CHAPTER 3

PLACE OF SUPPLY



The section numbers referred to in the Chapter pertain to the IGST Act, 2017, unless otherwise specified. Examples/illustrations/Questions and Answers given in the Chapter are based on the position of GST law existing as on 30.04.2026.

LEARNING OUTCOMES

After studying this Chapter, you will be able to–

- explain the provisions relating to determination of place of supply of goods, both in case of domestic as well as cross-border transactions and analyse the same to determine the place of supply in a given situation
- explain the provisions relating to determination of place of supply of services, both in case of domestic as well as cross-border transactions and analyse the same to determine the place of supply in a given situation

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1. INTRODUCTION



GST is a destination-based consumption tax, i.e. the tax is levied on the consumption of supply at the destination thereof or at the point of consumption of such supply. The 'place of supply' denotes the place where the supply is consumed. Thus, place of supply determines the jurisdiction where the tax revenue should reach.

Goods, usually being tangible do not pose any significant problems for determination of their place of consumption. Services, usually being intangible pose problems w.r.t determination of place of supply mainly due to following factors:

- The manner of delivery of a service could be altered easily.

  For example, telecom service could change from post-paid to pre-paid or billing address of the customer could be changed, repair or maintenance of software could be changed from onsite to online; banking services earlier required customer to go to the bank, now the customer can avail service from anywhere.

- Service provider, service receiver and the service provided may not be ascertainable or may easily be suppressed as nothing tangible moves and there would hardly be any trail.

- For supplying a service, a fixed location of service provider is not mandatory and even the service recipient may receive service while on the move. The location of billing could be changed overnight.

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- Sometime the same element may flow to more than one location, for example, construction or other services in respect of a railway line, a national highway or a bridge on a river which originate in one State and end in the other State.





Similarly, a copyright for distribution and exhibition of film could be assigned for many States in a single transaction or an advertisement or a programme is broadcasted across the country at the same time.



An airline may issue seasonal tickets, containing say 10 vouchers which could be used for travel between any two locations in the country.



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.

- Services are continuously evolving and thus, continue to pose newer challenges. For example, 15-20 years back no one could have thought of DTH, online information, online banking, online booking of tickets, internet, mobile telecommunication etc.

Considering the difficulties in determining the actual place of consumption of services, the various elements involved in a service transaction are used as proxies for determining the place of consumption or place of supply of such services. A proxy which gives more appropriate result than others for determining the place of supply, could be used for determining the place of supply. The various elements used for determining the place of supply of a service are:

(a) location of service provider

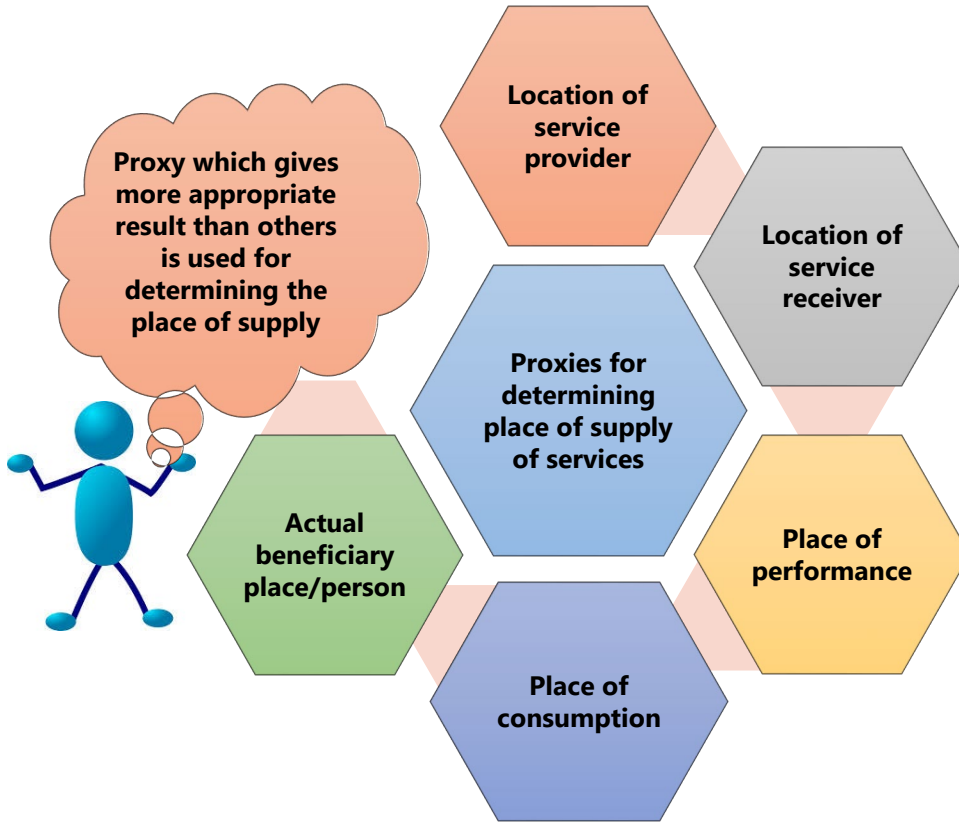
(b) location of service receiver

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(c) place where the activity takes place/ place of performance

(d) place where the service is consumed

(e) place/person to which/whom actual benefit flows



Separate rules for determining place of supply in respect of B2B and B2C transactions

In respect of B2B (business to business) transactions, the supply is made by one registered person to another registered person and the taxes paid are taken as credit by the recipient. Therefore, such transactions are just pass through. GST collected on B2B supplies effectively create a liability for the Government and an asset for the recipient of such supplies in as much as the recipient is entitled to use the input tax credit (ITC) for payment of future taxes. For B2B transactions, the location of recipient takes care in almost all situations as further credit is to be taken by recipient. The recipient usually further supplies to another customer.

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The supply is consumed only when a B2B transaction is further converted into B2C (business to consumer) transaction. In respect of B2C transactions, the supply is made to an unregistered person who consumes the same and the taxes paid actually reach the Government.

B2B means business to business transaction. In such type of transactions, the recipient is also a registered supplier and hence, takes ITC.

B2C means business to consumer transaction. In such type of transactions, the recipient is consumer or unregistered and hence, will not take or cannot take ITC.

Provisions for determination of place of supply in GST law

Basis the above guiding principles, **Chapter V of the IGST Act [Sections 10 to 13]** prescribes the provisions relating to place of supply of goods and services in domestic as well as cross-border transactions. The provisions prescribe both general and specific rules to determine place of supply of goods and services in various circumstances.

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. In other words, these two factors are required to determine whether a supply is subject to SGST/UTGST plus CGST in a given State/ Union territory or else would attract IGST if it is an inter-State supply.

If an inter-State transaction is wrongly treated as intra-State or *vice-versa* and tax paid accordingly, the correct tax will need to be paid and refund 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 paramount importance

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2. RELEVANT DEFINITIONS

- **Continuous journey** means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued.

  Explanation.—For the purposes of this clause, the term "stopover" means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time [Section 2(3)].

  The term conveyance has been defined in section 2(34) of the CGST Act to include a vessel, an aircraft and a vehicle.

- **Export of goods** with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India [Section 2(5)].

  This definition is similar to the definition of 'export' given under Customs Act, 1962.

- **Export of services** means the supply of any service when

  (a) the supplier of service is located in India,

  (b) the recipient of service is located outside India,

  (c) the place of supply of service is outside India,

  (d) the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India; and

  (e) the supplier of service and recipient of service are not merely establishments of a distinct person in accordance with explanation 1 of section 8 [Section 2(6)].

  As per Explanation 1 to Section 8, the following are treated as establishments of distinct persons:

  - an establishment in India and any other establishment outside India;

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- an establishment in a State or Union territory and any other establishment outside that State or Union territory; or
- an establishment in a State or Union territory and any other establishment registered within that State or Union territory

❑ **Fixed establishment** means a place other than the place of business which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs [Section 2(7)].

❑ **Import of goods** with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India [Section 2(10)].

This definition is again similar to the definition of 'import' under the Customs Act, 1962.

In *Kiran Spinning Mills v. CC 1999 (113) ELT 753 (SC 3 member bench),* it has been held that import is completed only when goods cross the customs barrier.

In *Garden Silk Mills Ltd. UOI 1999 AIR SCW 4150 (SC 3 member bench),* it has been held that import of goods in India commences when they enter into territorial waters but continues and is completed when the goods become part of the mass of goods within the country.

❑ **Import of services** means the supply of any service, where

(a) the supplier of service is located outside India,

(b) the recipient of service is located in India, and

(c) the place of supply of service is in India [Section 2(11)].

❑ **Intermediary** means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account [Section 2(13)].

❑ **Location of the recipient of services** means:

(a) where a supply is received at a place of business for which registration has been obtained, the location of such place of business;

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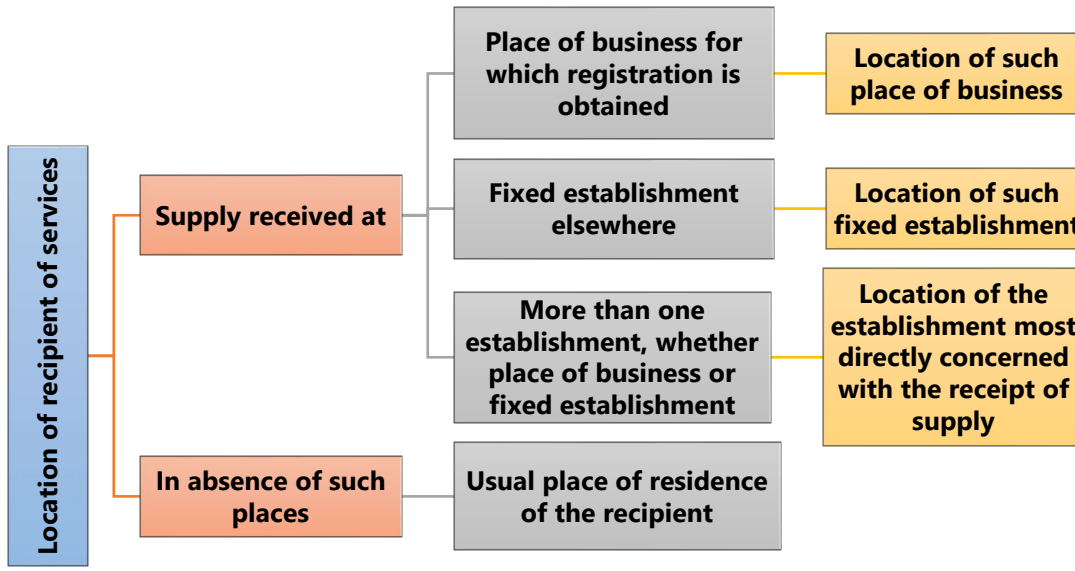
(b) where a supply is received at a place other than the place of business for which registration has been obtained, that is to say, a fixed establishment elsewhere, the location of such fixed establishment;

(c) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and

(d) in absence of such places, the location of the usual place of residence of the recipient [Section 2(14)].

The definition of 'fixed establishment' for this purpose has been discussed above. The definition of 'place of business' is discussed later.

The above definition relates only to services. The term 'location of recipient of goods' has not been defined in the Act.



❑ **Location of the supplier of services** means:

(a) where a supply is made from a place of business for which registration has been obtained, the location of such place of business;

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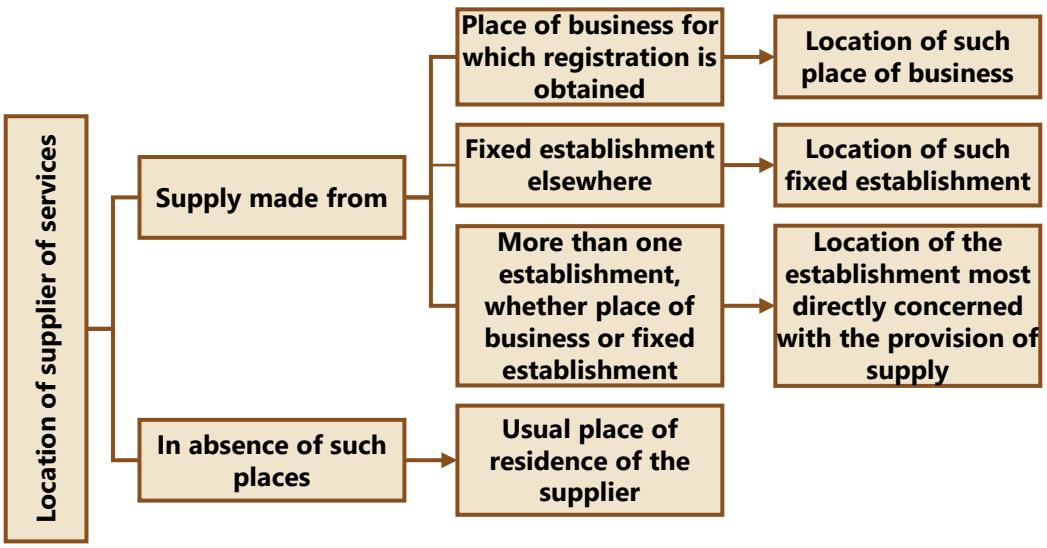
(b) where a supply is made from a place other than the place of business for which registration has been obtained, that is to say, a fixed establishment elsewhere, the location of such fixed establishment;

(c) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provision of the supply; and

(d) in absence of such places, the location of the usual place of residence of the supplier [Section 2(15)].



The above definition relates only to services. The term 'location of supplier of goods' has not been defined in the Act.

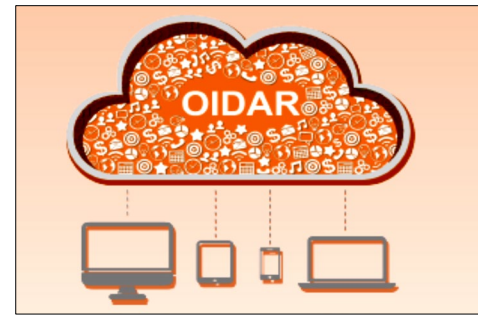


❑ **Online information and database access or retrieval services** means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply impossible to ensure in the absence of information technology and includes electronic services such as,––

(i) advertising on the internet;

(ii) providing cloud services;

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(iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;

(iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;

(v) online supplies of digital content (movies, television shows, music and the like);

(vi) digital data storage; and

(vii) online gaming [Section 2(17)].

❑ **Place of business** includes

(a) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or

(b) a place where a taxable person maintains his books of account; or

(c) a place where a taxable person is engaged in business through an agent, by whatever name called [Section 2(85)].

This is an inclusive definition and is applicable for both goods and services.

❑ **Supply** shall have the same meaning as assigned to it in section 7 of the Central Goods and Services Tax Act [Section 2(21)].

❑ **Recipient** of supply of goods or services or both, means—

- where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;

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- where no consideration is payable for the supply of 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; and
- where no consideration is payable for the supply of a service, the person to whom the service is rendered,
- and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied [Section 2(93) of the CGST Act].

❑ **Supplier** in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied.

However, a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims [Section 2(105) of the CGST Act].

❑ **Words and expressions** used and not defined in the IGST Act but defined in the after supplies Central Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act shall have the same meaning as assigned to them in those Acts [Section 2(24)].

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3. PLACE OF SUPPLY OF GOODS OTHER THAN SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA [SECTION 10]

STATUTORY PROVISIONS

Section 10	Place of supply of goods other than supply of goods imported into, or exported from India	
Sub-section	**Clause**	**Particulars**
(1)	The place of supply of goods, other than supply of goods imported into, or exported from India, shall be as under,—	
	(a)	where the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient;
	(b)	where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;
	(c)	where the supply does not involve movement of goods, whether by the supplier or the recipient, the place of supply shall be the location of such goods at the time of the delivery to the recipient;
	(ca)	Where the supply of goods is made to a person other than a registered person, the place of supply shall, notwithstanding anything contrary contained in clause (a) or clause (c), be the location as per the address of the

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		said person recorded in the invoice 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. *Explanation-For the purposes of this clause, recording of the name of the State of the said person in the invoice shall be deemed to be the recording of the address of the said person*
	(d)	*where the goods are assembled or installed at site, the place of supply shall be the place of such installation or assembly;*
	(e)	*where the goods are supplied on board a conveyance, including a 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.*
(2)	*Where the place of supply of goods cannot be determined, the place of supply shall be determined in such manner as may be prescribed.*	



ANALYSIS

Section 10 prescribes the provisions for determining the place of supply of goods in domestic transactions, i.e. within India. Sub-section (1) of section 10 sets out five rules to provide the place of supply of goods in the following specific situations:

- Supply involving movement of goods
- Goods delivered on 'bill to ship to' model
- Supply not involving movement of goods
- Goods assembled/installed at site
- Goods supplied on board a conveyance

Each of the above situation is discussed below. For residual cases, sub-section (2) of section 10 provides that where the place of supply of goods cannot be determined, the Government may prescribe the manner to ascertain the same.

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It must be kept in mind that the provisions of section 10 discussed hereunder are all in relation to domestic supply of goods.

(i) Supply involving movement of goods [Section 10(1)(a)]

In case of supply involving movement of goods, the place of supply is the location of the goods at the time when the movement of goods terminates (ends) for delivery to the recipient.

The 'location of the goods' is a question of fact to be ascertained by observing the journey that the goods so supplied make from their origin (from supplier) to termination (with the recipient). This movement, however, can be undertaken by the supplier or recipient or even any other person (like transporter) after having disclosed the destination of the movement of goods.

It is important to understand that this provision does not apply in cases where there is no movement of goods. Also, the provision does not link itself to transfer of property in goods but to the movement of the goods.



(1) MA Pvt. Ltd. of Nasik, Maharashtra sells 10 refrigerators to MB Pvt. Ltd. of Pune, Maharashtra for delivery at place of business of MB Pvt. Ltd. in Pune. The place of supply is Pune in Maharashtra.

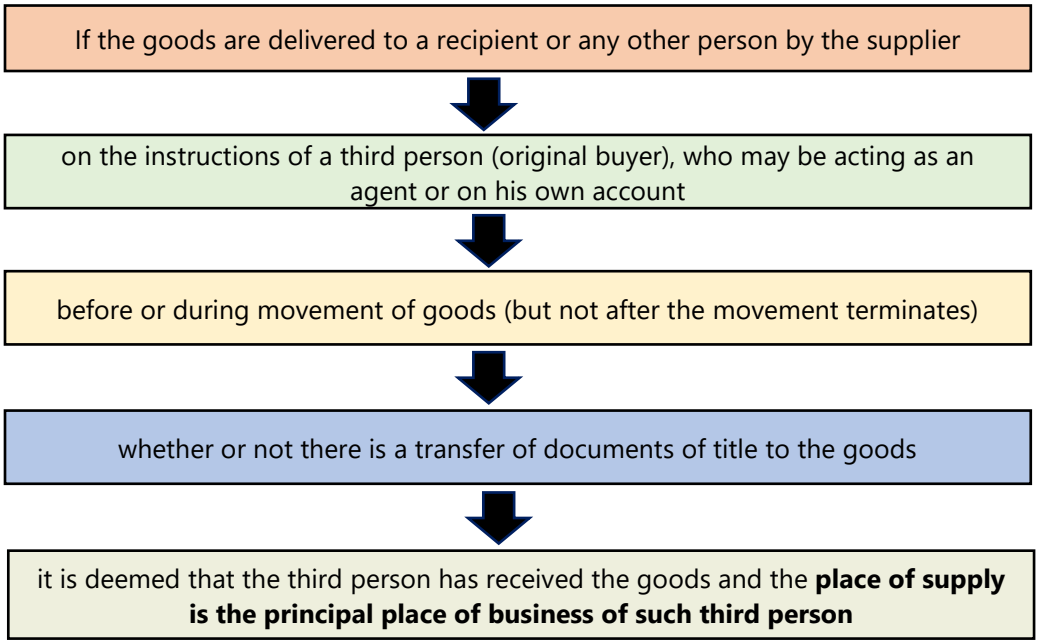
(2) MA Pvt. Ltd. of Nasik, Maharashtra sells 20 refrigerators to MC Pvt. Ltd. of Ahmedabad, Gujarat for delivery at place of business of MC Pvt. Ltd. in Ahmedabad. The place of supply is Ahmedabad.

(ii) Supply involving movement of goods where goods are delivered to recipient on the instruction of third person – 'Bill to Ship to' Supply [Section 10(1)(b)]

Clause (b) of section 10(1) lays down the provisions to determine the place of supply in cases where there is a tripartite arrangement of supply, commonly known as 'bill to ship to' transactions or where there is a sale of goods in transit by the original buyer/ agents.

