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Supply and Place of Supply of Goods and Service in IGST law

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Supply is wider term used in GST law as the GST is based on Supply only. Now the question arises what is supply. Supply is transfer of goods and services on which GST will be imposed. Supply has been mainly defined in Section 3 of GST law subject to Schedule-I to IV. Supply has been further elaborated in IGST law whether the supply is interstate supply or Intra-State supply. This is important because if the supply is Intra- State,then CGST and SGST will be attracted otherwise if the suppIly is Inter State then IGST will be levied. To understand whether the transaction is Inter State or Intra-State or Import or Export, it is important to understand the provision of Place of Supply which has been narrated in Section- 3 to 4 and 7 to 10 of the IGST Law.

Supply has been defined in Section 2[26] of IGST Law as follows;

"Supply" shall have the meaning as assigned to it in Section 3 of the CGST Act .

Provision of Supply of Goods and /or Services in the course of Inter State Trade or Commerce [Section -3]

- ✓ Location of the supplier and recipient should be in different states
- ✓ Import of goods and services in to India shall be treated as interstate trade or commerce.
- ✓ Supply of Goods or Services from India to place outside India shall be treated as Inter State trade or commerce.
- ✓ Supply of goods or services to SEZ developer or SEZ unit shall be treated as Inter State trade or commerce.
- ✓ Any supply of goods or services which is not an Intra State supply shall be treated as Inter State Trade or Commerce.

Provision of Supply of Goods and /or Services in the course of Intra State Trade or Commerce [Section-4]

- ✓ Intra state supply of goods means supply of goods where the location of supplier and place of supply are in the same State. But does not include
    - Supply to or by SEZ developer and SEZ Unit
    - Supply of goods brought into India in the course of import till they cross the custom frontier of India.
- ✓ Intra State supply of services means any supply of services where the location of supplier and place of supply is in the same State but does not include supply to or by SEZ Developer or SEZ unit.

Place of Supply of Goods other than import and export [Section-7]

Situation	Place of Supply
1.Movement of goods by supplier or recipient.	Where the movement of goods terminate for delivery to recipient.
2. where the goods are delivered to recipient or any person on the direction of third person by way of transfer of title or otherwise, it shall be deemed that third person has received the goods	shall be principal place of business of such person
3. where there is no movement of goods either by supplier or recipient	Location of such goods at the time of delivery to recipient
4. where goods are assembled or installed at site	Shall be where the goods are assembled or installed
5. where the goods are supplied on board a conveyance, like vessel, aircraft, train or motor vehicle	Shall be goods where taken on board

Place of supply of Goods import into and export from India [Section -8]

- ✓ Place of supply of goods imported in to India shall be the location of importer.
- ✓ Place of supply of goods exported from India shall be the location outside India.

Place of supply of Services where the location of supplier of services and location of recipient of services is in India. [Section -9]

Situation	Place of Supply
1. Except the specific services mentioned below , the place of supply of services to registered person	Shall be the location of such person
2. Except the specific services mentioned below , the place of supply of services to unregistered person	Location of recipient of services where the address exist Location of supplier otherwise
3.a] services in relation to immovable property including services by Architect, interior decorator, surveyor, engineers, estate agent, grant of right to use immovable property for carrying out or co-ordination of construction work b] lodging accommodation by hotel, inn, guest house, home stay, club or campsite, house boat or other vessel c] accommodation in immovable property for marriage or reception or matter related therewith , official, social , cultural , religious or business function including service for such functions. d] ancillary to above services in a, b and c	Location of Immovable property, boat or vessel If immovable property, boat or vessel is located outside India then location of the recipient. If the services are provided in more than one State, proportion of service provided in each State.
4. restaurant and catering service, personal	Where the services are actually performed

