods are supplied on board a conveyance	Place of supply shall be the location where goods are taken on board



5. In case of cross border supply of goods, how would we determine the place of supply?

In case of goods imported into India, the place of supply shall be the location of the importer. In case of goods exported from India to a location outside India, the place of supply shall be such location outside India.

6. In case of services, how would you determine the place of supply?

The place of supply of services for domestic and cross-border services are provided in section 12 and section 13 respectively. The same are summarised as follows;

S. No	Nature of Service	PoS for Domestic Supplies	PoS for Cross Border Supplies
1	Services in general not covered elsewhere	<ul style="list-style-type: none"> - Supplied to registered person - Pos shall be location of such registered person - Supplied to unregistered person - Pos shall be location of recipient where address exists otherwise it is the location of supplier 	- PoS in general be the location of recipient. If the location of recipient is not available in the ordinary course of business, then PoS shall be the location of supplier.
2	Immovable property related services including accommodation	Location of immovable property	Location of immovable property
3	Services which require the physical presence of service recipients or their representa-	<ul style="list-style-type: none"> - Supplies by way of restaurant, catering, personal grooming, fitness, beauty treatment, health services, plastic surgery— PoS shall be location where services are performed - Training services when made to registered person—shall be the location of such person. Otherwise, it shall be the location where services are performed 	PoS shall be the location where the services are performed
4	Services in respect of goods, which are to be made physically available to supplier in order to provide the services	PoS shall be determined as per the general rule (Sl.No 1)	PoS shall be the location where the services are performed. In case where the services are provided electronically, then PoS shall be the location of goods at the time of supply.
5	Services relating to Events	<ul style="list-style-type: none"> - Services by way of admission to an event including services ancillary to such admission— place where event is held - Services relating to organisation of event and sponsorship and other ancillary services— PoS shall be location of registered person. Otherwise, it is location where the event is held. 	Services by way admission, organisation of event and ancillary services— PoS shall be the location where the event is actually held.
6	Transportation of goods including mail or courier	If recipient is registered— PoS shall be the location of such person. Otherwise it shall be the location where goods are handed over for transportation.	<ul style="list-style-type: none"> - Transportation of goods other than by mail or courier shall be the destination of goods. - In case of mail or courier, the PoS shall be determined as per the general rule (Sl.No:1)
7	Passenger transportation services	If recipient is registered—PoS shall be the location of such person. Otherwise, it shall be the place where passenger embarks for continuous journey	PoS shall be the place where passenger embarks for continuous journey
8	Services supplied on board a conveyance	PoS shall be the location of the first scheduled point of departure of that conveyance for journey	PoS shall be the location of the first scheduled point of departure of that conveyance for journey
9	Banking and financial services	PoS shall be the location of the recipient of services on record. If the recipient location is not available, then PoS shall be the location of supplier.	<ul style="list-style-type: none"> -Services supplied to account holders - PoS shall be the location of supplier. - Other services - Pos Shall be determined as per general rule (Sl.No.1)
10	Intermediary services and hiring of means of transport for up to a period of one month	PoS shall be determined as per general rule (Sl.No.1)	PoS shall be the location of the supplier



(Note: Due to space constraints and taking into consideration of rare applicability, the Place of supply for domestic supply of telecommunication and insurance services are not covered here.)

7. Does all cross-border supplies by a supplier in India are subject to GST?

No. In terms of section 16 of IGST Act, 2017, export of goods or services shall be treated as zero-rated. Accordingly, the said supplies can be exported without payment of any GST if Bond/Letter of Undertaking is obtained from department. For this purpose, goods are said to be exported if they are sent to a place outside India and services are said to be exported if the recipient of supply located outside India is not a mere establishment of supplier, place of supply is outside India and consideration is received in convertible foreign exchange. In cases where tax is paid at the time of export, then same can be claimed as export after goods or services are exported as per the prescribed procedure.