As per section 10(1)(b),

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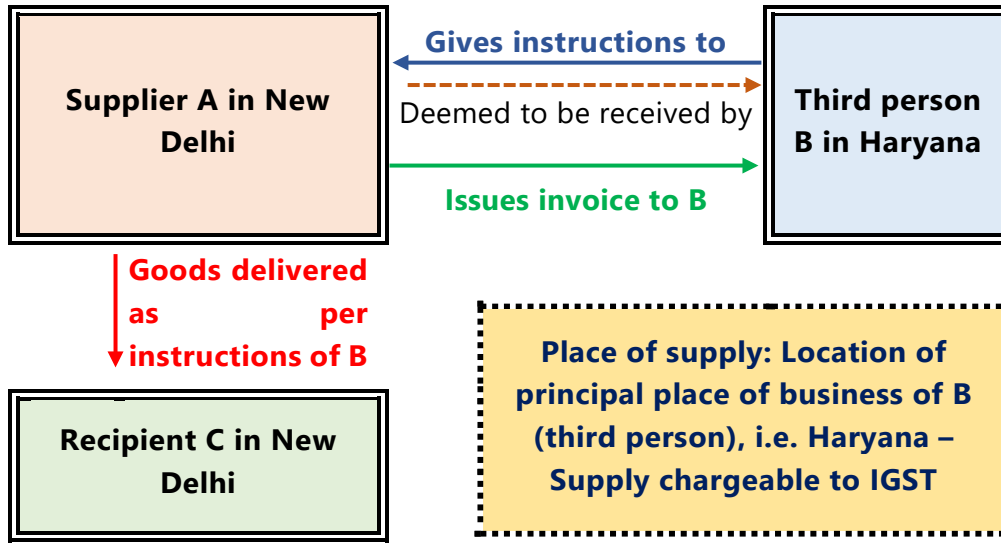
In simple words, **where goods are delivered by the supplier to the recipient at the instruction of a third person, the place of supply is the principal place of business of such third person and not of the actual recipient.**

It is important to identify the two supplies involved in this transaction– one supply is by supplier to third person and second supply is by third person to recipient. This provision deals only with the first limb of supply, i.e. supply by supplier to third person.

Second limb of supply, i.e. supply by third person to recipient will be governed by the provisions of section 10(1)(a), i.e. the place of supply will be the location of the goods at the time when the movement of goods terminates (ends) for delivery to the recipient.

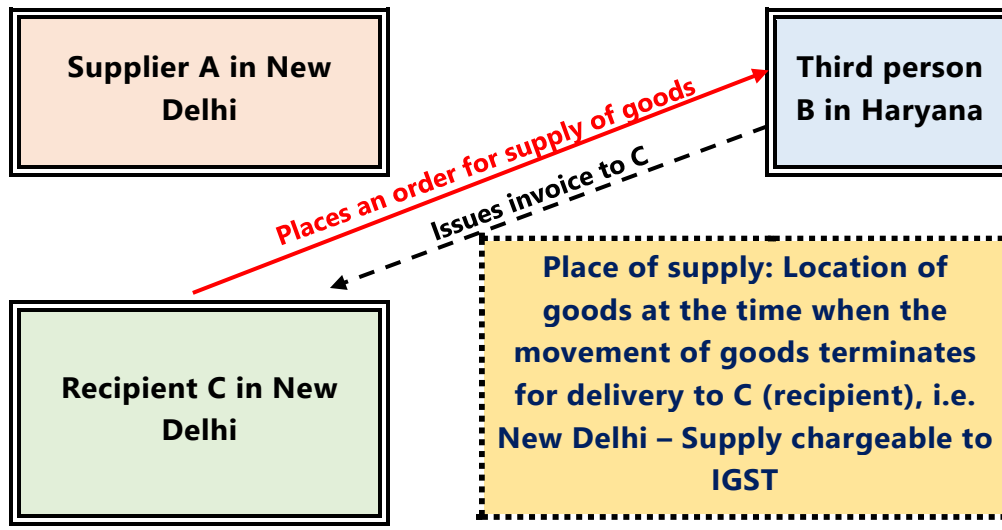
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Supply by supplier to third person



Even though section 2(93) of CGST Act defines recipient, *inter alia,* as the 'payer of the consideration'; in this provision, recipient' is the one who actually collects the goods and the third person is the one who enjoys privity with the supplier to be able to direct him to deliver the goods and also usually makes payment to the supplier.

Supply by third person to recipient



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(3) X & Co. (a supplier registered in Uttar Pradesh having principal place of business at Noida) asks Y & Co. of Ahmedabad, Gujarat to deliver 50 washing machines to its buyer Z & Co. at Jaipur, Rajasthan. In this case, two supplies are involved, one between X & Co. and Z & Co. and other between Y & Co. and X & Co.

While the former supply is covered under clause (a) of section 10(1), the latter one, i.e. between Y & Co. and X & Co. is covered under clause (b) of section 10(1). 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 X & Co. located at Noida.

(iii) Supply not involving movement of goods [Section 10(1)(c)]

If the supply does not involve movement of goods, the place of supply is the location of goods at the time of delivery to the recipient.

(4) MA Pvt. Ltd. (New Delhi) has leased its machine (cost ₹ 8,00,000) to MB Pvt. Ltd. (Noida, Uttar Pradesh) for production of goods on a monthly rent of ₹ 40,000. After 14 months MB Pvt. Ltd. requested MA Pvt. Ltd. to sell the machine to it for ₹ 4,00,000, which is agreed to by MA Pvt. Ltd. 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.

(5) XZ Ltd. (Mumbai, Maharashtra) opens a new branch office at Gurugram, Haryana. It purchases a building for office from KTS Builders (Gurugram). It also enters into a separate contract with KTS Builders for purchase of pre-installed office furniture and fixtures in the building.



Though there will be no GST liability on purchase of building (as sale of building is covered under Schedule III to CGST Act), 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.

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(iv) Supply of goods to an unregistered person [Section 10(1)(ca)]

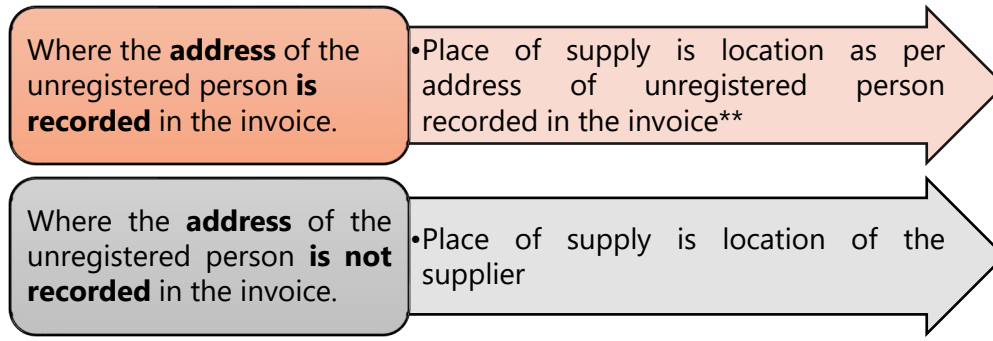
Where the supply of goods is made to a person other than a registered person, the place of supply shall be:

(i) the location as per the address of the said person recorded in the invoice issued in respect of the said supply and

(ii) the location of the supplier where the address of the said person is not recorded in the invoice.

For the purposes of this clause, recording of the name of the State of the said person in the invoice shall be deemed to be the recording of the address of the said person.

Place of supply in case of sales to unregistered persons is as follows:



**Simply mentioning the State of unregistered person instead of complete address would be sufficient.

There are cases where an unregistered person purchases goods over the counter (OTC) in one State and thereafter, transports the goods to another State (generally, the State where he resides).

For instance, migrant workers, tourists, etc. who come to a State for work, tourism, etc. and purchase goods in that State to take it to their respective State. Similarly, in automobile sector, the residents of a State may travel to another State to purchase vehicle from that State to take advantage of lower registration charges and road tax, which vary from State to State and thereafter, take the vehicle to their State.

In such cases, the place of supply will be determined as per above mentioned provision.

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(v) Supply involving installation or assembly of goods [Section 10(1)(d)]

If the supply involves goods which are to be installed or assembled at site, the place of supply is the place of such installation or assembly.

This is a case of composite supply of goods wherein two supplies are involved, supply of goods and ancillary supply of installation/assembling service. The principal supply is supply of goods which are being installed.



example

(6) MA Pvt. Ltd. (New Delhi) purchases a machine from MB Pvt. Ltd. (New Delhi) for being installed in its factory at Noida, Uttar Pradesh. The place of supply is the site at which the machine is installed, i.e. Noida.



(7) Pure Refineries (Mumbai, Maharashtra) gives a contract to PQ Ltd. (Ranchi, Jharkhand) to supply a machine which is required to be assembled in a power plant in its refinery located in Kutch, Gujarat. The place of supply is the site of assembly of machine, i.e. Kutch even though Pure refineries is located in Maharashtra.

(vi) Goods supplied on board a conveyance [Section 10(1)(e)]

When goods are sold supplied during a journey on board a conveyance, it becomes difficult to determine the place of supply of goods – whether it is the location from where the journey originates or whether it is the destination or whether it is any of the locations covered by the conveyance during the journey. Therefore, section 10(1(e) specifically provides for determination of place of supply of goods supplied on board a conveyance.



Examples of goods supplied on board a conveyance can be books and miscellaneous items supplied by the hawkers in train, supply of packaged food items on payment basis in aeroplanes, etc.

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Section 10(1)(e) lays down that **place of supply of goods supplied on a board a conveyance like aircraft, train, vessel, motor vehicle is the location where such goods have been taken on board.**

Place of supply of goods supplied on board a conveyance is determined under this provision even if the supply has been made by any of the passenger on board the conveyance and not by the carrier of the conveyance.



(8) 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), in the train, 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.

4. PLACE OF SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA [SECTION 11]

STATUTORY PROVISIONS

Section 11	*Place of supply of goods imported into, or exported from India*	
	Clause	*Particulars*
	The place of supply of goods,—	
	(a)	*imported into India shall be the location of the importer;*
	(b)	*exported from India shall be the location outside India.*

ANALYSIS

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Section 11 deals with the determination of place of supply in cases involving import and export of goods[1].

It must be kept in mind that the provisions of section 11 discussed hereunder are all in relation to cross border supply of goods.

(i) Import of goods [Section 11(a)]

The import of goods has been defined in section 2(10) of the IGST Act as bringing goods into India from a place outside India. All imports are deemed as inter-State supplies and accordingly IGST is levied in addition to the applicable custom duties.



If the goods have been imported in India, the place of supply of goods is the place where the importer is located.



(9) MC Pvt. Ltd. imports electric kettles from China for its Kitchen Store in Noida, Uttar Pradesh. MC Pvt. Ltd. is registered in Uttar Pradesh. The place of supply is Noida.

(ii) Export of goods [Section 11(b)]

Section 2(5) defines export of goods to mean taking goods out of India to a place outside India.

Under the GST Law, export of goods has been treated as:

- inter-State supply
- zero rated supply (i.e. the goods exported are relieved of GST levied upon them either at the input stage or at the final product stage.)

The place of supply in case of export of goods is the place where they have been exported, i.e. the destination outside India.



(10) MR Pvt. Ltd. (New Delhi) exports spices from New Delhi to London, UK. The place of supply is London.

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[1] *The terms import and export of goods have been explained in detail in Chapter-14 : Import and Export under GST in Module-3 of this Study Material. The definitions of terms "import of goods" and "export of goods" have been given in this Chapter under the heading "Relevant Definitions" for reference.*

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5. PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER OF SERVICE AND THE LOCATION OF THE RECIPIENT OF SERVICE IS IN INDIA [SECTION 12]

STATUTORY PROVISIONS

Section 12	Place of supply of services where location of supplier of service and the location of the recipient of service is in India		
Sub-section	**Clause**		**Particulars**
(1)	The provisions of this section shall apply to determine the place of supply of services where the location of supplier of services and the location of the recipient of services is in India.		
(2)	The place of supply of services, except the services specified in sub-sections (3) to (14),—		
	(a)		made to a registered person shall be the location of such person;
	(b)		made to any person other than a registered person shall be,—
		(i)	the location of the recipient where the address on record exists; and
		(ii)	the location of the supplier of services in other cases.
(3)	The place of supply of services,—		
	(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

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		use immovable property or for carrying out or co-ordination of construction work; or
	(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*
	(c)	*by way of accommodation in any immovable property for organising 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*
	(d)	*any services ancillary to the services referred to in clauses (a), (b) and (c),*
	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:	
	Provided that 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.	
	Explanation.—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.	
(4)	*The place of supply of restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery shall be the location where the services are actually performed.*	
(5)	*The place of supply of services in relation to training and performance appraisal to*	

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	(a)	*a registered person, shall be the location of such person;*
	(b)	*a person other than a registered person, shall be the location where the services are actually performed.*
(6)	*The place of supply of services provided by way of admission to a cultural, artistic, sporting, scientific, educational, entertainment event or amusement park or any other place and services ancillary thereto, shall be the place where the event is actually held or where the park or such other place is located.*	
(7)	*The place of supply of services provided by way of ,—*	
	(a)	*organisation 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*
	(b)	*services ancillary to organisation of any of the events or services referred to in clause (a), or assigning of sponsorship to such events,–*
		(i) *to a registered person, shall be the location of such person;*
		(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.*
	Explanation.—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.	

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(8)	*The place of supply of services by way of transportation of goods, including by mail or courier to,—*	
	(a)	*a registered person, shall be the location of such person;*
	(b)	*a person other than a registered person, shall be the location at which such goods are handed over for their transportation.*
(9)	*The place of supply of passenger transportation service to,—*	
	(a)	*a registered person, shall be the location of such person;*
	(b)	*a person other than a registered person, shall be the place where the passenger embarks on the conveyance for a continuous journey:*
	Provided that where the right to passage is given for future use and the point of embarkation is not known at the time of issue of right to passage, the place of supply of such service shall be determined in accordance with the provisions of sub-section (2).	
	Explanation.—For the purposes of this sub-section, the return journey shall be treated as a separate journey, even if the right to passage for onward and return journey is issued at the same time.	
(10)	*The place of supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, shall be the location of the first scheduled point of departure of that conveyance for the journey.*	
(11)	*The place of supply of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall,—*	
	(a)	*in case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna, be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services;*

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	(b)	*in case of mobile connection for telecommunication and internet services provided on post-paid basis, be the location of billing address of the recipient of services on the record of the supplier of services;*
	(c)	*in cases where 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,––*
		(i) *through a selling agent or a re-seller or a distributor of subscriber identity module card or re-charge voucher, be the address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply; or*
		(ii) *by any person to the final subscriber, be the location where such pre- payment is received or such vouchers are sold;*
	(d)	*in other cases, be the address of the recipient as per the records of the supplier of services and where such address is not available, the place of supply shall be location of the supplier of services:*
	Provided that where the address of the recipient as per the records of the supplier of services is not available, the place of supply shall be location of the supplier of services:	
	Provided further that if such pre-paid service is availed or the recharge is made through internet banking or other electronic mode of payment, the location of the recipient of services on the record of the supplier of services shall be the place of supply of such services.	
	Explanation.––Where the leased circuit is installed in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such circuit, 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	

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	agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.	
(12)	*The place of supply of banking and other financial services, including stock broking services to any person shall be the location of the recipient of services on the records of the supplier of services:*	
	Provided that if the location of recipient of services is not on the records of the supplier, the place of supply shall be the location of the supplier of services.	
(13)	*The place of supply of insurance services shall,—*	
	(a)	*to a registered person, be the location of such person;*
	(b)	*to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.*
(14)	*The place of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority meant for the States or Union territories identified in the contract or agreement shall be taken as being in each of such States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the amount attributable to services provided by way of dissemination in the respective States or Union territories as may be 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.*	



ANALYSIS

Section 12 contains the provisions for determining the place of supply of services where both the 'location of supplier of services' and the 'location of recipient of services' are in India. If either of the two persons (supplier or recipient) is outside India, the place of supply is determined by section 13.

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Section 12 lays down a default provision to determine the place of supply of services as well as few other provisions to determine place of supply of certain specific services. Thus, place of supply is determined as per default provision in respect of services other than the ones covered by the specific provisions. It is also important to note that in many cases, the section provides different places of supply for a service supplied to registered and unregistered persons.

It must be kept in mind that the provisions of section 12 discussed hereunder are all in relation to domestic supply of services.

(i) Default provision [Section 12(2)]

The default provision is applicable only if the supply of service does not fall in any of the specific cases provided under section 12. It provides that the **place of supply of services made to a registered person is the location of the person receiving the services.** Since the supplier has the GSTIN of the person receiving the service, the location of such GSTIN is the place of supply.

However, if the services is supplied to an unregistered person, the place of supply is:

a) the location of such unregistered person, if the address of the unregistered person is available in the records of the supplier

b) the location of the supplier of services in other cases

The provision can be summarized as under:

Nature of Supply	Place of Supply	
	Recipient is registered	Recipient is unregistered
Supply of services other than the ones specified in sub-sections (3) to (14) of section 12	Location of recipient	a) If the address of the unregistered person is available in the records of the supplier, the location of such unregistered person. b) In other cases, the location of the supplier of services

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Clarification regarding place of supply of online services supplied by the suppliers of services to unregistered recipients

It has been clarified that a conjoint reading of section 12(2)(b) of the IGST Act, 2017, section 31(2) of the CGST Act[2] and proviso to rule 46(f) of CGST Rules[3] leads to a conclusion that in respect of supply of services made to unregistered persons, irrespective of the value of the said supply, the supplier is required to mandatorily record the name of the State of the unregistered recipient on the tax invoice, in cases involving supply of online money gaming or supply of taxable services by or through an electronic commerce operator or supply of online information and database access or retrieval (OIDAR) services.

Recording of the name of State of the unregistered recipient on the tax invoice in respect of such supply of services shall be deemed as the address on record of the recipient for the purpose of determination of place of supply of the said services under section 12(2)(b) of the IGST Act, 2017.



Accordingly, in such cases, the place of supply of such services shall be considered as the location of the recipient of the services as per provisions of clause (i) of section 12(2)(b) of the IGST Act, 2017.

Combined reading of the definitions of 'electronic commerce' and 'electronic commerce operator' as per section 2(44) and section 2(45) of the CGST Act, along with rule 46(f) of CGST Rules, provides an understanding that all services supplied to unregistered recipients over digital or electronic network, either by the supplier using his own digital or electronic facility / platform or through any other electronic

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Section 31(2) of the CGST Act, 2017 has been discussed in detail in Chapter-9 of Module-2 of the Study material. It provides that a registered person must issue a tax invoice for taxable services within a prescribed time, showing all required details. The Government may notify specific service categories where any other document can serve as a tax invoice or where issuing a tax invoice is not required.

[3] *Rule 46(f) of the CGST Rules, 2017 has been discussed in detail in Chapter-9 of Module-2 of the Study material. It provides that recipient details may be mentioned on invoices if requested by recipient for supplies below ₹ 50,000. However, it mandates mentioning the recipient's State in cases of online gaming or certain e-commerce and digital services to unregistered recipients, regardless of value.*

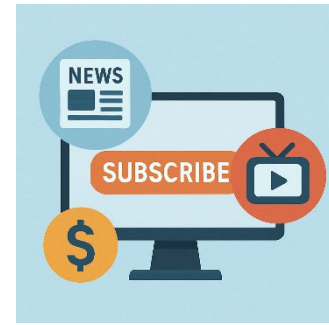
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or digital platform owned and operated by an independent electronic commerce operator, will be covered under proviso to rule 46(f) of CGST Rules, 2017.

It is, accordingly, clarified that provisions of proviso to rule 46(f) of CGST Rules, 2017 shall be applicable in respect of all the online supplies of services supplied to an unregistered recipient, in addition to the supply of online money gaming and OIDAR services.

- ***Supplier of online services to record name of State of unregistered recipient irrespective of value of supply***
- ***Name of State shall be deemed as address on record***
- ***Place of Supply-Location of Recipient***

Some of the examples of such services are subscription of e-newspapers and e-magazines, online subscription of entertainment services (e.g. OTT platforms), online telecom services, digital services through mobile applications etc.



