

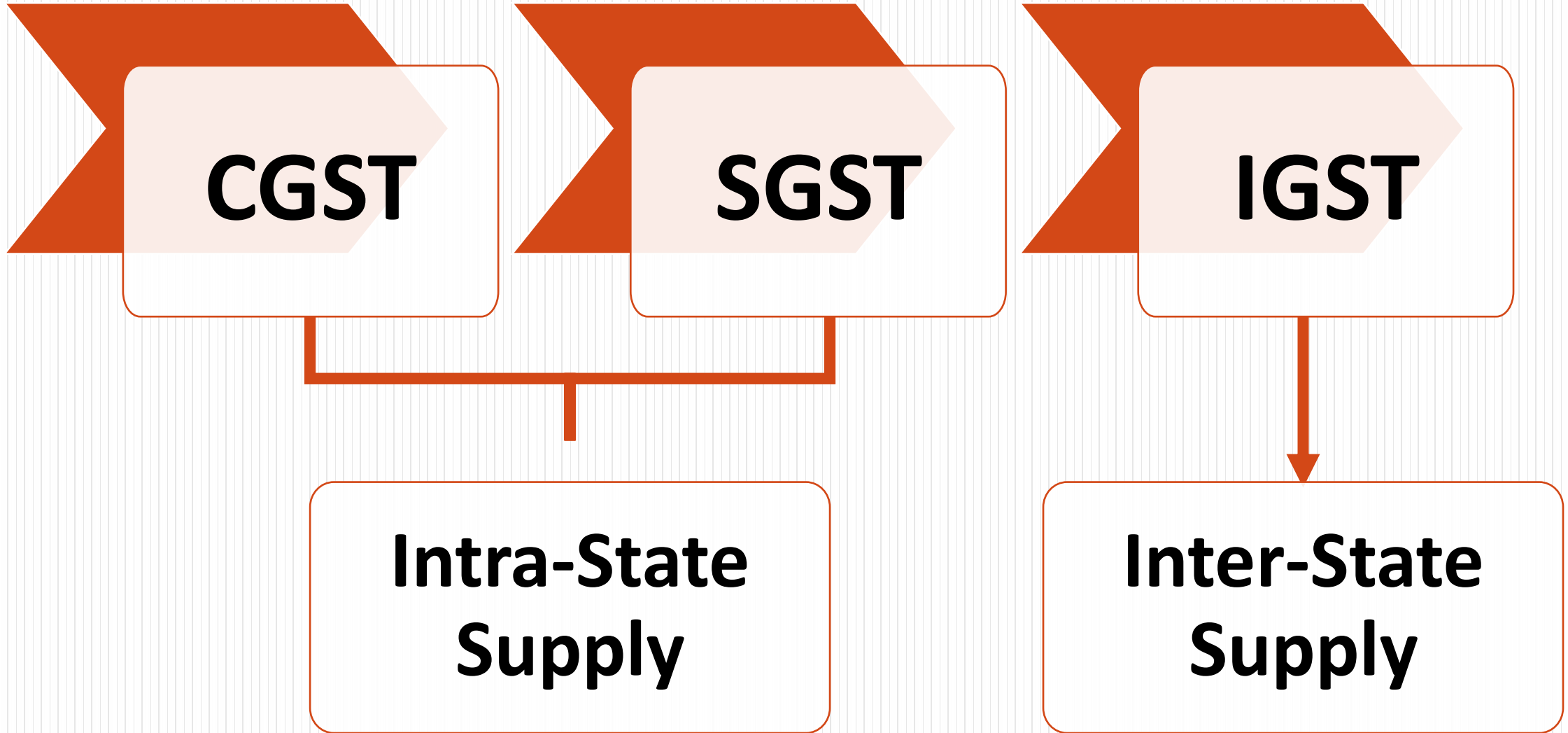
PLACE OF SUPPLY UNDER GST – Part I

By

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TYPES OF TAXES UNDER GST



INTER-STATE SUPPLY



- **IMPORT OF GOODS:**

- Supply of Goods imported into the territory of India, till they cross the customs frontiers of India shall be treated as Inter State Supply
- Import of Goods refers to bringing the goods into India from a place outside i.e., reaching the Indian Territory.
- Customs frontiers refers to area specified under Section-2 of Customs Act 1972
- Section-2: "Customs Area" means the area of a customs station or a warehouse and includes any area in which imported goods or export goods are ordinarily kept before clearance by Customs Authorities;

- **IMPORT OF SERVICES:**

- Supply of services imported into the territory of India shall be treated as Inter State Supply
- Import of service refers to supply of service, where:
 - Supplier of service is located outside India
 - Recipient of service is located in India
 - Place of supply of service is in India

- **EXPORT OF GOODS:**

- Supplier is located in India and the place of supply is outside India

- **SUPPLIES MADE TO/BY SEZ UNIT OR SEZ DEVELOPER:**
 - Illustration: SBS of Tada provided services to a SEZ unit in Sricity
- **SUPPLIES BASED ON LOCATION OF SUPPLIER & PLACE OF SUPPLY:**
 - Where the location of supplier and the place of supply are in different state or different UT or between a state and UT
 - Illustration:
 - SBS of Hyderabad provided services to XYZ company in the state of Andhra Pradesh
 - ABC company of Delhi supplied goods to MNO Company in Chandigarh

INTRA-STATE SUPPLY



- Supplies made to the tourist referred in section 15 is not an intra state supply
- Tourist means a person not normally resident in India, who enters India for a stay of not more than six month for legitimate no immigrant purpose.