grooming , fitness, beauty treatment, health services including cosmetic and plastic surgery	
5. training and performance appraisal	Location of registered person. Location where the service are performed in case of unregistered person.
6. Admission to cultural, artistic, sporting ,scientific, educational or entertainment event or amusement park or any other place	Where the event is actually held
7. organizing of a cultural, artistic, sporting ,scientific, educational or entertainment including supply of services to exhibition, conference, fair, celebration or similar events	If to registered person, location of such person Other than registered person, place of such event actually held If event is held outside India then location of the recipient If the services are provided in more than one State, proportion of service provided in each State
8. transportation of goods including by mail or courier	In case to registered person, location of such person. Otherwise , location where the goods are handed over.
9. Transportation of passenger	In case to registered person, location of such person Otherwise , place where person embark on conveyance for continuous journey Return journey shall be treated as separate journey
10. services on board a conveyance such as vessel, aircraft, train or motor vehicle	First schedule departure point of the conveyance
11.telecommunication including data transfer, broadcasting, cable and DTH television services a] fixed line, leased circuit , internet lease circuit, cable or dish antenna- b] Mobile connection for telecommunication, internet on post paid basis- c] Mobile connection for telecommunication, internet and DTH on prepaid basis- i] through selling agent or reseller or distributor of SIM or recharge voucher ii] by any person to the final subscriber d] any other case other than b and c above	Where it is installed Billing Address Address of seller , reseller or distributor as per the record of supplier Where prepayment is received or voucher is sold Address of recipient as per the record of supplier *Where the address of the recipient is not known , location of supplier.* *If prepaid service or recharge is made on internet banking, address of recipient.*
12. banking and other financial services including stock broking	Location of recipient of services, if recipient location not known then location of supplier
13. Insurance services	In case to registered person, location of such person.

	Otherwise , location of the recipient of services.
14. advertisement service to State Govt. or Central Government, statutory body or local authority for identifiable States and the value of such supply identifiable to each State	Proportion to amount attributable to service provided by way of dissemination in the respective State as per the contract.

Place of Supply of services where the location of the supplier or location of recipient is out of India. [Section -10]

Situation	Place of Supply
1. Except the specific services mentioned below	Location of recipient of services where the address exist Location of supplier otherwise
2.a] Goods required to be made available for providing services to the supplier of services Where services are provided from remote location by way of electronic means b] service supplied to individual , represented either as recipient of service or person acting on behalf of recipient which required the physical presence of receiver.	Location where the services are performed. Location where the Goods are situated. *This clause shall not apply in services supplied in respect of goods temporarily imported in to India and are exported after repair.* Location where the service are performed
3. services in relation to immovable property including services in this regard by expert and estate agent, supply of hotel accommodation by hotel, inn, guest house, home stay, club or campsite, grant of right to use immovable property, services for carrying out or coordination of construction work, including Architect or interior decorator.	Location of Immovable property.
4. admission to or organizing of a cultural, artistic, sporting ,scientific, educational or entertainment, exhibition, conference, fair, celebration or similar events	Where the event is actually held
5. where the services referred to in 2,3 and 4 is supplied at more than one location, including in taxable territory	Location shall be taxable territory where the greatest proportion of service is provided.
6. where the services referred to in 2,3,4 and 5 is supplied at more than one State	Proportion to amount attributable to service provided by way of dissemination in the respective State as per the contract
7.a]Service by banking company or financial institution or non banking finance company	Location of Supplier

b] Intermediary services c] hiring of means of transport other than aircraft and vessel except yacht up to one month.	
8. transportation of goods including by mail or courier	Place of Destination
9. Transportation of passenger	Where the passenger embark on conveyance for continuous journey.
10. services on board a conveyance such as vessel, aircraft, train or motor vehicle	First schedule departure point of the conveyance
11.a] service of “ online information and Database access or retrieval “ b] for the purpose of this sub section, person receiving such services shall be deemed to be located in taxable territory, if following two condition are being satisfy i]location of address presented by the recipient via internet ii] payment settle by recipient by any card has been issued in taxable territory iii]billing address of recipient of service is in taxable territory iv] internet address protocol of the device used by recipient is in taxable territory v] the bank of recipient of service is in taxable territory vi] country code of SIM used by recipient of service is in taxable territory vii]location of the fixed land line use by recipient is in taxable territory	Location of recipient of services

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