Therefore, in respect of following cases of supplies to unregistered recipients, the suppliers are mandatorily required to record the name of the State of the recipient on the tax invoice, irrespective of the value of supply of such services, and to declare place of supply of the said services as the location of the recipient (based on the name of state of the recipient) in their details of outward supplies in form GSTR-1/1A.:-

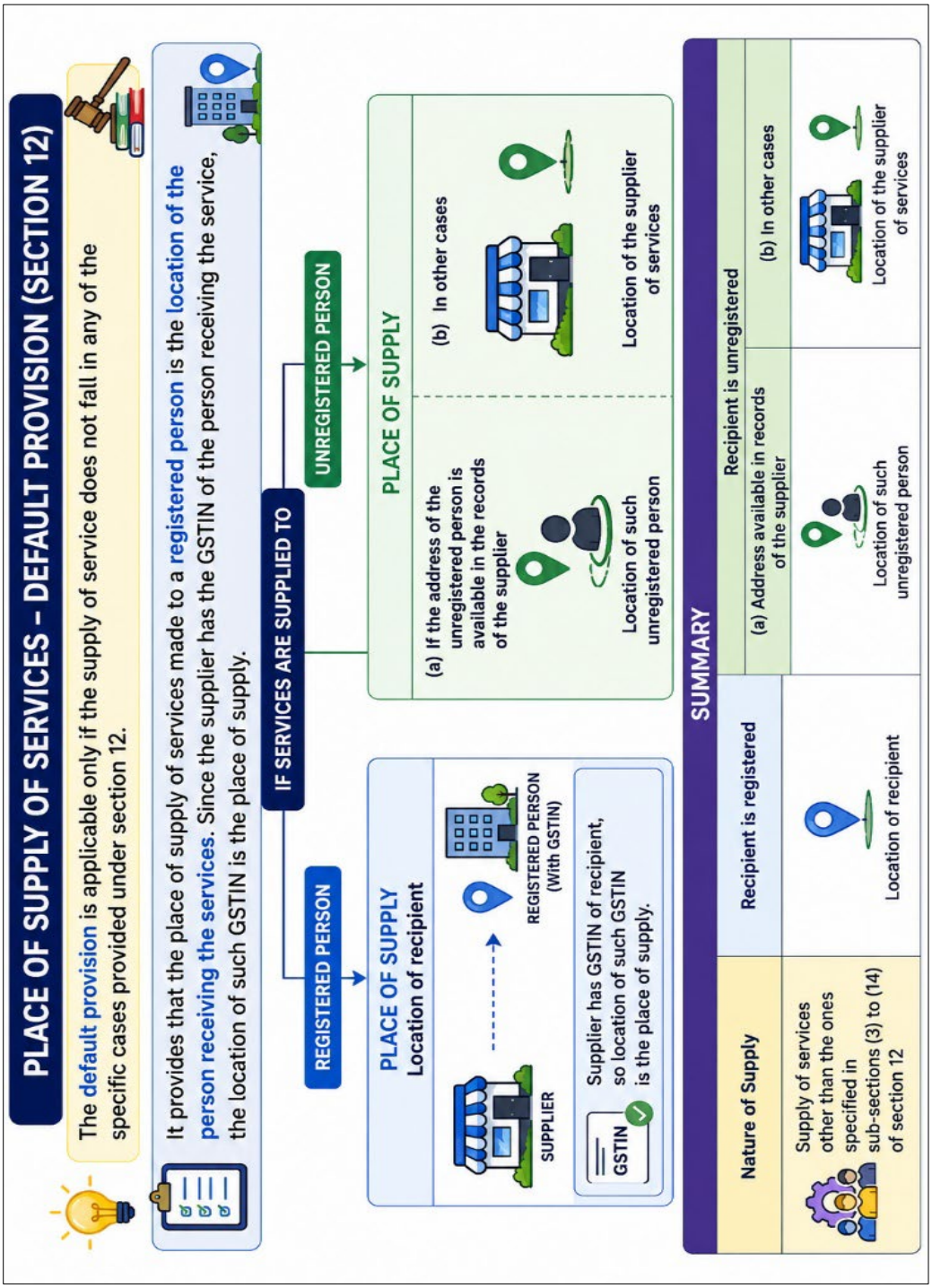
(i) Supply of any such online/ digital services,

(ii) OIDAR services and

(iii) Online money gaming

[Circular No. 242/36/2024 GST dated 31.12.2024]

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✪ ***The default presumption for place of supply in respect of registered recipients (B2B supply of services) is the location of such person. Since th e recipient is registered, address of recipient is always there and the same can be taken as proxy for place of supply.***

✪ ***The default presumption for place of supply in respect of unregistered recipients (B2C supply of services) is also the location of recipient. However, in many cases, the address of recipient is not available; in such cases, location of the supplier of services is taken as proxy for place of supply. . For instance, there are various B2C services where the address of the recipient is not recorded by the supplier of services. For instance, a person may visit a bank branch where he is not a regular customer and may get a demand draft against cash or request for conversion of foreign currency into local currency. The bank branch charges commission towards its consideration for the services supplied by it. The place of supply in such cases would be determined based on the location of the branch of the bank as the bank branch doesn't have the address of the said service recipient as a normal business practice.***



(11) Mr. A (a Chartered Accountant registered in New Delhi) makes a supply of service to his client MB Pvt. Ltd. of Noida, Uttar Pradesh (registered in Uttar Pradesh). In this case, since the supply is made to a registered person, the place of supply is the location of the registered recipient, i.e. Noida.

(12) Mr. A, a Chartered Accountant in Gurugram, Haryana, (registered in Haryana) provides consultancy 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.

(ii) Services in relation to an immovable property or lodging accommodation in a hotel/boat/vessel etc. [Section 12(3)]

Section 12(3) covers supplies of services which are (i) **directly** in relation to an immovable property, or (ii) by way of lodging accommodation in a hotel, etc. or a house-boat or vessel, or accommodation in any immovable property for organizing social, business functions etc. Such services are classified in the following major categories:

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(a) Services provided **directly** in relation to an immovable property including those by

- architects,
- interior decorators,
- surveyors,
- engineers and other related experts,
- estate agents



(b) Service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work

(c) Services provided by way of lodging accommodation by a

- hotel
- inn
- guest house
- homestay
- club
- campsite
- house boat
- vessel

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(d) Services provided by way of accommodation in an immovable property for organizing

- any marriage/reception or matters related thereto,
- official, social, cultural, religious or business functions
- including services provided in relation to such function at such property

(e) Services ancillary to the above-mentioned services

In all above cases, **location of the immovable property or the boat or the vessel or where such immovable property or the boat or the vessel is intended to be located, is the place of supply.**

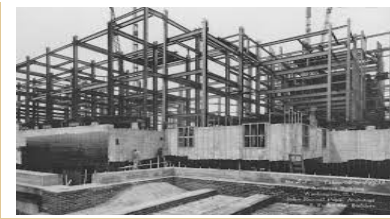
This provision is applicable on property already constructed/ developed as well as on the property yet to be constructed/ developed.

For example, if the services have been supplied for an immovable property which is yet to be constructed/developed (e.g. architect's services for drawing the plan of a building), the place where such immovable property is intended to be located is the place of supply.

If the immovable property/boat/vessel is located outside India, the location of recipient of the services is the place of supply.

example

(13) 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.



example

(14) 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 Ahmedabad, Gujarat. The place of supply is the place where the immovable property is intended to be located, i.e. Ahmedabad.

(15) 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.

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(16) 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) [4].

The provision can be summarized as under:

Nature of Supply	Location of immovable property/ boat/ vessel	Place of Supply
Supply of services relating to immovable property or lodging accommodation in a hotel/ boat/ vessel or accommodation in an immovable property for social/ business/ religious/ cultural functions	**In India**	Location/intended location of such immovable property/ boat/ vessel
	Outside India	Location of the recipient

Immovable property/Boat/Vessel located in more than one State/Union territory

Sometimes immovable property may extend to more than one location, for example, a railway line, a national highway or a bridge on a river may originate in one State and end in the other State or a house boat stay may traverse more than one State.

[4] *It is important to note that this case should not be confused with the case where either the supplier or recipient is located outside India. Here, the property is located outside India and both supplier and recipients are located in India.*

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In such cases, i.e. where the immovable property or boat or vessel is located in more than one State/Union territory, the service is deemed to have been supplied in each of the respective States/Union territories, in proportion to the value for the services determined in terms of the contract or agreement entered into in this regard.



Manner of determining proportionate value of service in the absence of a contract or agreement

In the absence of a contract or agreement between the supplier and recipient of services, the proportionate value of services supplied in different States/Union territories (where the immovable property or boat or vessel is located) is computed in accordance with rule 4 of IGST Rules as under:

S. No.	Type of service in relation to immovable property	Factor which determines the proportionate value of service supplied in different States/Union territories
(a)	Service provided by way of lodging accommodation by hotel, inn, guest house etc. and its ancillary services (other than the cases where such property is a single property located in 2 or more contiguous States/ Union territories or both)	Number of nights stayed in such property *Refer Example 17*
(b)	• All other services provided in relation to immovable property	Area of the immovable property lying in each

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	including services by way of accommodation in any immovable property for organising any marriage or reception etc. and in cases of supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called where such property is a single property located in 2 or more contiguous States or/and Union territories • Services ancillary to services mentioned above	State/ Union territories *Refer Example 18*
(c)	Services by way of lodging accommodation by a house boat or vessel and its ancillary services	Time spent by the boat or vessel in each such State/ Union territories, to be determined on the basis of declaration made by the service provider *Refer Example 19*

(17) Lodging accommodation by hotel/inn/guest house etc. and ancillary services excluding the property located in 2 or more contiguous States/ Union territories or both

A hotel chain X charges a consolidated sum of ₹ 30,000/- for stay in its two establishments in Delhi and Agra, where the stay in Delhi is for 2 nights and the stay in Agra is for 1 night.



The place of supply in this case is both in the Union territory of Delhi and in the State of Uttar

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Pradesh and the service shall be deemed to have been provided in the Union territory of Delhi and in the State of Uttar Pradesh in the ratio 2:1 respectively.

The value of services provided will thus be apportioned as ₹ 20,000/- in the Union territory of Delhi and ₹ 10,000/- in the State of Uttar Pradesh.

(18) Other services provided in relation to immovable property

There is a piece of land of area 20,000 square feet which is partly in State S1 say 12,000 square feet and partly in State S2, say 8000 square feet. Site preparation work has been entrusted to T. The ratio of land in the two states works out to 12:8 or 3:2 (simplified).



The place of supply is in both S1 and S2. The service shall be deemed to have been provided in the ratio of 12:8 or 3:2 (simplified) in the States S1 and S2 respectively.

The value of the service shall be accordingly apportioned between the States.

(19) Lodging accommodation by a house boat or vessel and its ancillary services

A company C provides the service of 24 hours accommodation in a houseboat, which will transit both in Kerala and Karnataka in as much as the guests board the house boat in Kerala and stay there for 22 hours but it also moves into Karnataka for 2 hours (as declared by the service provider).

The place of supply of this service is in the States of Kerala and Karnataka. The service shall be deemed to have been provided in the ratio of 22:2 or 11:1 (simplified) in the states of Kerala and Karnataka, respectively.

The value of the service shall be accordingly apportioned between the States.

(iii) Restaurant and catering service, personal grooming, fitness, beauty and health services [Section 12(4)]

The place of supply of restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery is the location where such services are **actually performed.**

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(20) Mr. A, a businessman 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.

(21) 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.

(iv) Training and performance appraisal services [Section 12(5)]

The place of supply of services in relation to training and performance appraisal depends upon whether the supply is B2B or B2C.

In B2B supply, i.e. **where the recipient of service is a registered person, the place of supply is the location of such person.**

However, in case of B2C supply, i.e. **where the recipient of service is unregistered, the place of supply is the place where the service is actually performed.**

(22) DEO Consultants (Kolkata) impart GST training to accounts and finance personnel of Sun Cements Ltd., Guwahati, Assam (registered office) at the company's Kolkata office which is also registered under GST. Since the contract is entered with Guwahati office, and it being a registered recipient, the place of supply is the location of the registered person, i.e. Guwahati.

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(23) 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.

(v) Services by way of ADMISSION to events/amusement park/other places [Section 12(6)]

The place of supply of following services-

(i) services provided by way of ADMISSION to following types of events:



(ii) services provided by way of admission to amusement park or any other place

(iii) services ancillary to the above-mentioned services



is the **place where the event is actually held or where the park or such other place is located.**

example

(24) 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.

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(25) 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.

(vi) ORGANISATION of events [Section 12(7)]

For supplies related to ORGANIZATION of events or assigning sponsorship to such events, the place of supply depends on whether the supply is made to a registered person or an unregistered person.

When such service is provided to a registered person, the place of supply is location of recipient.

When it is provided to an unregistered person, the place of supply is the location where the event is actually held and if the event is held outside India, the place of supply is the location of recipient.

The event can be a cultural, artistic, sporting, scientific, educational or entertainment event. It can also be a conference, fair, exhibition, celebration or other similar event.

Place of supply of services ancillary to organisation of such type of events or assigning of sponsorship to such events is also determined under sub-section (7) of section 12, i.e. in the manner described above. The provision has been summarized as under:

Nature of Supply	Place of Supply	
	Recipient is registered	Recipient is unregistered
Organisation of events or services ancillary to the same or assigning of sponsorship to such events	Location of recipient	Location where the event is held
Organisation of events outside India		Location of recipient



(26) Mega Events, an event management company at New Delhi, organizes an award function for Shah Diamond Merchants of Ahmedabad (registered in Gujarat), at Mumbai. Since the recipient is a registered person, the place of supply is the location of the recipient, i.e. Ahmedabad.

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(27) Mega Events, an event management company at New Delhi, organizes an award function for Shah Diamond Merchants of Ahmedabad (registered in Gujarat), in Mauritius. Since the recipient is a registered person, the place of supply is the location of the recipient, i.e. Ahmedabad.

(28) 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.

(29) Grand Wedding Planners (Chennai) is hired by Mr. Ramesh (unregistered person based in Hyderabad) to plan and organise his wedding in Seychelles. The recipient 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.

Event held in more than one State/Union territory

If the event is held in more than one State/Union territory and a consolidated amount is charged for services relating to such event, the place of supply of such services is deemed to be in each of the respective States/Union territories in proportion to the value for services determined in terms of the contract or agreement entered into in this regard.

The above provision is applicable only when the recipient is unregistered, as for a registered recipient, the place of supply is the location of such recipient.

Manner of determining proportionate value of service in the absence of a contract or agreement

In the absence of a contract or agreement between the supplier and recipient of services, the proportionate value of services made in different States/Union territories (where the event is held) is computed in accordance with rule 5 of the IGST Rules by the application of generally accepted accounting principles.

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(30) An event management company E has to organize some promotional events in States S1 and S2 for a recipient R (unregistered). 3 events are to be organized in S1 and 2 in S2. They charge a consolidated amount of ₹ 10,00,000 from R. The place of supply of this service is in both the States S1 and S2. Say the proportion arrived at by the application of generally accepted accounting principles is 3:2. The service shall be deemed to have been provided in the ratio 3:2 in S1 and S2 respectively. The value of services provided will thus be apportioned as ₹ 6,00,000/- in S1 and ₹ 4,00,000/- in S2.



(vii) Transportation of goods including mail or courier [Section 12(8)]

The place of supply of services by way of transportation of goods, including by mail or courier, etc. provided to a registered person, is the location of such person.

However, where such services are provided to an unregistered person, the place of supply is the location at which such goods are handed over for their transportation.







Where the goods are being transported outside India, i.e. where the destination of goods transported is outside India, and the supplier of services by way of transportation of goods and its recipient are located in India, place of supply will be determined as per above provisions only.

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(31) 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.

(32) 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.

(33) PR Pvt. Ltd., a Goods Transportation Agency based in Kanpur, Uttar Pradesh, is hired by Hajela Enterprises (registered 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.

(34) ST Pvt. Ltd., a Goods Transportation Agency based in Noida, Uttar Pradesh, is hired by Chhaya Trade Links (registered 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.

(35) 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 Pradeh. 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.

(36) M/s JKL Pvt. Ltd. is a registered company in Chennai. It ships goods to its customer in London, United Kingdom through M/s Strong Logistics, a shipping company. The place of supply of services of transportation of goods provided by M/s Strong Logistics to M/s JKL Pvt. Ltd. is the location of the recipient, i.e. Chennai.

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(viii) Passenger transportation service [Section 12(9)]

Nature of Supply	Place of Supply	
	Recipient is registered	**Recipient is unregistered**
Passenger transportation	Location of the recipient	Location where the passenger embarks on the conveyance for a continuous journey *[See definition under the heading "Relevant Definitions]*
Issue of right to passage for future use and the point of boarding not known at the time of issue of right to passage		a) If the **address of the unregistered person** is available in the records of the supplier, the **location of such unregistered person.** b) In other cases, the **location of the supplier** of services

The return journey is treated as a separate journey, even if the tickets for onward and return journey are issued at the same time.



(37) 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.

(38) 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

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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.

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.

Examples of issue of right to passage for future use-point of boarding not known at the time of issue of right

(39) An airline may issue seasonal tickets, containing say 10 voucher which could be used for travel between any two locations in the country.

(40) 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.

(ix) Service supplied on board a conveyance [Section 12(10)]

Nature of Supply	Place of Supply
Service supplied on board a conveyance*	Location of the first scheduled point of departure of that conveyance for the journey

** Note - Conveyance includes a vessel, an aircraft, a train or a motor vehicle.*

You may recollect that the proxy for place of supply of goods on board a conveyance is the location at which the goods are taken on board. Services being intangible, the same proxy cannot be used for determining the place of supply for services supplied on board a conveyance. Therefore, for services, the proxy is the location of the first scheduled point of departure of that conveyance for the journey

However, for determining the place of supply of both goods and services supplied on board a conveyance, no distinction is made between registered and unregistered recipients.

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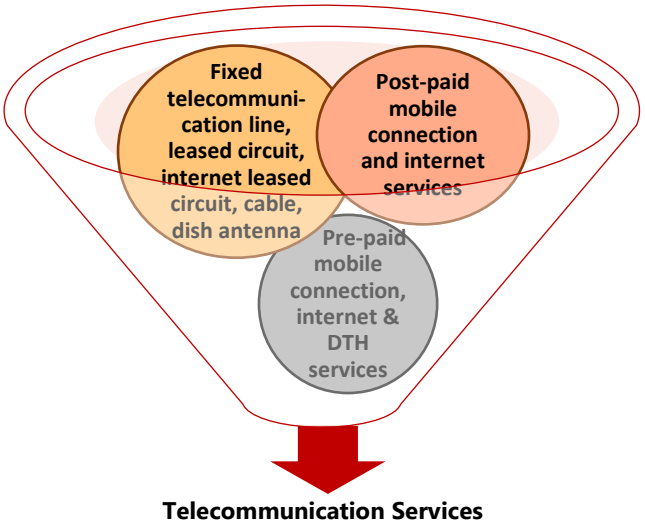
(41) Mr. X is travelling from Delhi to Mumbai in an Airjet flight. He desires to watch an English movie during the journey by making the necessary payment. The place of supply of such service of showing 'movie on demand' is the first scheduled point of departure of the conveyance for the journey, i.e. Delhi.

(x) Telecommunication service [Section 12(11)]

Telecommunication services include the services of telephone, data transfer (internet), broadcasting, cable, DTH (Direct to home) services, etc. Section 12(11) classifies the telecommunication services into 3 categories for the purpose of determining the place of supply as under:



- Services provided using a fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna
- Post-paid mobile connection and post-paid internet services
- Pre-paid mobile connection and pre-paid internet and DTH services



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The place of supply of the various types of telecommunication services is tabulated as under:

<table>
<tr><th>Nature of Supply</th><th>Place of Supply</th><th>Recipient</th></tr>
<tr><td>❑ Fixed telecommunication line
❑ Leased circuits
❑ Internet leased circuit
❑ Cable or dish antenna</td><td>Location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services</td><td rowspan="6">ANY PERSON</td></tr>
<tr><td>Post-paid mobile connection and internet services</td><td>• Location of billing address of the recipient of services in the records of the supplier of services
• Location of the supplier of services, if the address is not available</td></tr>
<tr><td>Pre-paid mobile connection, internet services and DTH services (recharge coupon, vouchers, net pack etc.)</td><td rowspan="2">Address of the selling agent/ re-seller/ distributor at the time of supply</td></tr>
<tr><td>Services provided through a
❑ selling agent
❑ re-seller
❑ distributor of subscriber identity module card or recharge voucher</td></tr>
<tr><td>Services provided by any person to final subscriber</td><td>Location where such pre-payment is received or such vouchers are sold</td></tr>
<tr><td>Pre-paid services, the payment for which is made through internet banking/ other electronic mode of payment</td><td>Location of the recipient of services in the records of the supplier of services</td></tr>
</table>

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Other cases	• The address of the recipient as per the records of the supplier of services • Location of the supplier of services, if the address is not available	



(42) 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.

(43) 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.

(44) Mr. D (Mumbai) takes a post-paid mobile connection in Mumbai from Skybel Ltd and gives his residence address at Mumbai as the address for billing with supplier. The place of supply is the location of billing address of the recipient, i.e. Mumbai.

(45) Mr. E (New Delhi) gets his post-paid mobile bill (billing address New Delhi) paid online from Goa. The place of supply is the location of the billing address of the recipient, i.e. New Delhi.

(46) 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.

(47) Mr. F (Puducherry) gets a pre-paid mobile recharged from a grocery shop in Chennai. The place of supply is the location where such pre-payment is received, i.e. Chennai.

Leased circuit is installed in more than one State/Union territory

If the leased circuit is installed in more than one State/Union territory and a consolidated amount is charged for supply of services, the place of supply is deemed to be in each of the respective States/Union territories in proportion to the value for services determined in terms of the contract or agreement entered into in this regard.

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Manner of determining proportionate value of service in the absence of a contract or agreement

In the absence of a contract or agreement between the supplier and recipient of services, the value of services supplied in different States/Union territories (where the leased circuit is installed) is determined in accordance with rule 6 of the IGST Rules in proportion to the number of points lying in each such State/ Union territory.