- **SUPPLIES IN TERRITORIAL WATERS:**
 - Where the location of Supplier is in territorial waters
 - Where the place of supply is in territorial waters
 - Such location or place of supply shall be deemed to be in the coastal state/UT where the nearest point of the appropriate baseline is located

PLACE OF SUPPLY OF GOODS

PLACE OF SUPPLY OF GOODS

- **PLACE OF SUPPLY OF GOODS IMPORTED INTO/FROM INDIA:**



PLACE OF SUPPLY OF GOODS

- **PLACE OF SUPPLY OF GOODS (Other than Exports and Imports):**

- Supply involves movement of goods
- Supply to third party
- Supply in relation to non movement of goods
- Supply involves assembling/installation
- Supply on board a conveyance

PLACE OF SUPPLY OF GOODS

- **SUPPLY INVOLVES MOVEMENT OF GOODS:**

- Where the movement of goods (either made by the supplier/recipient/any other person), the place of supply shall be the location of the goods at the time at which the movement terminates for delivery to recipient
- Mr. X of Hyderabad, Telangana gets an order of 100 TV sets from ABC Ltd of Andhra Pradesh. ABC Ltd mentions that it will arrange its own transportation and take TV sets from Mr. X Factory.
 - **Place of supply: ??????**



PLACE OF SUPPLY OF GOODS

- **SUPPLY INVOLVES MOVEMENT OF GOODS:**
 - Mr. X of Hyderabad, Telangana gets an order of 100 TV sets from ABC Ltd of Andhra Pradesh. Mr. X deliver goods to ABC Ltd factory in Andhra Pradesh.
 - **Place of supply: ??????**



PLACE OF SUPPLY OF GOODS

- **SUPPLY OF GOODS ON DIRECTION OF THIRD PARTY:**
 - Where the goods are delivered by the supplier ***on the direction of the third person*** (acting as an agent or other wise) to recipient or any other person, before or during the movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be ***deemed that the third person has received the goods*** and place of supply shall be the principal place of business of such third person

PLACE OF SUPPLY OF GOODS

- **SUPPLY OF GOODS ON DIRECTION OF THIRD PARTY:**

- Mr. X of Hyderabad, Telangana gets an order of 100 TV sets from Mr. Y, agent of ABC Ltd, Andhra Pradesh to deliver goods to ABC Ltd.

- **Place of supply: ?????**

- Mr. X of Hyderabad, Telangana orders a mobile from Amazon to be delivered to his mother in Kurnool (AP) as a gift. M/s ABC (online seller registered in MH) processes the order and sends the mobile accordingly and Mr. Raj is billed by Amazon.

- **Place of supply: ?????**



PLACE OF SUPPLY OF GOODS

- **SUPPLY INVOLVES NON-MOVEMENT OF GOODS:**

- Where there is no movement of goods by the supplier or recipient, the place of supply shall be the location of such goods at the time of delivery to the recipient.
- XYZ Ltd (Hyderabad) opens a new showroom in Bangalore. It purchases a building for showroom from ABC (Bangalore)
 - **Place of supply: ??????**



PLACE OF SUPPLY OF GOODS

- **SUPPLY INVOLVES ASSEMBLING/INSTALLATION OF GOODS:**
 - Where there goods are installed/assembled at site, then the place of supply shall be the place of such installation/assembling.
 - ABC (Hyderabad) asks M/s XYZ Ltd (Chennai) to Install machinery in their Hyderabad Factory
 - **Place of supply: ?????**
 - ABC (Hyderabad) asks M/s XYZ Ltd (Chennai) to Install machinery at their Chennai Factory
 - **Place of supply: ?????**



PLACE OF SUPPLY OF GOODS

- **SUPPLY INVOLVES ASSEMBLING/INSTALLATION OF GOODS:**
 - ABC (Hyderabad) asks M/s XYZ Ltd (Chennai) to Install machinery at their Kolkata (WB) Factory
 - **Place of supply: ?????**
 - ABC (Hyderabad) asks M/s XYZ Ltd (Hyderabad) to Install machinery at their Hyderabad Factory
 - **Place of supply: ?????**
 - ABC (Hyderabad) asks M/s XYZ Ltd (Hyderabad) to Install machinery at their Kolkata (WB) Factory
 - **Place of supply: ?????**

PLACE OF SUPPLY OF GOODS

- **SUPPLY OF GOODS ON BOARD A CONVEYANCE:**
 - Where goods supplied on board a conveyance (including vessel, an aircraft, a train or a motor vehicle) the place of supply shall be the location at which such goods are taken on board

PLACE OF SUPPLY OF GOODS

- **SUPPLY OF GOODS ON BOARD A CONVEYANCE:**

- Mr. X is travelling from Hyderabad to Delhi by air. He purchases coffee and snacks while on the plane.
 - **Place of supply: ??????**
- Mr. X is travelling from Hyderabad to Chennai by air on behalf of his company Ram Gopal and Sons (registered in Bangalore). In the plane he purchases lunch.
 - **Place of supply: ??????**
- Mr. X is travelling to Hyderabad via train. The train starts at Chennai and stops at certain stations before Hyderabad. Vinod boards the train at Tada (AP) and promptly purchases lunch on board. The lunch had been boarded in Chennai.
 - **Place of supply: ??????**

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Chartered Accountants

Our Presence in

Telangana: Hyderabad (HO)

Andhra Pradesh: Nellore, Kurnool, TADA (near Sri City), Vizag

Karnataka: Bengaluru

Thank you!!!

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