The number of points in a circuit is determined in the following manner-

(i) In the case of a circuit between two points or places, the starting point or place of the circuit and the end point or place of the circuit will invariably constitute two points – Refer Example 48

(ii) Any intermediate point or place in the circuit will also constitute a point provided that the benefit of the leased circuit is also available at that intermediate point – Refer Example 49 & 50



(48) Circuit between two points or places

A company T installs a leased circuit between the Delhi and Mumbai offices of a company C. The starting point of this circuit is in Delhi and the end point of the circuit is in Mumbai. Hence, one point of this circuit is in Delhi and another in Maharashtra. The place of supply of this service is in the Union territory of Delhi and the State of Maharashtra. The service shall be deemed to have been provided in the ratio of 1:1 in the Union territory of Delhi and the State of Maharashtra, respectively.

(49) Intermediate point or place in the circuit

A company T installs a leased circuit between the Chennai, Bengaluru and Mysuru offices of a company C. The starting point of this circuit is in Chennai and the end point of the circuit is in Mysuru. The circuit also connects Bengaluru. Hence, one point of this circuit is in Tamil Nadu and two points in Karnataka. The place of supply of this service is in the States of Tamil Nadu and Karnataka. The service shall be deemed to have been provided in the ratio of 1:2 in the States of Tamil Nadu and Karnataka, respectively.

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(50) Intermediate point or place in the circuit

A company T installs a leased circuit between the Kolkata, Patna and Guwahati offices of a company C. There are 3 points in this circuit in Kolkata, Patna and Guwahati. One point each of this circuit is, therefore, in West Bengal, Bihar and Assam. The place of supply of this service is in the States of West Bengal, Bihar and Assam. The service shall be deemed to have been provided in the ratio of 1:1:1 in the States of West Bengal, Bihar and Assam, respectively.

(xi) Financial and stock broking services [Section 12(12)]





The place of supply of banking and other financial services, including stock broking services to any person is the **location of the recipient of services in the records of the supplier of services.** However, if the location of recipient of services is not available in the records of the supplier, the place of supply is the **location of the supplier of services.**

(51) Mr. A (Chennai) buys shares from a broker in BSE (Mumbai). The place of supply is the location of the recipient of services in the records of the supplier, i.e. Chennai.

(52) 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.

(53) Mr. C from Varanasi, Uttar Pradesh, visits a bank registered in New Delhi for getting a demand draft made. Mr. C does not have any account with the said bank. Therefore, 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.

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(xii) Insurance services [Section 12(13)]

The place of supply of insurance services is the **location of recipient when provided to a registered recipient.**

If such services are provided to a person other than a registered person, the place of supply is the **location of the recipient of services in the records of the supplier of services.**



(54) 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.

(55) 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 in the records of the supplier, i.e. Patna.

(xiii) Advertisement service to the Government [Section 12(14)]

Nature of Supply	Place of Supply
Advertisement service to the Central Government/ State Government/ Statutory body/ Local authority meant for the State/Union territory identified in contract or agreement	Each of such States/ Union territories where the advertisement is broadcasted/ run / played/ disseminated.

The value of such supplies specific to each State/Union territory is in proportion to the amount attributable to the services provided by way of dissemination in the respective States/Union territories determined in terms of the contract or agreement entered into in this regard.

Manner of determining proportionate value of service in the absence of a contract or agreement

In the absence of a contract or agreement between the supplier and recipient of services, the proportionate value of advertisement services attributable to

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different States/Union territories (where the advertisement is broadcasted/ run /played/disseminated) is computed in accordance with rule 3 of IGST Rules as under:

Sl. No.	Type of advertisement	Value of service attributable to dissemination in different States/Union territories where the advertisement is broadcasted/ run /played/disseminated
1.	Advertisements in newspapers and publications	Amount payable for publishing an advertisement in all the editions of a newspaper or publication, which are published in each State/Union territory *Refer Example 56*
2.	Advertisements through printed material like pamphlets, leaflets, diaries, calendars, T-shirts, etc.	Amount payable for the distribution of a specific number of such material in each State/Union territory *Refer Example 57*
3.	Advertisements in hoardings (other than those on trains)	Amount payable for the hoardings located in each State/ Union territory *Refer Example 58*
4.	Advertisements on trains	Amount attributable to each State/Union territory calculated in the ratio of length of the railway track in each of such State/Union territory, for that train *Refer Example 59*
5.	Advertisements on the back of utility bills of oil and gas companies, etc.	Amount payable to each State/Union territory for the advertisements on bills pertaining to consumers having billing addresses in each of such State/Union territory

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6.	Advertisements on railway tickets	Amount attributable to each State/Union territory calculated in the ratio of number of Railway Stations in each of such State/Union territory *Refer Example 60*
7.	Advertisements on radio stations	Amount payable to such radio station, which by virtue of its name is part of each State/Union territory *Refer Example 61*
8.	Advertisement on television channels	Amount attributable to each State/Union territory calculated basis the viewership of such channel in each of such State/ Union territory which shall be derived as under: (a) Viewership can be ascertained from the channel viewership figures published by the Broadcast Audience Research Council. (b) Figures for the last week of a given quarter is used for calculating viewership for the succeeding quarter. (c) Where the channel viewership figures relate to a region comprising of more than one State/Union territory, the viewership figures for a State/ Union territory of that region, is calculated in ratio of the populations of that State/Union territory, as determined in the latest Census. (d) The ratio of the viewership figures for each State or Union territory so calculated, when applied to the amount payable for the service, shall represent the portion of the value

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		attributable to the dissemination in that State or Union territory *Refer Example 62*
9.	Advertisements in cinema halls	Amount payable to a cinema hall or screens in a multiplex in each State/ Union territory. *Refer Example 63*
10.	Advertisements on internet It is deemed that such service is provided all over India.	Amount attributable to each State/Union territory calculated basis the internet subscribers in each of such State/ Union territory which shall be derived in the following manner: (a) Internet subscribers can be ascertained from the internet subscriber figures published by the (b) Telecom Regulatory Authority of India (TRAI). (c) Figures for the last quarter of a given financial year will be used for calculating the number of internet subscribers for the succeeding financial year. (d) Where the internet subscriber figures relate to a region comprising of more than one State/Union territory, the subscriber figures for a State/Union territory of that region shall be calculated in the ratio of the populations of that State/Union territory, as determined in the latest census. (e) The ratio of the subscriber figures for each State or Union territory so calculated, when applied to the amount payable for the service, shall

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		represent the portion of the value attributable to the dissemination in that State or Union territory *Refer Example 64*
11.	Advertisements through SMS	Amount attributable to each State/Union territory calculated on the basis of the telecom subscribers in each of such State/ Union territory. (a) Telecom subscribers in a telecom circle can be ascertained from the telecom subscribers figures published by the TRAI. (b) Figures for a given quarter will be used for calculating the subscribers for the succeeding quarter. (c) Where such figures relate to a telecom circle comprising of more than one State/Union territory, the subscriber figures for that State/Union territory shall be calculated in the ratio of the populations of that State/Union territory, as determined in the latest census. *Refer Examples 65-68*

(56) Advertisements in newspapers and publications

ABC is a government agency which deals with the all the advertisement and publicity of the Government. It has various wings dealing with various types of publicity. In furtherance thereof, it issues release orders to various agencies and entities.



These agencies and entities thereafter provide the service and then issue invoices to ABC indicating the amount to be paid by them.

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ABC issues a release order to a newspaper for an advertisement on 'Beti bachao beti padhao', to be published in the newspaper DEF (whose head office is in Delhi) for the editions of Delhi, Pune, Mumbai, Lucknow and Jaipur. The release order will have details of the newspaper like the periodicity, language, size of the advertisement and the amount to be paid to such a newspaper.

The place of supply of this service shall be in the Union territory of Delhi, and the States of Maharashtra, Uttar Pradesh and Rajasthan. The amounts payable to the Pune and Mumbai editions would constitute the proportion of value for the State of Maharashtra which is attributable to the dissemination in Maharashtra.

Likewise, the amount payable to the Delhi, Lucknow and Jaipur editions would constitute the proportion of value attributable to the dissemination in the Union territory of Delhi and States of Uttar Pradesh and Rajasthan respectively. DEF should issue separate State-wise and Union territory-wise invoices based on the editions.

(57) Advertisements through printed material like pamphlets, leaflets, diaries, calendars, T-shirts, etc.

As a part of the campaign 'Swachh Bharat', ABC has engaged a company GH for printing of 1,00,000 pamphlets (at a total cost of ₹ 1,00,000) to be distributed in the States of Haryana, Uttar Pradesh and Rajasthan. In such a case, ABC should ascertain the breakup of the pamphlets to be distributed in each of the three States, i.e. Haryana, Uttar Pradesh and Rajasthan, from the Ministry or department concerned at the time of giving the print order.



Let us assume that this breakup is 20,000, 50,000 and 30,000 respectively. This breakup should be indicated in the print order.

The place of supply of this service is in Haryana, Uttar Pradesh and Rajasthan. The ratio of this breakup, i.e. 2:5:3 will form the basis of value attributable to the dissemination in each of the three States. Separate invoices will have to be issued State-wise by GH to ABC indicating the value pertaining to that State, i.e. ₹ 20,000 - Haryana, ₹ 50,000 - Uttar Pradesh and ₹ 30,000 - Rajasthan.

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(58) Advertisements in hoardings (other than those on trains

ABC as part of the campaign 'Saakshar Bharat' has engaged a firm IJ for putting up hoardings near the Airports in the 4 metros, i.e. Delhi, Mumbai, Chennai and Kolkata. The release order issued by ABC to IJ will have the city-wise, location-wise breakup of the amount payable for such hoardings.

The place of supply of this service is in the Union territory of Delhi and the States of Maharashtra, Tamil Nadu and West Bengal. In such a case, the amount actually paid to IJ for the hoardings in each of the 4 metros will constitute the value attributable to the dissemination in the Union territory of Delhi and the States of Maharashtra, Tamil Nadu and West Bengal respectively. Separate invoices will have to be issued State-wise and Union territory-wise by IJ to ABC indicating the value pertaining to that State or Union territory.

(59) Advertisements on trains

ABC places an order on KL for advertisements to be placed on a train with regard to the 'Janani Suraksha Yojana'. The length of a track in a State will vary from train to train. Thus, for advertisements to be placed on the Hazrat Nizamuddin Vasco Da Gama Goa Express which runs through Delhi, Haryana, Uttar Pradesh, Madhya Pradesh, Maharashtra, Karnataka and Goa, KL may ascertain the total length of the track from Hazrat Nizamuddin to Vasco Da Gama as well as the length of the track in each of these States and Union territory from the website *www.indianrail.gov.in*.



The place of supply of this service is in the Union territory of Delhi and States of Haryana, Uttar Pradesh, Madhya Pradesh, Maharashtra Karnataka and Goa.

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The value of the supply in each of these States and Union territory attributable to the dissemination in these States will be in the ratio of the length of the track in each of these States and Union territory. If this ratio works out to say 0.5:0.5:2:2:3:3:1, and the amount to be paid to KL is ₹ 1,20,000, then KL will have to calculate the State-wise and Union territory-wise breakup of the value of the service, which will be in the ratio of the length of the track in each State and Union territory.

In the given example, the State-wise and Union territory-wise breakup works out to Delhi (₹ 5,000), Haryana (₹ 5,000), Uttar Pradesh (₹ 20,000), Madhya Pradesh (₹ 20,000), Maharashtra (₹ 30,000), Karnataka (₹ 30,000) and Goa (₹ 10,000). Separate invoices will have to be issued State-wise and Union territory-wise by KL to ABC indicating the value pertaining to that State or Union territory.

(60) Advertisements on railway tickets

ABC has issued a release order to MN for display of advertisements relating to the 'Ujjwala' scheme on the railway tickets that are sold from all the Stations in the States of Madhya Pradesh and Chattisgarh.



The place of supply of this service is in Madhya Pradesh and Chattisgarh. The value of advertisement service attributable to these two States will be in the ratio of the number of railway stations in each State as ascertained from the Railways or from the website *www.indianrail.gov.in*.

Let us assume that this ratio is 713:251 and the total bill is ₹ 9,640. The breakup of the amount between Madhya Pradesh and Chattisgarh in this ratio of 713:251 works out to ₹ 7,130 and ₹ 2,510 respectively. Separate invoices will have to be issued State-wise by MN to ABC indicating the value pertaining to that State.

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(61) Advertisements on radio stations



For an advertisement on 'Pradhan Mantri Ujjwala Yojana', to be broadcast on a FM radio station OP, for the radio stations of OP Kolkata, OP Bhubaneswar, OP Patna, OP Ranchi and OP Delhi, the release order issued by ABC will show the breakup of the amount which is to be paid to each of these radio stations. The plac e of supply of this service is in West Bengal, Odisha, Bihar, Jharkhand and Delhi. The place of supply of OP Delhi is in Delhi even though the studio may be physically located in another State. Separate invoices will have to be issued State-wise and Union territory-wise by MN to ABC based on the value pertaining to each State or Union territory.

(62) Advertisement on television channels

ABC issues a release order with QR channel for telecasting an advertisement relating to the 'Pradhan Mantri Kaushal Vikas Yojana' in the month of November. In the first phase, this will be telecast in the Union territory of Delhi, States of Uttar Pradesh, Uttarakhand, Bihar and Jharkhand.



The place of supply of this service is in Delhi, Uttar Pradesh, Uttarakhand, Bihar and Jharkhand. In order to calculate the value of supply attributable to Delhi, Uttar Pradesh, Uttarakhand, Bihar and Jharkhand, QR has to proceed as under —

I. QR will ascertain the viewership figures for their channel in the last week of September from the Broadcast Audience Research Council. Let us assume it is 1,00,000 for Delhi and 2,00,000 for the region comprising of Uttar Pradesh and Uttarakhand and 1,00,000 for the region comprising of Bihar and Jharkhand.

II. Since the Broadcast Audience Research Council clubs Uttar Pradesh and Uttarakhand into one region and Bihar and Jharkhand into

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another region, QR will ascertain the population figures for Uttar Pradesh, Uttarakhand, Bihar and Jharkhand from the latest census.

III. By applying the ratio of the populations of Uttar Pradesh and Uttarakhand, as so ascertained, to the Broadcast Audience Research Council viewership figures for their channel for this region, the viewership figures for Uttar Pradesh and Uttarakhand can be calculated.

Let us assume that the ratio of the populations of Uttar Pradesh and Uttarakhand works out to 9:1. When this ratio is applied to the viewership figures of 2,00,000 for this region, the viewership figures for Uttar Pradesh and Uttarakhand work out to 1,80,000 and 20,000 respectively.

IV. In a similar manner, the breakup of the viewership figures for Bihar and Jharkhand can be calculated. Let us assume that the ratio of populations is 4:1 and when this is applied to the viewership figure of 1,00,000 for this region, the viewership figure for Bihar and Jharkhand works out to 80,000 and 20,000 respectively.

V. The viewership figure for each State works out to Delhi (1,00,000), Uttar Pradesh (1,80,000), Uttarakhand (20,000), Bihar (80,000) and Jharkhand (20,000). The ratio is thus 10:18:2:8:2 or 5:9:1:4:1 (simplification).



VI. This ratio has to be applied when indicating the breakup of the amount pertaining to each State. Thus, if the total amount payable to QR by ABC is ₹ 20,00,000, the State-wise breakup is ₹ 5,00,000 (Delhi), ₹ 9,00,000 (Uttar Pradesh) ₹ 1,00,000 (Uttarakhand), ₹ 4,00,000 (Bihar) and ₹ 1,00,000 (Jharkhand). Separate invoices will have to be issued State-wise and Union territory-wise by QR to ABC indicating the value pertaining to that State or Union territory.



(63) Advertisements in cinema halls

ABC commissions ST for an advertisement on 'Pradhan Mantri Awas Yojana' to be displayed in the cinema halls in Chennai and Hyderabad. The place of supply of this service is in the States of Tamil Nadu and Telangana. The amount actually paid to the cinema hall or screens in a

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multiplex, in Tamil Nadu and Telangana as the case may be, is the value of advertisement service in Tamil Nadu and Telangana respectively. Separate invoices will have to be issued State-wise and Union territory-wise by ST to ABC indicating the value pertaining to that State.

(64) Advertisements on internet

ABC issues a release order to WX for a campaign over internet regarding linking Aadhaar with one's bank account and mobile number. WX runs this campaign over certain websites. In order to ascertain the State-wise breakup of the value of this service which is to be reflected in the invoice issued by WX to ABC, WX has to first refer to the Telecom Regulatory Authority of India figures for quarter ending March, as indicated on their website www.trai.gov.in.

These figures show the service area wise internet subscribers. There are 22 service areas. Some relate to individual States some to two or more States and some to part of one State and another complete State. Some of these areas are metropolitan areas.

In order to calculate the State-wise breakup, first the State-wise breakup of the number of internet subscribers is arrived at. (In case figures of internet subscribers of one or more States are clubbed, the subscribers in each State is to be arrived at by applying the ratio of the respective populations of these States as per the latest census.).

Once the actual number of subscribers for each State has been determined, the second step for WX involves calculating the State-wise ratio of internet subscribers. Let us assume that this works out to 8:1:2..... and so on for Andhra Pradesh, Arunachal Pradesh, Assam... and so on. The third step for WX will be to apply these ratios to the total amount payable to WX so as to arrive at the value attributable to each State. Separate invoices will have to be issued State-wise and Union territory-wise by WX to ABC indicating the value pertaining to that State or Union territory.

(65) Advertisements through SMS

In the case of the telecom circle of Assam, the amount attributed to the telecom circle of Assam is the value of advertisement service in Assam.

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(66) The telecom circle of North East covers the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura. The ratio of populations of each of these States in the latest census will have to be determined and this ratio applied to the total number of subscribers for this telecom circle so as to arrive at the State-wise figures of telecom subscribers. Separate invoices will have to be issued State-wise by the service provider to ABC indicating the value pertaining to that State.

(67) ABC commissions UV to send short messaging service to voters asking them to exercise their franchise in elections to be held in Maharashtra and Goa. The place of supply of this service is in Maharashtra and Goa. The telecom circle of Maharashtra consists of the area of the State of Maharashtra (excluding the areas covered by Mumbai which forms another circle) and the State of Goa. When calculating the number of subscribers pertaining to Maharashtra and Goa, UV has to -

I. obtain the subscriber figures for Maharashtra circle and Mumbai circle and add them to obtain a combined figure of subscribers;

II. obtain the figures of the population of Maharashtra and Goa from the latest census and derive the ratio of these two populations;

III. this ratio will then have to be applied to the combined figure of subscribers so as to arrive at the separate figures of subscribers pertaining to Maharashtra and Goa;

IV. the ratio of these subscribers when applied to the amount payable for the short messaging service in Maharashtra circle and Mumbai circle, will give breakup of the amount pertaining to Maharashtra and Goa. Separate invoices will have to be issued State-wise by UV to ABC indicating the value pertaining to that State.

(68) The telecom circle of Andhra Pradesh consists of the areas of the States of Andhra Pradesh, Telangana and Yanam, an area of the Union territory of Puducherry. The subscribers attributable to Telangana and Yanam will have to be excluded when calculating the subscribers pertaining to Andhra Pradesh.

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6. PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER OR LOCATION OF RECIPIENT IS OUTSIDE INDIA [SECTION 13]

STATUTORY PROVISIONS

Section 13	Place of supply of services where location of supplier or location of recipient is outside India	
Sub-section	**Clause**	**Particulars**
(1)		The provisions of this section shall apply to determine the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India.
(2)		The place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services:
		Provided that where the location of the recipient of services is not available in the ordinary course of business, the place of supply shall be the location of the supplier of services.
(3)		The place of supply of the following services shall be the location where the services are actually performed, namely:—
	(a)	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:
		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

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		shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs or for any other treatment or process and are exported after such repairs or treatment or process without being put to any use in India, other than that which is required for such repairs or treatment or process.
	(b)	*services supplied to an individual, represented either as the recipient of services or a person acting on behalf of the recipient, which require the physical presence of the recipient or the person acting on his behalf, with the supplier for the supply of services.*
(4)	*The place of supply of services supplied directly in relation to an immovable property, including services supplied in this regard by experts and estate agents, supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called, grant of rights to use immovable property, services for carrying out or co-ordination of construction work, including that of architects or interior decorators, shall be the place where the immovable property is located or intended to be located.*	
(5)	*The place of supply of services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organisation, shall be the place where the event is actually held.*	
(6)	*Where any services referred to in sub-section (3) or sub-section (4) or sub-section (5) is supplied at more than one location, including a location in the taxable territory, its place of supply shall be the location in the taxable territory.*	
(7)	*Where the services referred to in sub-section (3) or sub-section (4) or sub-section (5) are supplied in more than one State or Union territory, the place of supply of such services shall be taken as being in each of the respective States or Union territories and the value of such supplies specific to each State or Union territory shall*	

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	be 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.		
(8)	*The place of supply of the following services shall be the location of the supplier of services, namely:—*		
	(a)	*services supplied by a banking company, or a financial institution, or a non-banking financial company, to account holders;*	
	(c)	*services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month*[3]*.*	
	Explanation.—For the purposes of this sub-section, the expression,–		
	(a)	*"account" means an account bearing interest to the depositor, and includes a non-resident external account and a non-resident ordinary account;*	
	(b)	*"banking company" shall have the same meaning as assigned to it under clause (a) of section 45A of the Reserve Bank of India Act, 1934;*	
	(c)	*''financial institution" shall have the same meaning as assigned to it in clause (c) of section 45-I of the Reserve Bank of India Act, 1934;*	
	(d)	*"non-banking financial company" means,—*	
		(i)	*a financial institution which is a company;*
		(ii)	*a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or*

[3] *Clause (b) of section 13(8) has been omitted by the Finance Act 2026 w.e.f. 30-03-2026.*

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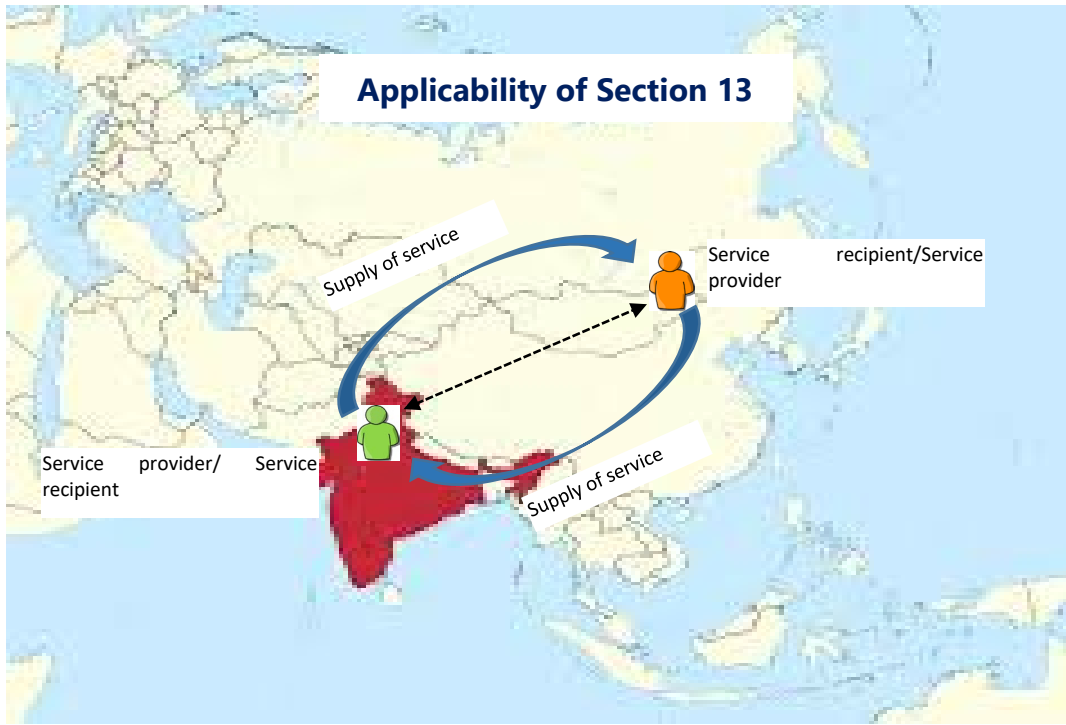
		(iii)	*such other non-banking institution or class of such institutions, as the Reserve Bank of India may, with the previous approval of the Central Government and by notification in the Official Gazette, specify*[4].
(10)	*The place of supply in respect of passenger transportation services shall be the place where the passenger embarks on the conveyance for a continuous journey.*		
(11)	*The place of supply of services provided on board a conveyance during the course of a passenger transport operation, including services intended to be wholly or substantially consumed while on board, shall be the first scheduled point of departure of that conveyance for the journey.*		
(12)	*The place of supply of online information and database access or retrieval services shall be the location of the recipient of services.*		
	Explanation.––For the purposes of this sub-section, person receiving such services shall be deemed to be located in the taxable territory, if any two of the following non- contradictory conditions are satisfied, namely:––		
	(a)	*the location of address presented by the recipient of services through internet is in the taxable territory;*	
	(b)	*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;*	
	(c)	*the billing address of the recipient of services is in the taxable territory;*	
	(d)	*the internet protocol address of the device used by the recipient of services is in the taxable territory;*	
	(e)	*the bank of the recipient of services in which the account used for payment is maintained is in the taxable territory;*	

[4] *Section 13(9) was omitted by the Finance Act 2023 w.e.f. 01-10-2023.*

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	(f)	*the country code of the subscriber identity module card used by the recipient of services is of taxable territory;*
	(g)	*the location of the fixed land line through which the service is received by the recipient is in the taxable territory.*
(13)	*In order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules, the Government shall have the power to notify any description of services or circumstances in which the place of supply shall be the place of effective use and enjoyment of a service.*	

ANALYSIS



Section 13 provides for determination of place of supply of services in cases where either the location of the supplier of services or the recipient of services is outside India. Thus, this section provides the place of supply in relation to international or cross-border supply of services. Place of supply of a service is one of the factors which determines as to whether a service can be termed as import or export of service.

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Similar to section 12, section 13 also lays down a default provision to determine the place of supply of services as well as few other provisions to determine place of supply of certain specific services. Thus, place of supply is determined as per default provision in respect of services other than the ones covered by the specific provisions.

Further, sub-section (13) of section 13 empowers the Central Government to notify services or circumstances for which the place of supply will be the place of effective use and enjoyment of service so as to prevent double taxation/non-taxation of the supply of a service.

It must be kept in mind that the provisions of section 13 discussed hereunder are all in relation to cross border supply of services.

(i) Default provision [Section 13(2)]

The default provision is applicable only if the supply of service does not fall in any of the specific cases provided in section 13.

This provision provides that the place of supply of services is **the location of the recipient of services.**

However, **if the location of the recipient of services is not available** in the ordinary course of business, the place of supply is **the location of the supplier of services.**

The provision can be summarized as under:

Nature of Supply	Place of Supply	
	Location of recipient is available	**Location of recipient is not available**
Supply of services other than the ones specified in sub-sections (3) to (13) of section 13	Location of the recipient of services	Location of the supplier of services

The principal exceptions to the above default provision relating to place of supply of cross border services are:

- Performance-based services

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- Services directly in relation to immovable property
- Admission to and/or organization of events, celebrations etc.
- Services supplied by a banking company, financial institution, non-banking financial company (NBFS) to account holders
- Hiring of means of transport other than aircrafts and vessels except yachts, up to a period of one month
- Passenger transportation services
- Services on board a conveyance during the course of a passenger transport operation
- Online information and database access or retrieval services

The place of supply of each of the above exceptions is discussed below.

(ii) Performance based services [Section 13(3)]

	Nature of Supply	Place of Supply
(i)	Services requiring physical presence of goods on which the services are to be performed 	Location where the service is actually performed
	Exceptions: Services supplied in respect of goods, that are temporarily imported into India for repairs or for any other treatment or process and are exported after such repairs/treatment/process, without being put to any other use in India	❑ Location of the recipient ❑ Location of the supplier if location of recipient is not available

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	Services supplied in respect of goods, that are provided from a remote location by electronic means 	Location where goods are situated at the time of supply of services
(ii)	Services supplied to an individual, which require the physical presence of the recipient	Location where the service is actually performed
(iii)	Services at (i) and (ii) above supplied at more than one location including a location in the taxable territory 	Location in the taxable territory
(iv)	Services at (i) and (ii) supplied in more than one State/Union territory	Each of State /Union territory

In case of cutting and polishing activity on unpolished diamonds which are temporarily imported into India and are not put to any use in India, the place of supply would be determined as per the provisions contained in section 13(2) - *Circular No. 103/22/2019 GST dated 28.06.2019*.

(69) MX Pvt. Ltd. (New Delhi) imports a machine from Germany for being installed in its factory at New Delhi. To install such machine, MX Pvt. Ltd. takes the service of an engineer who comes to India from Germany for this specific installation. The place of supply of installation service, which requires the physical presence of machinery, is the location where the service is actually performed, i.e. New Delhi.

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(70) A mobile company located in United States of America (USA) takes services of a software company located in Bangalore for installation of a software in its mobiles in USA. The Indian software company provides its services through electronic means from its office in India. The place of supply is the location where goods (mobile phones) are situated at the time of supply of service, i.e. USA.

(71) ABC Ltd., Hyderabad has exported a machine to a company in Indonesia. The machine stops functioning and is thus, imported by ABC Ltd. for free repairs in terms of the sale contract. The machine is exported after repairs without being put to any use in India. The place of supply of repair service is the location of the recipient, i.e. Indonesia.

(72) QR Pvt. Ltd. imports raw diamonds from a diamond merchant in Belgium for the purpose of cutting, polishing and finishing the same. After the work is completed, the finished diamonds are exported to the diamond merchant in Belgium. The place of supply of the services undertaken by QR Pvt. Ltd. is the location of the recipient, i.e. Belgium.

(73) Mr. X, a hair stylist registered in New Delhi, travels to Singapore to provide his services to Ms. Y, a resident of Singapore. The place of supply is the location where the services are actually performed, i.e. Singapore.

(74) PQR Consultants, New Delhi, bags a contract for doing market research for a vehicle manufacturing company based in South Korea, in respect of its upcoming model of a car. The research is to be carried out in five countries including New Delhi in India. Since the services are supplied at more than one location including a location in the taxable territory, the place of supply is the location in the taxable territory, i.e. New Delhi.

Value of supply of service supplied in more than one State/Union territory

The value of services supplied

(i) in respect of goods requiring physical presence of such goods; and

(ii) to an individual requiring his physical presence

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in each State or Union territory - where the service is performed - (when such services are supplied in more than one State/union territory) is in proportion to the value for services determined in terms of the contract or agreement entered into in this regard.

Manner of determining proportionate value of service in the absence of a contract or agreement

In the absence of a contract or agreement between the supplier and recipient of services, the proportionate value of services supplied in different States/Union territories (where the service is performed) is computed in accordance with rule 7 of IGST Rules in the following manner:

S. No.	Cases	Manner of computing the proportionate value of service
(i)	Services supplied on the same goods	Equally dividing the value of service in each of the States/ Union territory where the service is performed *Refer Example 75*
(ii)	Services supplied on different goods	Considering the ratio of the invoice value of goods in each States/ Union territory, on which service is performed, as the ratio of the value of the service performed in each State/Union territory *Refer Example 76*
(iii)	Services supplied to individuals	Applying generally accepted accounting principles. *Refer Example 77*



(75) Services supplied on the same goods

A company C which is located in Kolkata is providing the services of testing of a dredging machine and the testing service on the machine is carried out in Orissa and Andhra Pradesh. The place of supply is in Orissa and Andhra Pradesh and the value of the service in Orissa and Andhra Pradesh will be ascertained by dividing the value of the service equally between these two States.

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(76) Services supplied on different goods

A company C which is located in Delhi is providing the service of servicing of two cars belonging to Mr. X. One car is of manufacturer J and is located in Delhi and is serviced by its Delhi workshop. The other car is of manufacturer A and is located in Gurugram and is serviced by its Gurugram workshop. The value of service attributable to the Union territory of Delhi and the State of Haryana respectively shall be calculated by applying the ratio of the invoice value of car J and the invoice value of car A, to the total value of the service.

(77) Services supplied to individuals

A makeup artist M has to provide make up services to an actor A. A is shooting some scenes in Mumbai and some scenes in Goa. M provides the makeup services in Mumbai and Goa. The services are provided in Maharashtra and Goa and the value of the service in Maharashtra and Goa will be ascertained by applying the generally accepted accounting principles.

(iii) Services in relation to immovable property [Section 13(4)]

Nature of Supply	Place of Supply
Services supplied **directly** in relation to an immovable property like ❑ Services of experts and estate agents ❑ Accommodation by a hotel, inn, guest house, club or campsite ❑ Grant of rights to use immovable property ❑ Construction and related services ❑ Services of architects or interior decorators	Location of immovable property located or intended to be located





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Above services supplied at more than one location, including a location in the taxable territory	Location in the taxable territory
Above services supplied in more than one State/Union territory	Each of State/Union territory



(78) Mr. C, an architect (New Delhi), provides professional services to Mr. Z of New York in relation to his immovable property located in Pune. The place of supply is the location of immovable property, i.e. Pune.

(79) Mr. C, an architect (New Delhi), enters into a contract with Mr. Z of New York to provide professional services in respect of immovable properties of Mr. Z located in Pune and New York. Since the immovable properties are located in more than one location including a location in the taxable territory, the place of supply is the location in the taxable territory, i.e. Pune.

Manner of determining value of supply of service supplied in more than one State/Union territory

The value of services supplied directly in relation to an immovable property in each State or Union territory – where the service is supplied - (when such services are supplied in more than one State/union territory) is in proportion to the value for services determined in terms of the contract or agreement entered into in this regard.

Manner of determining proportionate value of service in the absence of a contract or agreement

In the absence of a contract or agreement between the supplier and recipient of services, the proportionate value of services supplied in different States/Union territories (where the service is supplied) is computed in accordance with rule 8 of IGST Rules. Rule 8 lays down that in the absence of any such contract or agreement, the value is determined by applying the provisions of rule 4 of the said rules, *mutatis mutandis*.

Thus, the provisions for determining the proportionate value of services provided directly in relation to an immovable property under section 12(3)

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[both the supplier and the recipient are located in India] are applicable for determining the proportionate value of services directly provided in relation to an immovable property under section 13(4) [either the supplier or the recipient is located outside India] as well. *[Rule 4 prescribing the provisions for determining the proportionate value of services provided directly in relation to an immovable property under section 12(3) is discussed earlier in this chapter.]*

(iv) Services by way of admission to and/or organization of events or celebrations etc. [Section 13(5)]

<table>
<tr><th>Nature of Supply</th><th>Place of Supply</th></tr>
<tr><td>Services supplied by way of admission to or organisation of following:
Cultural, artistic, sporting, scientific, educational, entertainment events

Celebration, conference, fair, exhibition
Similar events</td><td rowspan="2">Place where the event is actually held</td></tr>
<tr><td>Services ancillary to such admission or organization of event</td></tr>
<tr><td>Above services supplied at more than one location, including a location in the taxable territory</td><td>Location in the taxable territory</td></tr>
<tr><td>Above services supplied in more than one State/Union territory</td><td>Each of State/Union territory</td></tr>
</table>

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(80) A circus team from Russia organizes a circus in New Delhi. The place of supply is the location where the event is actually held, i.e. New Delhi.

(81) An event management company registered in New Delhi organises an art exhibition displaying works of an international painter based in Dubai. The exhibition is organised in 3 countries including New Delhi in India. Since the service is supplied at more than one location including a location in the taxable territory, the place of supply is the location in the taxable territory, i.e. New Delhi.

Manner of determining value of supply of service supplied in more than one State/Union territory

The value of services supplied by way of admission to or organisation of an event in each State or Union territory – where the service is supplied - (when such services are supplied in more than one State/union territory) is in proportion to the value for services determined in terms of the contract or agreement entered into in this regard.

Manner of determining proportionate value of service in the absence of a contract or agreement

In the absence of a contract or agreement between the supplier and recipient of services, the proportionate value of services supplied in different States/Union territories (where the service is supplied) is computed in accordance with rule 9 of IGST Rules.

Rule 9 lays down that in the absence of any such contract or agreement, the value is determined by applying the provisions of rule 5 of the said rules, *mutatis mutandis*.

Thus, the provisions for determining the proportionate value of services supplied by way of organization of an event under section 12(7) [both the supplier and the recipient are located in India] are applicable for determining the proportionate value of services supplied by way of admission to or organization of an event under section 13(5) [either the supplier or the recipient is located outside India] as well. *[Rule 5 prescribing the provisions for determining the proportionate value of services supplied by way of organization of an event under section 12(7) discussed earlier in this chapter.]*

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(v) Banking and financial services and hiring of means of transport [Section 13(8)]

Nature of Supply	Place of Supply
Services supplied by a banking company, or a financial institution, or a non-banking financial company, to account holders *[See definition of these terms in Explanation to sub-section (8) of section 13]*	Location of the supplier of services
Services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of 1 month 	

example

(82) Mr. C, a non-resident, has an NRE account with Varanasi Bank (registered in Uttar Pradesh) in India. The place of supply of banking services provided by the Varanasi Bank to Mr. C, a non-resident customer, is the location of the supplier of service, i.e. Varanasi.



(83) XYZ & Sons, Kolkata, is an agent who facilitates supply of goods between foreign customers and Indian sellers. The place of supply of intermediary services is the location of the recipient of services and not supplier of services.

(84) Mr. D, an unregistered person based in New Delhi hires a yacht from a company based in London, UK for 20 days. The place of supply is the location of the supplier of services, i.e. London.



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(vi) Transportation services [Sub-sections (10) and (11) of section 13]

Nature of Supply	Place of Supply
Passenger transportation services	Place where the passenger embarks on the conveyance for a continuous journey *[See definition]*
Services provided on board a conveyance during passenger transportation including services intended to be wholly or substantially consumed while on board	First scheduled point of departure of that conveyance for the journey

The place of supply of supply of services of transportation of goods, where location of supplier or location of recipient is outside India will be governed by the default provision section 13(2) *[discussed earlier]*.

(85) Mr. A, a foreign tourist, has booked a ticket for New Delhi-Sri Lanka flight from an airlines registered in New Delhi for a continuous journey without any stopover. The place of supply of services by airlines is the place where the passenger embarks on the conveyance for a continuous journey, i.e. New Delhi.

(vii) Online information and database access or retrieval services (OIDAR) [Section 13(12)]

The place of supply of OIDAR *[See definition]* is the location of the recipient of services.

It is difficult to determine the location of the recipient in case of OIDAR as such recipients normally access the services online and are not required to disclose their location.



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The explanation to sub-section (12) lays down 7 conditions. On satisfying any 2 non-contradictory conditions out of such seven conditions, the service recipient is deemed to be located in the taxable territory, i.e. India.

The **seven conditions** are:

(a) the recipient gives an Indian address through internet;

(b) the payment is settled by an Indian credit card/debit card/other card;

(c) the recipient has an Indian billing address;

(d) the computer/other device used by the recipient has an Indian IP address;

(e) the recipient uses an Indian bank account for payment;

(f) the country code of the subscriber identity module card used by the recipient of services is of India;

(g) the recipient receives the service through an Indian fixed land line.

(viii) Notified services [Section 13(13)]

In order to prevent double taxation or non-taxation of supply of any service, section 13(13) empowers the Government to notify any service for which the place of supply shall be the place of effective use and enjoyment of service.

The following services have been notified[5] in this regard:

(1) Research and development services related to pharmaceutical sector

The following research and development services related to pharmaceutical sector [as specified in columns (2) and (3) from Sl. No. 1 to 10 of the table given below] when supplied by a person located in taxable territory to a person located in the non-taxable territory, have been notified as the services for which the place of supply shall be the place of effective use and enjoyment of a service as specified in the corresponding entry in column (4) of the table given below:

[5] *vide Notification No. 04/2019 IT dated 30.09.2019*

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Sl. No.	Nature of supply	General description of supply	Place of supply
(1)	(2)	(3)	(4)
1.	Integrated discovery and development	This process involves discovery and development of molecules by pharmaceutical sector for medicinal use. The steps include designing of compound, evaluation of the drug metabolism, biological activity, manufacture of target compounds, stability study and long-term toxicology impact.	When research and development services related to pharmaceutical sector as specified in columns (2) and (3) from Sl. No. 1 to 10 of this table are supplied by a person located in taxable territory to a person located in the non-taxable territory, the place of supply shall be the location of the recipient of services subject to fulfillment of the following conditions:- (i) Supply of services from the taxable
2.	Integrated development		
3.	Evaluation of the efficacy of new chemical/ biological entities in animal models of disease	This is in vivo research (i.e. within the animal) and involves development of customized animal model diseases and administration of novel chemical in doses to animals to evaluate the gene and protein expression in response to disease. In nutshell, this process tries to discover if a novel chemical entity that can reduce or modify	

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		the severity of diseases. The novel chemical is supplied by the service recipient located in non-taxable territory.	territory is provided as per a contract between the service provider located in taxable territory and service recipient located in non-taxable territory. (ii) Such supply of services fulfills all other conditions in the definition of export of services, except the condition that place of supply is outside India.
4.	Evaluation of biological activity of novel chemical/ biological entities in in-vitro assays	This is in vitro research (i.e. outside the animal). An assay is first developed and then the novel chemical is supplied by the service recipient located in non-taxable territory and is evaluated in the assay under optimized conditions.	
5.	Drug metabolism and pharmacokinetics of new chemical entities	This process involves investigation whether a new compound synthesized by supplier can be developed as new drug to treat human diseases in respect of solubility, stability in body fluids, stability in liver tissue and its toxic effect on body tissues. Promising compounds are further evaluated in animal experiments using rat and mice.	

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6.	Safety Assessment/ Toxicology	Safety assessment involves evaluation of new chemical entities in laboratory research animal models to support filing of investigational new drug and new drug application. Toxicology team analyses the potential toxicity of a drug to enable fast and effective drug development.	
7.	Stability Studies	Stability studies are conducted to support formulation, development, safety and efficacy of a new drug. It is also done to ascertain the quality and shelf life of the drug in their intended packaging configuration.	
8.	Bio-equivalence and Bioavailability Studies	Bio-equivalence is a term in pharmacokinetics used to assess the expected in vivo biological equivalence of two proprietary preparations of a drug. If two products	

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		are said to be bioequivalent it means that they would be expected to be, for all intents and purposes, the same. Bioavailability is a measurement of the rate and extent to which a therapeutically active chemical is absorbed from a drug product into the systemic circulation and becomes available at the site of action.	
9.	Clinical trials	The drugs that are developed for human consumption would undergo human testing to confirm its utility and safety before being registered for marketing. The clinical trials help in collection of information related to drugs profile in human body such as absorption, distribution, metabolism, excretion and interaction. It allows choice of safe dosage	

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10.	Bio analytical studies	Bio analysis is a sub-discipline of analytical chemistry covering the quantitative measurement of drugs and their metabolites, and biological molecules in unnatural locations or concentrations and macromolecules, proteins, DNA, large molecule drugs and metabolites in biological systems.	

(2) B2B MRO services of aircrafts or aircraft engines/ components/ parts

Description of services or circumstances	Place of supply
Supply of maintenance, repair or overhaul service (hereinafter referred as MRO service) in respect of aircrafts, aircraft engines and other aircraft components or parts supplied to a person for use in the course or furtherance of business	Location of the recipient of service

(3) B2B MRO services of ships and other vessels, their engines and other components

Description of services or circumstances	Place of supply
Supply of MRO service in respect of ships and other vessels, their engines and other components or parts supplied to a person for use in the course or furtherance of business	The place of supply of services shall be the location of the recipient of service

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7. CLARIFICATIONS ON PLACE OF SUPPLY

(1) Place of supply of the goods (particularly being supplied through e-commerce platform) to unregistered persons where billing address is different from the address of delivery of goods



Issue: Mr. A (unregistered person) located in X State places an order on an e-commerce platform for supply of a mobile phone, which is to be delivered at an address located in Y State. Mr. A, while placing the order on the e-commerce platform, provides the billing address located in X State. In such a scenario, what would be the place of supply of the said supply of mobile phone, whether the State pertaining to the billing address i.e. State X or the State pertaining to the delivery address i.e. State Y?

Clarification: As per the provisions of section 10(1)(ca) [discussed earlier in this chapter], the **place of supply of goods shall be the address of delivery of goods recorded on the invoice** i.e. State Y in the present case where the delivery address is located.



Also, in such cases involving supply of goods to an unregistered person, where the billing address and delivery address are different, the supplier may record the delivery address as the address of the recipient on the invoice for the purpose of determination of place of supply of the said supply of goods[6].

[6] *Circular No. 209/3/2024 GST dated 26.06.2024*

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(2) Place of supply in respect of various cargo handling services provided by ports to clients

The port authorities provide various services to its clients in relation to cargo handling. Some of such services are in respect of arrival of wagons at port, haulage of wagons inside port area up-to place of unloading, siding of wagons inside the port, unloading of wagons, movement of unloaded cargo to plot and staking hereof, movement of unloaded cargo to berth, shipment/loading on vessel etc.



It is clarified that such services are ancillary to or related to cargo handling services and are not related to immovable property. Accordingly, the place of supply of such services will be determined as per the provisions contained in section 12(2) or section 13(2), as the case may be, depending upon the terms of the contract between the supplier and recipient of such services[7].

(3) Place of supply in case of software/ design services related to Electronics Semi-conductor and Design Manufacturing (ESDM) industry

A number of companies that are part of the growing Electronics Semiconductor and Design Manufacturing (ESDM) industry in India are engaged in the process of developing software and designing integrated circuits electronically for customers located overseas. The customer electronically provides Indian development and design companies with design requirements and Intellectual Property blocks ("IP blocks", reusable units of software logic and design layouts that can be combined to form newer designs). Based on these, the Indian company digitally integrates the various IP blocks to develop the software and the silicon or hardware design. These designs are communicated abroad (in industry standard electronic formats) either to the customer or (on behest of the customer) a manufacturing facility for the manufacture of hardware based on such designs.

[7] *Circular No. 103/22/2019 GST dated 28.06.2019*

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In addition, the software developed is also integrated upon or customized to this hardware. On some occasions, samples of such prototype hardware are then provided back to the Indian development and design companies to test and validate the software and design that has been developed to ensure that it is error free.

The question arose whether provision of hardware prototypes and samples and testing thereon lends these services the character of performance-based services in respect of "goods required to be made physically available by the recipient to the provider".

It is observed that in contracts where service provider is involved in a composite supply of software development and design for integrated circuits electronically, testing of software on sample prototype hardware is often an ancillary supply, whereas, chip design/software development is the principal supply of the service provider. The service provider is not involved in software testing alone as a separate service. The testing of software/design is aimed at improving the quality of software/design and is an ancillary activity. The entire activity needs to be viewed as one supply and accordingly treated for the purposes of taxation. Artificial vivisection of the contract of a composite supply is not provided in law. These cases are fact based and each case should be examined for the nature of supply contracted.

Therefore, *Circular No. 118/37/2019 GST dated 11.10.2019* clarified that the place of supply of software/design by supplier located in taxable territory to service recipient located in non-taxable territory by using sample prototype hardware / test kits in a composite supply, where such testing is an ancillary supply, is the location of the service recipient as per section 13(2). Provisions of section 13(3)(a) do not apply separately for determining the place of supply for ancillary supply in such cases.

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(4) Place of supply in case of supply of service of transportation of goods, including through mail and courier where either supplier/recipient is outside India





As seen earlier in this chapter, there is no specific provision for determining the place of supply of service of transportation of goods, including through mail and courier in cases where location of supplier of services or location of recipient of services is outside India. Thus, the place of supply of said services will be determined by the default rule under section 13(2). Accordingly, in cases where the location of recipient of services is available, the place of supply of such services shall be the location of recipient of services and in cases where location of recipient of services is not available in the ordinary course of business, the place of supply shall be the location of supplier of services[8].

(5) Place of supply in case of supply of services in respect of advertising sector

Advertising companies are often involved in procuring space on hoardings/ bill-boards erected and mounted on buildings/land, in different States, from various suppliers ("vendors") for providing advertisement services to its corporate clients. There may be variety of arrangements between the advertising company and its vendors as below:

(i) **Issue:** There may be a case wherein there is supply (sale) of space or supply (sale) of rights to use the space on the hoarding/ structure (immovable property) belonging to vendor to the client/advertising company for display of their advertisement on the said hoarding/ structure. What will be the place of supply of services provided by the vendor to the advertising company in such case?

[8] *Circular No. 203/15/2023 GST dated 27.10.2023*

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Clarification: The hoarding/structure erected on the land should be considered as immovable structure or fixture as it has been embedded in earth. Further, place of supply of any service provided by way of supply (sale) of space on an immovable property or grant of rights to use an immovable property shall be governed by the provisions of section 12(3)(a).



As per section 12(3)(a) discussed earlier in this chapter, the place of supply of services 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 coordination of construction work shall be the location at which the immovable property is located. Therefore, the place of supply of service provided by way of supply of sale of space on hoarding/ structure for advertising or for grant of rights to use the hoarding/ structure for advertising in this case would be the location where such hoarding/ structure is located.

(ii) **Issue:** There may be another case where the advertising company wants to display its advertisement on hoardings/ billboards at a specific location availing the services of a vendor. The responsibility of arranging the hoardings/ billboards lies with the vendor who may himself own such structure or may be taking it on rent or rights to use basis from another person. The vendor is responsible for display of the advertisement of the advertisement company at the said location.

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During this entire time of display of the advertisement, the vendor is in possession of the hoarding/structure at the said location on which advertisement is displayed and the advertising company is not occupying the space or the structure. In this case, what will be the place of supply of such services provided by the vendor to the advertising company?

Clarification: In this case, as the service is being provided by the vendor to the advertising company and there is no supply (sale) of space/ supply (sale) of rights to use the space on hoarding/structure (immovable property) by the vendor to the advertising company for display of their advertisement on the said display board/structure, the said service does not amount to sale of advertising space or supply by way of grant of rights to use immovable property.



Accordingly, the place of supply of the same shall not be covered under section 12(3)(a). Vendor is in fact providing advertisement services by providing visibility to an advertising company's advertisement for a specific period of time on his structure possessed/taken on rent by him at the specified location.

Therefore, such services provided by the vendor to advertising company are purely in the nature of advertisement services in respect of which place of supply shall be determined in terms of section 12(2) [discussed earlier in this chapter][9].

[9] *Circular No. 203/15/2023 GST dated 27.10.2023*

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(6) Clarification on place of supply of custodial services[10] provided by banks to Foreign Portfolio Investors (FPIs)

Banks enter into custodial agreements with the FPIs for the provision of the custodial services. The main activity carried out by banks as a custodian is maintaining the account of the securities held by the FPIs. Custodial services to FPIs involve keeping their investments safe and handling transactions, like buying and selling stocks. This makes it easier for FPIs to invest in another country without worrying about the regulatory requirements.

It is important to note that section 13(8)(a) covers a situation where services are supplied by banking company or a financial institution or a non-banking company to account holders. However, custodial services are not considered to be covered under the services provided by bank to account holders, but have been considered to be covered under the services which are not provided to account holder.

Thus, the custodial services provided by banks or financial institutions to FPIs are not to be treated as services provided to 'account holder'. Therefore, the said services are not covered under section 13(8)(a) and the place of supply of custodial services will not be determined under section 13(8)(a). Therefore, the place of supply of such services is to be determined under the default provision i.e., section 13(2)[11].

(7) Place of supply of advertising services provided to foreign clients

A foreign company or firm hires an advertising company/agency in India for advertisement of its goods or services and may enter into a comprehensive agreement with the advertising company/agency

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[10] According to the SEBI (Custodian of Securities) Regulations 1996:

'Custodial Services' *in relation to securities means safekeeping of securities of a client and providing services incidental thereto, and includes-*

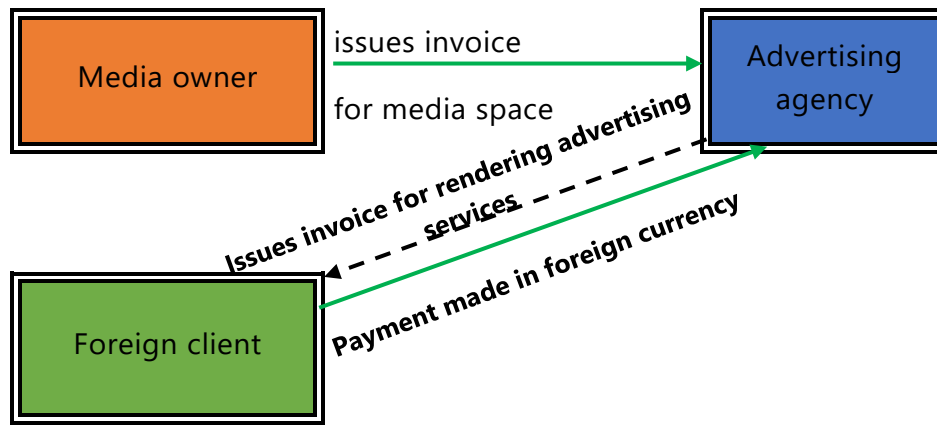
- *maintaining accounts of securities of a client;*
- *collecting the benefits or rights accruing to the client in respect of securities;*
- *keeping the client informed of the actions taken or to be taken by the issuer of securities, having a bearing on the benefits or rights accruing to the client; and*
- *maintaining and reconciling records of the services referred above.*

[11] Circular No. 220/14/2024 GST dated 26.06.2024

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encompassing all the issues related to advertising services ranging from media planning, investment planning for the same, creating and designing content, strategizing for maximum customer reach, the identification of media owners, dealing with media owners, procuring media space, etc. for displaying/broadcasting/printing of advertisement including monitoring of the progress of the same. In short, the advertising agency provides a one-stop solution to the client who outsources the entire activity to the agency.

In this scenario, media owners raise invoice to the advertising agency for inventory costs, which are then paid by the advertising agency. Subsequently, the advertising agency raises invoice to the foreign client for the rendered advertising services and receives the payments in foreign exchange from the foreign client.



In this regard, following has been clarified:

Issue-1 Whether the representative of foreign client in India or the target audience of the advertisement in India can be considered as the "recipient" of the services being supplied by the advertising company under section 2(93) of the CGST Act, 2017?

Clarification: As per section 2(93)(a) of the CGST Act, the "recipient" of the services means the person who is liable to pay consideration where a consideration is payable for the supply of goods or services or both.

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In the instant scenario, the foreign client is liable to pay the consideration to advertising company for the supply of advertising and not the consumers or the target audience that watches the advertisement in India.

Further, even if a representative of the said foreign client based in India, including a subsidiary or related person of the said foreign client, is interacting with the advertising company on behalf of the said foreign client, the said representative based in India can also not be considered as a recipient of the service, if the agreement is between the foreign client and the advertising company, the invoice is being issued for the said service by the advertising company to the foreign client and the payment for the said service is received by the advertising company directly from the said foreign client.

Therefore, in view of above, it is clarified that the recipient of the advertising services provided by the advertising company in such cases is the foreign client and not the Indian representative of the foreign client based in India or the target audience of the advertisements, as per section 2(93) of the CGST Act, 2017.

Issue-2 Whether the advertising services provided by the advertising companies to foreign clients can be considered as performance-based services as per section 13(3)?

Clarification: In the instant matter, there does not appear to be any such involvement of goods which are required to be physically available with the supplier of advertising services. Therefore, the provisions of section 13(3)(a) [discussed earlier] cannot be made applicable for determination of place of supply of advertising services. Further, the supply of advertising services does not require physical presence of the recipient (foreign client or representative or a person acting on his behalf) with the advertising company for availing the said advertising services. Thus, the said supply of advertising services cannot be considered as being covered under section 13(3)(b) [discussed earlier].

In view of the above discussion, the place of supply of the said advertising service being supplied by the advertising company to the foreign clients can only be determined as per the default provision, i.e.

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section 13(2), i.e. the location of the recipient of the services. Since the recipient of the advertising services in such scenario is the foreign client, who is located outside India, the place of supply of the said services appears to be the location of the said foreign client i.e. outside India as per section 13(2), and the said service can be considered to be export of services, subject to the fulfilment of conditions mentioned in section 2(6)[12].

(8) Place of supply of data hosting services provided by service providers located in India to cloud computing service providers located outside India

Data Hosting Service Providers (DHSPs) in India offer storage space and technical infrastructure to hold data for foreign Cloud Computing Service Providers (CCSPs). These CCSPs rely on Indian data centers to securely store and manage large amounts of information. This allows them to serve their clients without having their own physical storage in India. Under this business model,

1. A contract is entered into between CCSPs and DHSPs wherein CCSPs will use the data centres of DHSPs for hosting cloud computing services.

DATA HOSTING SERVICES

2. DHSP either:
   - owns premises for data centre or
   - operates data centre on leased premises.
3. It independently:
   - procures infrastructure and human resource, and
   - handles all aspects of data centre like rent, software and hardware infrastructure, power, net connectivity, security, human resource, etc. (even in case where some hardware is provided by CCSPs),

[12] *Circular No. 230/24/2024 GST dated 10.09.2024*

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- handles operations like infrastructure monitoring, IT management and equipment maintenance, etc.

to provide the said supply of data hosting services to CCSPs.

4. There is no contact between DHSP and the end users/consumers/subscribers of the foreign CCSP.

5. DHSP provides data hosting services to the CCSPs:

- on a web platform through computing and networking equipment
- for the purpose of:
  - ❑ collecting,
  - ❑ storing,
  - ❑ processing,
  - ❑ distributing or
  - ❑ allowing access to

  large amounts of data.

6. Data hosting services are:

- not passive supply of a service directly in respect of immovable property,
- comprehensive services related to data hosting which involves the supply of various services by DHSP like :
  - ❑ operating data center,
  - ❑ ensuring uninterrupted power supplies,
  - ❑ backup generators, network connectivity, backup facility,
  - ❑ firewall services
  - ❑ monitoring and surveillance service

  for ensuring continuous operations of the servers and related hardware, etc.

  which are essential for CCSP to provide cloud computing services to end users/ customer/ subscribers.

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CLOUD COMPUTING SERVICES

7. CCSP provides cloud-based applications and software services to various end users/ customers/ subscribers for data storage, analytics, artificial intelligence, machine learning, processing, database analysis and deployment services, etc.

8. The end users/ customers/ subscribers access cloud computing services seamlessly over the internet through technology hosted on data centers.

CLARIFICATION

With regard to data hosting services, it is observed that:

(a) DHSP provides data hosting services to the CCSP on principal-to-principal basis on his own account and is not acting as a broker or agent for facilitating supply of service between CCSPs and their end users/consumers.

(b) Data hosting services provided by DHSP to the said CCSPs cannot be considered in relation to the goods "made available" by the said CCSPs to the DHSP in India.

(c) Data hosting services cannot be considered as the services provided directly in relation to immovable property or physical premises.

In terms of the above discussion, it is inferred and clarified that the place of supply in such cases needs to be determined according to the default provision under section 13(2), i.e. the location of the recipient of the services.

Thus, where the CCSP receiving the data hosting services are located outside India, the place of supply will be considered to be outside India. Accordingly, supply of data hosting services being provided by a DHSP located in India to an overseas CCSP can be considered as export of services, subject to the fulfilment of the other conditions mentioned in section 2(6)[13].

[13] *Circular No. 232/26/2024 GST dated 10.09.2024*

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The above discussion has been depicted by way of a diagram below:



After understanding the concept of **'place of supply'** and meaning of the **'location of the supplier'**, you will now be in a position to better appreciate the meaning of the terms - **inter-State supply, intra-State supply and supply in course of territorial waters**. Therefore, these terms have been discussed in detail hereunder:

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8. INTER-STATE SUPPLY [SECTION 7 OF THE IGST ACT]

STATUTORY PROVISIONS

Section 7	***Inter-State Supply***
Sub-section	***Particulars***
(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.*
(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*

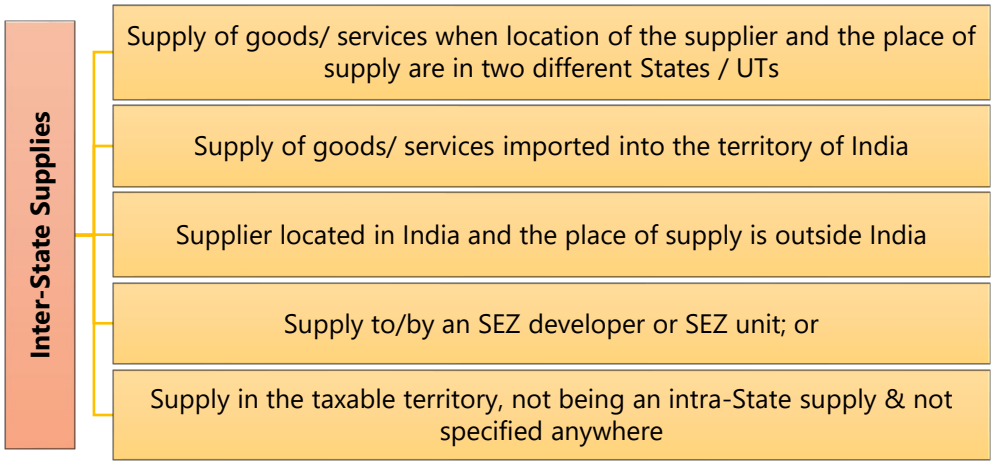
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	supply is outside India; *(b) to or by a Special Economic Zone developer or a Special Economic Zone unit; or* *(c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,* *shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.*



ANALYSIS

This section provides as to when the supplies of goods and/or services shall be treated as **Supply in the course of inter-State trade/commerce**.



A. SUPPLY OF GOODS' in the course of inter-State trade/commerce [Section 7(1) and (2)]

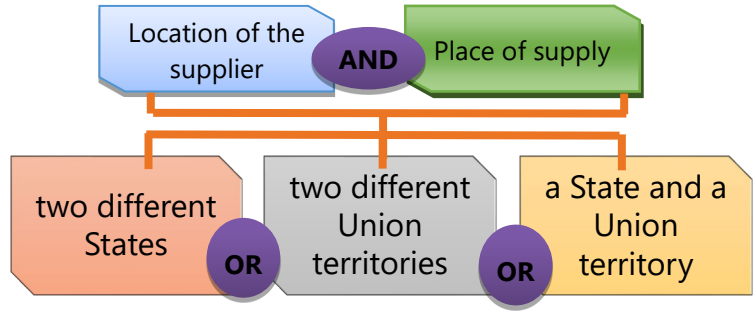


It primarily covers two kinds of supplies – Supply of goods within India and supply of goods imported into India. The two categories of supplies are discussed hereunder:

(i) Supplies within India

Supply of goods shall be considered as supply of goods in course of inter-State trade or commerce in the following cases:

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The above concept can be easily understood with the help of following examples. In each of the following cases, supplies of goods shall be treated as supply of goods in course of inter-State trade/commerce.

Location of Supplier		Place of Supply
Punjab	→	Haryana
Punjab	→	Daman and Diu
Daman and Diu	→	Chandigarh

(ii) Supplies from outside India



Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be considered as supply of goods in the course of inter-State trade or commerce. Import of goods, means bringing goods into India from a place outside India. Thus, all imports shall be deemed as inter-State supplies and accordingly IGST shall be levied on the imported goods in addition to the applicable custom duties.

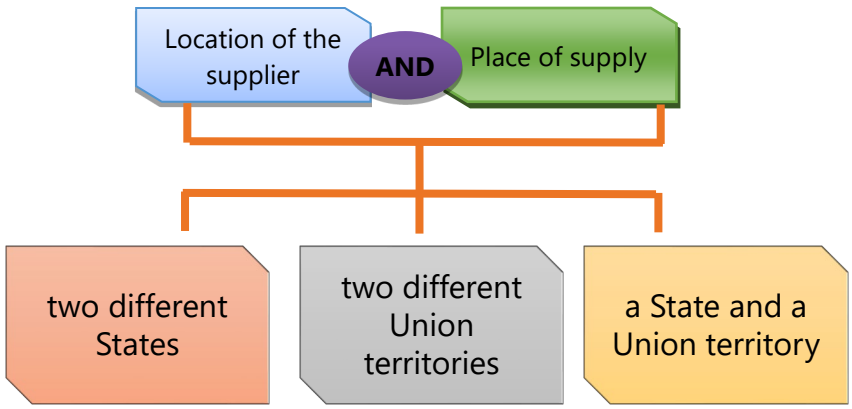
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B. 'SUPPLY OF SERVICES' in the course of inter-State trade/commerce [Section 7(3) and 7(4)]

It primarily covers two kinds of supplies – supply of services within India and import of services into India. The two categories of supplies are discussed hereunder:

(i) Supplies within India

Supply of services shall be considered as supply of services in course of inter-State trade or commerce in the following cases:



(ii) Import of services into India

Supply of services which are imported into territory of India, shall be treated as supply of services in the course of inter-State trade or commerce. The term 'import of services' has been defined under section 2(11) of the IGST Act as supply of any service where the supplier is located outside India, the recipient is located in India, and the place of supply of service is in India.

From the aforesaid discussion, it can be inferred that import of goods or services[14] shall be treated as inter-State supplies and would be subject to IGST.

[14] *Provisions relating to import of goods/services have been discussed in detail in Chapter 14 – Import and Export under GST in Module 3 of this Study Material.*

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C. SUPPLY OF GOODS OR SERVICES OR BOTH in the course of inter-State trade or commerce [Section 7(5)]

Certain supplies are treated as supplies in the course of inter-State trade or commerce, and shall equally apply to supply of goods and to supply of services. These have been discussed hereunder:

I. Supply of goods or services or both when the supplier is located in India and the place of supply is outside India



It is important to note here that in this case, location of recipient is not material to qualify as supply in the course of inter-State trade or commerce. However, such supplies of goods and/or services need to satisfy some more conditions to qualify as export of goods and/or services[15].

II. Supply of goods or services or both to or by a Special Economic Zone developer/ Special Economic Zone unit

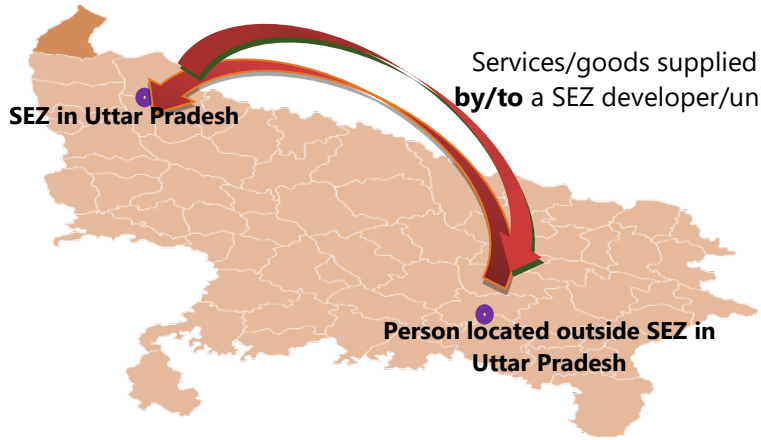
SEZ is a geographically bound zone within India where the economic laws relating to export and import are more liberal as compared to other parts of the country. For all tax purposes, SEZ is considered to be a place outside India. Any supplies made to SEZ unit/developer or vice versa are inter-State supplies. It is noteworthy that place of supply is not relevant in case of supplies to/from an SEZ unit or developer.

Further, supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit are zero-rated supplies [Section 16 of the IGST Act] – *Discussed in detail in Chapter 14 – Import and Export under GST.*

[15] *Provisions relating to export of goods/services have been discussed in detail in Chapter 14 – Import and Export under GST in Module 3 of this Study Material.*

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The same can be understood with the help of the following example:



III. Supply of goods and/or services in the taxable territory, not being an intra-State supply & not covered elsewhere in this section

This is a residuary clause and shall cover all supplies in taxable territory which are neither covered under any provisions [enumerated above] determining inter-State supplies nor are intra-State supplies.

9. INTRA-STATE SUPPLY [SECTION 8 OF THE IGST ACT]

STATUTORY PROVISIONS	
Section 8	***Intra-State Supply***
Sub-section	***Particulars***
(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:*

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	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.*
	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 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.



ANALYSIS

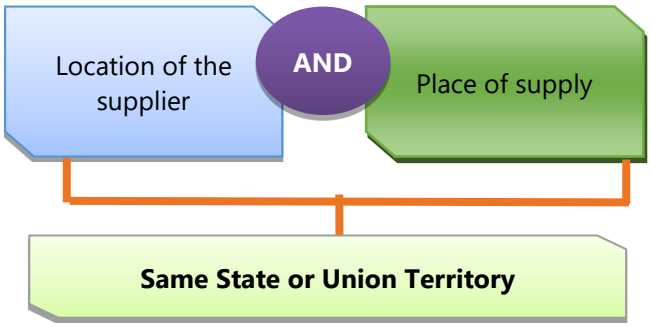
This section provides as to when the supplies of goods and/or services shall be treated as **intra-State supply**.

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A. Which supplies of goods/services shall be treated as intra-State supplies? [Section 8(1) and 8(2) of the IGST Act]



Supply of goods/services where the location of the supplier and the place of supply of goods/services are in the same State or same Union territory shall be treated as intra-State supply. Such supplies are exigible to CGST and SGST.



The concept discussed above has been explained by way of following examples:

(86-89)

Location of Supplier	Place of Supply	Whether qualifies as intra-State supply?
Punjab	Punjab	Yes
London	Delhi	No
Delhi	Gujarat	No
Puducherry	Puducherry	Yes

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B. Exclusions [Proviso to section 8(1) and proviso to section 8(2) of the IGST Act]

Certain supplies of goods/services shall not be treated as intra-State supplies even when the location of supplier and place of supply fall within the same State/ Union Territory. These supplies are as under:

- **Supply of goods/services to or by SEZ Unit or SEZ Developer:** Supply of goods/services to/by a SEZ developer/unit or supply to a SEZ developer/unit shall not be treated as intra-State supply. As already discussed in this chapter, such supplies shall be treated as supply in course of inter-State trade or commerce.

- **Supply of goods made to a tourist [referred to in section 15 of the IGST Act]:** shall not be considered as intra-State supply. Explanation to section 15 defines tourist as a person not normally resident in India, who enters India for a stay of not more than 6 months for legitimate non-immigrant purposes.



(90) George, a tourist from USA, visits India and purchases a shawl in Delhi. In this case, even though the place of supply and location of supplier are in the same State, it will be treated as inter-State transaction and will be exigible to IGST.

- **Goods imported in India:** Goods imported into the territory of India till they cross the customs frontiers of India are supplies in course of inter-State trade/commerce and thus, are excluded from the definition of intra-State supplies.



C. Establishments of distinct persons

Establishments of same entity shall be considered as establishments of distinct persons 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 registered within that State or Union territory.

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Thus, any supply between any of the above establishments shall be treated as supply between establishments of distinct persons. Further, 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**.

10. SUPPLIES IN TERRITORIAL WATERS [SECTION 9 OF THE IGST ACT]

STATUTORY PROVISIONS

Section 9	*Supplies in territorial waters*
	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.*

ANALYSIS

This section determines the location of supplier and/or the place of supply when such location of supplier and/or the place of supply is in territorial waters. Before that, let us understand the term "territorial waters".

The term '**Territorial waters**' has not been defined in the GST law. However, as per United Nations Convention on the Law of the Sea, the term **'territorial sea'** is a belt of coastal waters extending atmost 12 nautical miles from the baseline of a coastal state.

Section 3(2) of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 stipulates that the limit of territorial waters is

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the line every point of which is at a distance of 12 nautical miles from the nearest point of the appropriate base line.

Section 9 of the IGST Act provides that where the location of the supplier is in the territorial waters, it shall be deemed that location of such supplier is in the coastal State or Union Territory where the nearest point of the appropriate baseline is located. Similarly, in case where the place of supply is in territorial waters, the place of supply shall be deemed to be in the coastal State or Union Territory where the nearest point of the appropriate baseline is located.

Since GST is a destination-based tax administered State-wise, this provision ensures that every supply is linked to a particular State or Union territory. Territorial waters do not naturally belong to any State or Union territory. Therefore, the law creates a legal fiction and provides that where the location of the supplier or the place of supply is in territorial waters, it shall be deemed to be located in the coastal State or Union territory whose nearest point is the appropriate baseline.



(91) Anchor Fuel Supplies, based in Mumbai, Maharashtra, supplied bunker fuel and ship stores to a vessel of Coral Traders Ltd., a company registered under GST in Goa. The vessel was located at a distance of 7 nautical miles from the nearest point of the baseline of the coastal State of Gujarat and at a distance of 5 nautical miles from the nearest point of the baseline of the coastal State of Maharashtra. Thus, place of supply in the given case is Maharashtra.

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LET US RECAPITULATE

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

S. No.	Nature of Supply	Place of Supply
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
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	Principal place of business of such third person
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
4.	Where supply is made to unregistered persons and the address of such person is recorded in the invoice.	Location as per address of unregistered person recorded in the invoice (Simply mentioning the State of such person instead of complete address would be sufficient.)
5.	Where supply is made to unregistered persons and the address of such person is not recorded in the invoice	Location of the supplier
6.	Where goods are assembled or installed at site	Place where the goods are assembled or installed

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7.	Where the goods are supplied on-board a conveyance like a vessel, aircraft, train or motor vehicle	Place where such goods are taken on-board the conveyance
8.	Where the place of supply of goods cannot be determined in terms of the above provisions	To be determined in the prescribed manner

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

S. No.	Nature of Supply of Goods	Place of Supply
1.	Import	Location of importer
2.	Export	Location outside India

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

(i) 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.

S. No.	Nature of Service	Place of Supply
1.	Immovable property related-services including accommodation in hotel/boat/vessel	❑ Location at which the immovable property or boat or vessel is located or intended to be located ❑ If located outside India: Location of the recipient
	If the immovable property or boat or vessel is located in more than one State	Each such State in proportion to the value of services provided in each State – *Refer point (ii) below*

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2.	Restaurant and catering services, personal grooming, fitness, beauty treatment and health service	Location where the services are actually performed
3.	Training and performance appraisal	❑ B2B: Location of such registered person ❑ B2C: Location where the services are actually performed
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
5.	Organisation of an event including ancillary services and assigning of sponsorship to such events	❑ B2B: Location of such registered person ❑ B2C: Location where the event is actually held If the event is held outside India: Location of the recipient
	If the event is held in more than one State (in cases of unregistered recipient)	Each such State in proportion to the value of services provided in each State – *Refer point (iii) below*
6.	Transportation of goods, including mails or courier	❑ B2B: Location of such registered person ❑ B2C: Location at which such goods are handed over for their transportation
7.	Passenger transportation	❑ B2B: Location of such registered person ❑ B2C: Place where the passenger embarks on the conveyance for a continuous journey

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8.	Services on board a conveyance	Location of the first scheduled point of departure of that conveyance for the journey
9.	Banking and other financial services including stock broking	❑ Location of the recipient of services in the records of supplier ❑ Location of the supplier of services if location of recipient of services is not available
10.	Insurance services	❑ B2B: Location of such registered person ❑ B2C: Location of the recipient of services in the records of the supplier
11.	Advertisement services to the Government	❑ Each of States/Union territory where the advertisement is broadcasted/ displayed/ run/ disseminated ❑ Proportionate value in case of multiple States – *Refer point (iv) below*
12.	Telecommunication services	❑ Services involving fixed line, leased and internet leased circuits, dish antenna etc: Location of such fixed equipment ❑ Post-paid mobile/ internet services: Location of billing address of the recipient and if the same is not available, location of supplier ❑ Pre-paid mobile/ internet/DTH services provided: • Through selling agent/ re-seller/ distributor:

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		Address of such selling agent/ re-seller/ distributor in the records of supplier at the time of supply • By any person to final subscriber: Location where pre-payment is received or place of sale of vouchers • When payment made through electronic mode - Location of recipient in records of supplier ❑ Other cases: Address of the recipient in the records of the supplier and if the same is not available, location of supplier
	If the leased circuit is installed in more than one State	Each such State in proportion to the value of services provided in each State – *Refer point (v) below*

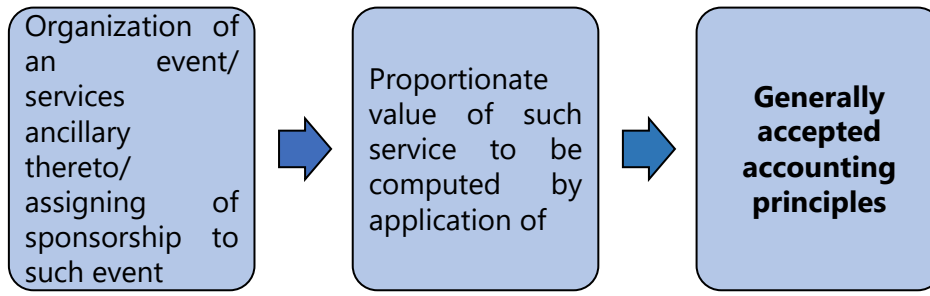
(ii) Manner of determining proportionate value of immovable property related service attributable to different States/ Union territories – where the immovable property/ boat/ vessel is located - in the absence of a contract or agreement in this regard.

S. No.	Type of service in relation to immovable property	Factor determining the proportionate value of service
(a)	Service provided by way of lodging accommodation by hotel/ inn/guest house etc. and its ancillary services (other than the cases where such property is a single property located in 2 or	Number of nights stayed in such property

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	more contiguous States/ Union territories or both)	
(b)	All other services provided in relation to immovable property including organising any marriage or reception etc., accommodation in a single property located in 2 or more contiguous States or/and Union territories, services ancillary to such services	Area of the immovable property lying in each State/ Union territories
(c)	Services by way of lodging accommodation by a house boat or vessel and its ancillary services	Time spent by the boat or vessel in each such State/ Union territories, to be determined on the basis of declaration made by the service provider

(iii) Manner of determining proportionate value of service relating to organization of event, attributable to different States/Union territories – where the event is held - in the absence of a contract or agreement in this regard



(iv) Manner of determining proportionate value of advertisement service attributable to different States/Union territories – where the advertisement is broadcasted/ run /played/disseminated - in the absence of a contract or agreement in this regard

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Sl. No.	Type of advertisement	Proportionate value of service
1.	Advertisements in newspapers and publications	Amount payable for publishing an advertisement in all the editions of a newspaper or publication, which are published in each State/Union territory
2.	Advertisements through printed material like pamphlets, leaflets, diaries, calendars, T-shirts, etc.	Amount payable for the distribution of a specific number of such material in each State/Union territory
3.	Advertisements in hoardings (other than those on trains)	Amount payable for the hoardings located in each State/ Union territory
4.	Advertisements on trains	Amount attributable to each State/Union territory calculated in the ratio of length of the railway track in each of such State/Union territory, for that train
5.	Advertisements on the back of utility bills of oil and gas companies, etc.	Amount payable to each State/Union territory for the advertisements on bills pertaining to consumers having billing addresses in each of such State/Union territory
6.	Advertisements on railway tickets	Amount attributable to each State/Union territory calculated in the ratio of number of Railway Stations in each of such State/Union territory
7.	Advertisements on radio stations	Amount payable to such radio station, which by virtue of its name is part of each State/Union territory

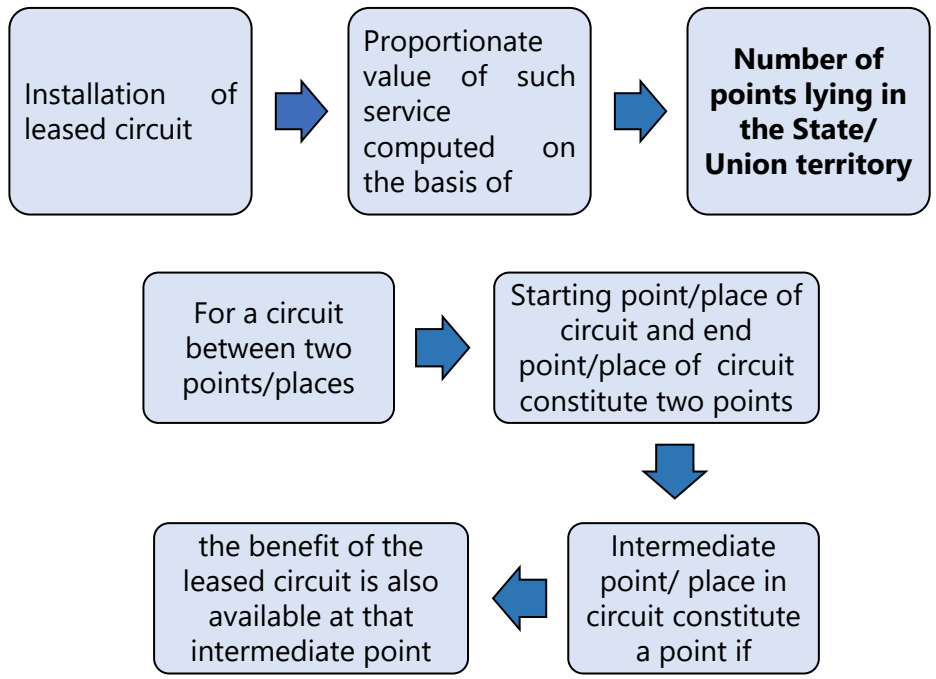
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8.	Advertisement on television channels	Amount attributable to each State/Union territory calculated on the basis of the viewership of such channel in each of such State/ Union territory. Viewership figures for the last week of a given quarter as published by BARC can be used for calculating viewership for the succeeding quarter. Figures pertaining to more than one State/Union territory are apportioned in ratio of the populations of those States/Union territories, as per the latest Census.
9.	Advertisements in cinema halls	Amount payable to a cinema hall or screens in a multiplex in each State/ Union territory.
10.	Advertisements on internet It is deemed that such service is provided all over India.	Amount attributable to each State/Union territory calculated on the basis of the internet subscribers in each of such State/ Union territory. Internet subscriber figures for the last quarter of a given financial year as published by TRAI can be used for calculating the subscribers for the succeeding financial year. Figures pertaining to more than one State/Union territory are apportioned in the ratio of the populations of those States/Union territories, as per the latest census.
11.	Advertisements through SMS	Amount attributable to each State/Union territory calculated on the basis of the telecom subscribers in

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		each of such State/ Union territory. Telecom subscribers figures in a telecom circle for a given quarter as published by TRAI can be used for calculating the subscribers for the succeeding quarter. Figures pertaining to a telecom circle comprising of more than one State/Union territory are apportioned in the ratio of the populations of those States/Union territories, as per the latest census.

(v) Manner of determining proportionate value of service relating to installation of a leased circuit, attributable to different States/Union territories – where the circuit is installed - in the absence of a contract or agreement in this regard



(vi) For the rest of the services other than those specified above, the default provision has been prescribed as under:

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Default provision for the services other than the 12 specified services		
S. No.	**Description of Supply**	**Place of Supply**
1.	B2B	Location of such registered person
2.	B2C	❑ Where the address on record exists: Location of the recipient ❑ Other cases: Location of the supplier of services

D. Place of supply of services where location of supplier OR location of recipient is outside India [Section 13]

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

S. No.	Nature of Service	Place of Supply
1.	Services supplied in respect of goods which are required to be made physically available	Location where the services are actually performed
	Services supplied in respect of goods but from a remote location by way of electronic means	Location where the 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/treatment/any process and exported after such repairs/treatment/any process without being put to any other use in India	
2.	Services which require the physical presence of the recipient or the person	Location where the services are actually performed

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	acting on his behalf with the supplier of services	
3.	Service supplied directly in relation to an immovable property including accommodation in hotel, boat, vessel	Place where the immovable property is located or intended to be located
4.	Admission to or organisation of an event	Place where the event is actually held
If the above services are supplied at more than one location, i.e. (i) Goods & individual related (ii) Immovable property-related (iii) Event related		
At more than one location, including a location in the taxable territory		Location in the taxable territory
In more than one State		Each such State in proportion to the value of services provided in each State – *Refer point (ii) below*
5.	Services supplied by a banking company, or a financial institution, or a NBFC to account holders	Location of the supplier of services
	Services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month	
6.	Passenger transportation	Place where the passenger embarks on the conveyance for a continuous journey

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7.	Services provided on-board a conveyance	First scheduled point of departure of that conveyance for the journey
8.	Online information and database access or retrieval services	Location of recipient of service

(ii) Manner of determining proportionate value of service relating to (1) goods & individual (2) immovable property (3) admission to/organization of event attributable to different State/Union territories– where such services are supplied - in the absence of a contract or agreement in this regard

S. No.	Cases	Manner of computing the proportionate value of service
1.	Services relating to goods & individual	
	(a) Services supplied on the same goods	Equally dividing the value of service in each of the States/ Union territory where the service is performed
	(b) Services supplied on different goods	Considering the ratio of the invoice value of goods in each States/ Union territory, on which service is performed, as the ratio of the value of the service performed in each State/Union territory
	(c) Services supplied to individuals	Applying generally accepted accounting principles.
2.	Services directly relating to immovable property	In the same manner as is applicable for determining the proportionate value of services provided in relation to an immovable property under section 12(3)

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3.	Services relating to admission to/organization of event	In the same manner as is applicable for determining the proportionate value of services provided in relation to organization of an event under section 12(7)

(iii) For the rest of the services other than those specified above, a default provision has been prescribed as under:

Default provision for the cross-border supply of services other than nine specified services		
S. No.	**Description of supply**	**Place of Supply**
1.	Any	❑ Location of the recipient of service ❑ Location of the supplier of service, if location of recipient is not available in the ordinary course of business

(iv) Place of supply of services notified under section 13(13)

S. No.	Services notified	Place of supply
1.	Specified research and development services related to pharmaceutical sector supplied by a person located in taxable territory to a person located in the non-taxable territory	Location of recipient of services subject to fulfillment of specified conditions
2.	B2B maintenance, repair or overhaul services of aircrafts, aircraft engines/components/parts	Location of recipient of service
3.	B2B MRO services of ships and other vessels, their engines and other components/ parts	Location of recipient of service

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TEST YOUR KNOWLEDGE

1. *XY Ltd. (registered in Rajasthan) received legal services from an attorney in UK (unrelated person) in relation to registration of a trademark in UK. A consideration of £ 8,000 was paid by the company to the attorney in UK.*

   Determine the place of supply for the service and suggest if XY Ltd. is required to pay tax under reverse charge on this transaction.

2. *Damani Industries has recruited Super Events Pvt. Ltd., an event management company of Gujarat, for organising the grand party for the launch of its new product at Bangalore. Damani Industries is registered in Mumbai. Determine the place of supply of the services provided by Super Events Pvt. Ltd. to Damani Industries.*

   Will your answer be different if the product launch party is organised at Dubai?

3. *Priyank Sales of Pune, Maharashtra enters into an agreement to sell goods to Bisht Enterprises of Bareilly, Uttar Pradesh. While the goods were being packed in Pune godown of Priyank Sales, Bisht got an order from Sahil Pvt. Ltd. of Shimoga, Karnataka for the said goods. Bisht Enterprises agreed to supply the said goods to Sahil Pvt. Ltd. and asked Priyank Sales to deliver the goods to Sahil Pvt. Ltd. at Shimoga.*

   You are required to determine the place of supply(ies) in the above situation.

4. *Musicera Pvt. Ltd. owned by Nitish Daani - a famous classical singer - wishes to organise a 'Nitish Daani Music Concert' in Gurugram (Haryana). Musicera Pvt. Ltd. (registered in Ludhiana, Punjab) enters into a contract with an event management company, Supriya (P) Ltd. (registered in Delhi) for organising the said music concert at an agreed consideration of ₹ 10,00,000. Supriya (P) Ltd. books the lawns of Hotel Dumdum, Gurugram (registered in Haryana) for holding the music concert, for a lump sum consideration of ₹ 4,00,000. Musicera Pvt. Ltd. fixes the entry fee to the music concert at ₹ 5,000. 400 tickets for 'Nitish Daani Music Concert' are sold.*

   You are required to determine the gross GST liability in respect of the supply(ies) involved in the given scenario.

   Will your answer be different if the price per ticket is fixed at ₹ 450?

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Note: Rate of CGST and SGST is 9% each and IGST is 18%. All the amounts given above are exclusive of taxes, wherever applicable.

5. *RST Inc., a corn chips manufacturing company based in USA, intends to launch its products in India. However, the company wishes to know the taste and sensibilities of Indians before launching its products in India. For this purpose, RST Inc. has approached ABC Consultants, Mumbai, (Maharashtra) to carry out a survey in India to enable it to make changes, if any, in its products to suit Indian taste.*

   The survey is to be solely based on the oral replies of the surveyees; they will not be provided any sample by RST Inc. to taste. ABC Consultants will be paid in convertible foreign exchange for the assignment.

   With reference to the provisions of GST law, determine the place of supply of the service. Also, explain whether the said supply will amount to export of service?

6. *ABC Pvt. Ltd., New Delhi, provides support services to foreign customers in relation to procuring goods from India. The company identifies the prospective vendor, reviews product quality and pricing and then shares the vendor details with the foreign customer in USA.*

   The USA customer then directly places purchase order on the Indian vendor for purchase of the specified goods. ABC Pvt. Ltd. charges its foreign customer cost plus 10% mark up for services provided by it.

   The company has charged US $ 1,00,000 (exclusive of GST) to its foreign customer for the services provided by it. Determine place of supply in given case

7. *Mr. Murthy, an unregistered person and a resident of Pune, Maharashtra hires the services of Sun Ltd. an event management company registered in Delhi, for organising of the new product launch in Bengaluru, Karnataka.*

   (i) Determine the place of supply of services provided by Sun Ltd.

   (ii) What would be your answer if the product launch takes place in Bangkok?

   (iii) What would be your answer if Mr. Murthy is a registered person and product launch takes place in-

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(a) *Bengaluru*

(b) *Bangkok?*

8. *Mr. Mahendra Goyal, an interior decorator provides professional services to Mr. Harish Jain in relation to two of his immovable properties.*

Determine the place of supply in the transactions below as per provisions of GST law in the following independent situations:

Case	Location of Mr. Mahendra Goyal	Location of Mr. Harish Jain	Property situated at
I	Delhi	Maharashtra	New York (USA)
II	Delhi	New York	Paris (France)

Explain the relevant provisions of law to support your conclusions.

9. *Asha Enterprises, supplier of sewing machines, is located in Kota (Rajasthan) and registered for purpose of GST in the said State. It receives an order from Deep Traders, located in Jalandhar (Punjab) and registered for the purpose of GST in the said State. The order is for the supply of 100 sewing machines with an instruction to ship the sewing machines to Jyoti Sons, located in Patiala (Punjab) and registered in the said State for purpose of GST. Jyoti Sons is a customer of Deep Traders. Sewing machines are being shipped in a lorry by Asha Enterprises.*

Briefly explain the following:

(a) *the place of supply;*

(b) *the nature of supply:- whether inter-State or intra-State and*

(c) *whether CGST/SGST or IGST would be applicable in this case.*

10. *Determine the place of supply for the following independent cases:*

(i) *Grand Gala Events, an event management company at Kolkata, organises two award functions for Narayan Jewellers of Chennai (Registered in Chennai, Tamil Nadu) at New Delhi and at Singapore.*

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(ii) *Perfect Planners (Bengaluru, Karnataka) is hired by Dr. Kelvin (unregistered person based in Kochi, Kerala) to plan and organise his son's wedding at Mumbai, Maharashtra.*

Will your answer be different if the wedding is to take place in Malaysia?

11. *Determine the 'place of supply' along with explaining the correct provision of law for the following independent cases:*

(i) *Mr. Prakash Kumar (unregistered person under GST law) is a resident of Surat, Gujarat. He places an order on 'E-SHOPPE' (an e-commerce platform) for supply of laptop, which is to be delivered to his sister Ms. Ridhima at Mumbai, Maharashtra. Mr. Prakash, while placing the order on the above e-commerce platform, provides the billing address of his residence located in Surat, Gujarat,*

(ii) *Ms. Ritu is proprietor of 'G n F Center', situated at Lucknow and registered under GST law in Uttar Pradesh. Her client Ms. Neha (unregistered person under GST law) located at Delhi, requests her to provide personal grooming & fitness services at her home at Delhi. Ms. Ritu provides her grooming & fitness services at client's home at Delhi.*

(iii) *Decor n Décor, an interior decorator firm located at Dehradun, Uttarakhand, enters into a contract with Mr. Diego of Italy to provide interior decoration services in respect two immovable properties of Mr. Diego, one located at Dehradun, Uttarakhand and another located at Italy.*

12. *Determine the 'place of supply' along with explaining the correct provision of law for the following independent cases:*

(i) *SQR Mills Private Limited of Kolkata, registered under GST law in West Bengal, gives a contract to LQR Private Limited of Varanasi, registered under GST law in Uttar Pradesh to supply a machine which is required to be assembled at a printing plant of SQR Mills Private Limited located at Bhopal, Madhya Pradesh.*

(ii) *Rhea is a person registered under GST in Mysore, Karnataka. She transports certain goods by air to Mrs. Iyer who resides in Florida, USA. The air cargo operator by which goods are transported is registered in Bengaluru, Karnataka.*

Determine the place of supply of such transport/courier service.

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ANSWERS

1. In the given case, the service provider is outside India, and the service recipient is in India. Thus, the place of supply will be determined on the basis of the provisions of section 13. Since the given service does not get covered under any of the specific provisions of section 13, the place of supply thereof will be governed by the default provision, i.e. place of supply of services will be the location of the recipient of service, which in this case is Rajasthan (India).

Further, the given case is import of service in terms of section 2(11) as the supplier of service is located outside India, the recipient of service is located in India and the place of supply of service is in India. Since the services are imported for a consideration from an unrelated person, the same tantamounts to supply in terms of section 7(1)(b) of CGST Act and are liable to GST.

As per reverse charge *Notification No. 10/2017 IT(R) dated 28.06.2017*, if a service is supplied by a person located in a non-taxable territory to a person located in the taxable territory, other than non-taxable online recipient, the tax is payable by the recipient of service under reverse charge.

Therefore, XY Ltd. will pay GST under reverse charge on £ 8000 paid by it to the attorney in UK.

2. Section 12(7)(a)(i) stipulates that when service by way of organization of an event is provided to a registered person, place of supply is the location of such person.

Since, in the given case, the product launch party at Bangalore is organized for Damani Industries (registered in Mumbai), place of supply is the location of Damani Industries, i.e. Mumbai, Maharashtra.

In case the product launch party is organised at Dubai, the answer will remain the same, i.e. the place of supply is the location of recipient (Damani Industries)– Mumbai, Maharashtra.

3. The supply between Priyank Sales (Pune) and Bisht Enterprises (Bareilly) is a bill to ship to supply where the goods are delivered by the supplier [Priyank Sales] to a recipient [Sahil Pvt. Ltd. (Shimoga)] or any other person on the

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direction of a third person [Bisht Enterprises]. The place of supply in case of domestic bill to ship to supply of goods is determined in terms of section 10(1)(b).

As per section 10(1)(b), where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person.

Thus, in the given case, it is deemed that the Bisht Enterprises has received the goods and the place of supply of such goods is the principal place of business of Bisht Enterprises. Accordingly, the place of supply between Priyank Sales (Pune) and Bisht Enterprises (Bareilly) will be Bareilly, Uttar Pradesh.

This situation involves another supply between Bisht Enterprises (Bareilly) and Sahil Pvt. Ltd. (Shimoga). The place of supply in this case will be determined in terms of section 10(1)(a).

Section 10(1)(a) stipulates that where the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient.

Thus, the place of supply in second case is the location of the goods at the time when the movement of goods terminates for delivery to the recipient (Sahil Pvt. Ltd.), i.e. Shimoga, Karnataka.

4. In the given situation, three supplies are involved:

(i) Services provided by Musicera Pvt. Ltd. to audiences by way of admission to music concert.

(ii) Services provided by Supriya (P) Ltd. to Musicera Pvt. Ltd. by way of organising the music concert.

(iii) Services provided by Hotel Dumdum to Supriya (P) Ltd. by way of accommodation in the Hotel lawns for organising the music concert.

The CGST and SGST or IGST liability in respect of each of the above supplies is determined as under:

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(i) As per the provisions of section 12(6), the place of supply of services provided by way of admission to, *inter alia,* a cultural event shall be the place where the event is actually held.

Therefore, the place of supply of services supplied by Musicera Pvt. Ltd. (Ludhiana, Punjab) to audiences by way of admission to the music concert is the location of the Hotel Dumdum, i.e. Gurugram, Haryana.

Since the location of the supplier (Ludhiana, Punjab) and the place of supply (Gurugram, Haryana) are in different States, IGST will be leviable. Therefore, IGST leviable will be computed as follows:

Consideration for supply (400 tickets @ ₹ 5,000 per ticket) = ₹ 20,00,000

IGST @ 18% on value of supply = ₹ 20,00,000 x 18% = ₹ 3,60,000.

(ii) Section 12(7)(a)(i) stipulates that the place of supply of services provided by way of organization of, *inter alia,* a cultural event to a registered person is the location of such person.

Therefore, the place of supply of services supplied by Supriya (P) Ltd. (Delhi) to Musicera Pvt. Ltd. (Ludhiana, Punjab) by way of organising the music concert is the location of the registered person, i.e. Ludhiana (Punjab).

Since the location of the supplier (Delhi) and the place of supply (Ludhiana, Punjab) are in different States, IGST will be leviable. Therefore, IGST leviable will be computed as follows:

Consideration for supply = ₹ 10,00,000

IGST @ 18% on value of supply = ₹ 10,00,000 x 18% = ₹ 1,80,000

(iii) As per the provisions of section 12(3)(c) of the IGST Act, 2017, the place of supply of services, by way of accommodation in any immovable property for organizing, *inter alia,* any cultural function shall be the location at which the immovable property is located.

Therefore, the place of supply of services supplied by Hotel Dumdum (Gurugram, Haryana) to Supriya (P) Ltd. (Delhi) by way of accommodation in Hotel lawns for organising the music concert shall be the location of the Hotel Dumdum, i.e. Gurugram, Haryana.

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Since the location of the supplier (Gurugram, Haryana) and the place of supply (Gurugram, Haryana) are in the same State, CGST and SGST will be leviable. Therefore, CGST and SGST leviable will be computed as follows:

Consideration for supply = ₹ 4,00,000

CGST @ 9% on value of supply = ₹ 4,00,000 x 9% = ₹ 36,000

SGST @ 9% on value of supply = ₹ 4,00,000 x 9% = ₹ 36,000

If the price for the entry ticket is fixed at ₹ 450, answer will change in respect of supply of service provided by way of admission to music concert, as mentioned in point (i) above. There will be no IGST liability if the consideration for the ticket is ₹ 450 as the inter-State services by way of right to admission to, *inter alia,* musical performance are exempt from IGST vide *Notification No. 9/2017 IT (R) dated 28.06.2017*, if the consideration for right to admission to the event is not more than ₹ 500 per person. However, there will be no change in the answer in respect of supplies mentioned in point (ii) and (iii) above.

5. As per section 13(2), in case where the location of the supplier of services or the location of the recipient of services is outside India, the place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services. Sub-sections (3) to (13) provide the mechanism to determine the place of supply in certain specific situations.

The given case does not fall under any of such specific situations and thus, the place of supply in this case will be determined under sub-section (2) of section 13. Thus, the place of supply of services in this case is the location of recipient of services, i.e. USA.

As per section 2(6), export of services means the supply of any service when,–

(a) the supplier of service is located in India;

(b) the recipient of service is located outside India;

(c) the place of supply of service is outside India;

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(d) the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India; and

(e) 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.

Since all the above five conditions are fulfilled in the given case, the same will be considered as an export of service.

6. Section 2(13) defines "intermediary" to mean a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account.

In this case, since ABC Pvt. Ltd. is arranging or facilitating supply of goods between the foreign customer and the Indian vendor, the said services can be classified as intermediary services.

If the location of the supplier of services or the location of the recipient of service is outside India, the place of supply is determined in terms of section 13. Since, in the given case, the recipient of supply is located outside India, the provisions of supply of intermediary services will be determined in terms of section 13.

The place of supply in case of intermediary services is governed by default provision - section 13(2), i.e. the location of the recipient, i.e. the location of foreign customer which is USA.

7. (i) As per section 12(7)(a)(ii), when service by way of organization of an event is provided to an unregistered person, the place of supply is the location where the event is actually held and if the event is held outside India, the place of supply is the location of recipient.

Since, in the given case, the service recipient [Mr. Murthy] is unregistered and event is held in India, place of supply is the location where the event is actually held, i.e. Bengaluru, Karnataka. The location of the supplier and the location of the recipient is irrelevant in this case.

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(ii) However, if product launch takes place outside India [Bangkok], the place of supply will be the location of recipient, i.e. Pune, Maharashtra.

(iii) When service by way of organization of an event is provided to a registered person, place of supply is the location of such person in terms of section 12(7)(a)(i).

Therefore, if Mr. Murthy is a registered person, then in both the cases, i.e. either when product launch takes place in Bengaluru or Bangkok, the place of supply will be the location of recipient, i.e. Pune, Maharashtra.

8. Case I

As per section 12(3), where both the service provider and the service recipient are located in India, the place of supply of services directly in relation to an immovable property, including services provided by interior decorators is the location of the immovable property. However, if the immovable property is located outside India, the place of supply is the location of the recipient.

Since in the given case, both the service provider (Mr. Mahendra Goyal) and the service recipient (Mr. Harish Jain) are located in India and the immovable property is located outside India (New York), the place of supply will be the location of recipient, i.e. Maharashtra.

Case II

As per section 13(4), where either the service provider or the service recipient is located outside India, the place of supply of services directly in relation to an immovable property including services of interior decorators is the location of the immovable property.

Since in the given case, service provider (Mr. Mahendra Goyal) is located in India and service recipient (Mr. Harish Jain) is located outside India (New York), the place of supply will be the location of immovable property, i.e. Paris (France).

9. The supply between Asha Enterprises (Kota, Rajasthan) and Deep Traders (Jalandhar, Punjab) is a bill to ship to supply where the goods are delivered by the supplier [Asha Enterprises] to a recipient [Jyoti Sons (Patiala, Punjab)] on the direction of a third person [Deep Traders].

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In case of such supply, it is deemed that the said third person has received the goods and the place of supply of such goods is the principal place of business of such person [Section 10(1)(b)]. Thus, the place of supply between Asha Enterprises (Rajasthan) and Deep Traders (Punjab) will be Jalandhar, Punjab.

Since the location of supplier and the place of supply are in two different States, the supply is an inter-State supply in terms of section 7, liable to IGST.

This situation involves another supply between Deep Traders (Jalandhar, Punjab) and Jyoti Sons (Patiala, Punjab). In this case, since the supply involves movement of goods, place of supply will be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient, i.e. Patiala, Punjab [Section 10(1)(a)].

Since the location of supplier and the place of supply are in the same State, the supply is an intra-State supply in terms of section 8, liable to CGST and SGST.

10. (i) When service by way of organization of an event is provided to a registered person, place of supply is the location of such person in terms of section 12(7)(a)(i).

Since, in the given case, the award functions at New Delhi and Singapore are organized for Narayan Jewellers (registered in Chennai), place of supply in both the cases is the location of Narayan Jewellers, i.e. Chennai, Tamil Nadu.

(ii) As per section 12(7)(a)(ii), when service by way of organization of an event is provided to an unregistered person, the place of supply is the location where the event is actually held and if the event is held outside India, the place of supply is the location of recipient.

Since, in the given case, the service recipient [Dr. Kelvin] is unregistered and event is held in India, place of supply is the location where the event is actually held, i.e. Mumbai, Maharashtra.

However, if the wedding is to take place outside India [Malaysia], the place of supply is the location of recipient, i.e. Kochi, Kerala.

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11. **(i)** In cases involving supply of goods to an unregistered person, where the billing address and delivery address are different, the delivery address shall be the place of supply.

Thus, place of supply is Mumbai, Maharashtra.

(ii) The place of supply of personal grooming and fitness services is the location where the services are actually performed.

Thus, place of supply is Delhi.

(iii) Where any services directly in relation to an immovable property are supplied at more than one location, including a location in the taxable territory, its place of supply shall be the location in the taxable territory.

Thus, place of supply is Dehradun, Uttarakhand in respect of interior decoration services provided in relation to the immovable properties located in Dehradun and Italy.

12. **(i)** Where the goods are assembled at site, place of supply shall be the place of such assembly.

Thus, place of supply is Bhopal, Madhya Pradesh.

(ii) The place of supply of services by way of transportation of goods, including by courier, to a place outside India is the place of destination of such goods.

Hence, in the given case, place of supply of such services would be Florida, USA.

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