



## Place of Supply

GST, being a destination-based tax, determines POS as **location of consumption**, which is easy for goods (tangible) but challenging for services (intangible) due to factors like varying delivery methods, lack of fixed locations for providers/recipients, evolving service types, & multi-location transactions.

<p><b>Intra-State Supply:</b> Location of supplier &amp; POS of goods/services are in <b>same State/ UT</b></p> <p><b>Inter-State Supply:</b></p> <ul style="list-style-type: none"> <li>• Supply of goods/ services when location of supplier &amp; POS are in <b>2 different States / UTs</b></li> <li>• Supply of goods/ services <b>imported</b> into India</li> <li>• Supplier located in India &amp; <b>POS is outside India</b></li> <li>• Supply to/by an <b>SEZ developer or SEZ unit</b></li> <li>• Supply in taxable territory, <b>not being an intra-State supply</b> &amp; not specified anywhere</li> </ul>	<p><b>Exclusions from Intra-State Supply:</b> Below are hence inter-state supplies mandatorily-</p> <ul style="list-style-type: none"> <li>• Supply to/by <b>SEZ</b> Units or Developers</li> <li>• Supply to <b>Tourists</b></li> <li>• Goods <b>Imported</b> into India</li> </ul> <p><b>POS for Supplies in Territorial Waters:</b> Territorial waters extend up to 12 nautical miles from baseline of a coastal state. If supplier/ POS is in territorial waters, location is deemed to be in coastal State/UT where nearest point of baseline is situated.</p>
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<p><b>Import of Goods:</b> Bringing goods <b>into India from outside India</b></p> <p>[As per legal cases, import is completed when goods cross customs barrier (Kiran Spinning Mills case) or enter territorial waters and become part of country's goods mass (Garden Silk Mills case)]</p> <p><b>Import of Services:</b> Supply of services where:</p> <ul style="list-style-type: none"> <li>• <b>Supplier</b> is located <b>outside</b> India.</li> <li>• <b>Recipient</b> is located <b>in</b> India.</li> <li>• <b>POS</b> is <b>in</b> India</li> </ul>	<p><b>Export of Goods:</b> Taking goods <b>out of India</b> to a <b>place outside India</b>.</p> <p><b>Export of Services:</b> Supply of services where:</p> <ul style="list-style-type: none"> <li>• <b>Supplier</b> is <b>in</b> India;</li> <li>• <b>Recipient</b> is <b>outside</b> India;</li> <li>• <b>POS</b> is <b>outside</b> India;</li> <li>• <b>Payment</b> is received in <b>convertible foreign exchange</b> or INR as permitted by the RBI;</li> <li>• Supplier &amp; recipient are <b>not merely establishments of distinct person</b>.</li> </ul>
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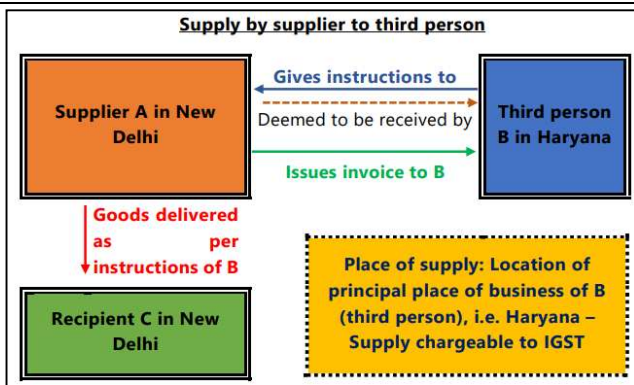
### Location of Supplier/Recipient:

Supply made from/ received at	POB for which regn. is obtained	Location of <b>such POB</b>
	Fixed establishment elsewhere	Location of <b>Fixed Establishment</b>
	>1 establishment, whether POB/ fixed establishment	Location of <b>establishment most directly concerned with supply</b>
In absence of such places	Usual Place of their <b>Residence</b>	

Sec.	Overview
Sec. 10	POS of <b>Goods</b> other than import and export
Sec. 11	POS of <b>Goods</b> under import and export
Sec. 12	POS of <b>Services</b> where location of supplier AND location of recipient are <u>in India</u>
Sec. 13	POS of <b>Services</b> where location of supplier OR location of recipient is outside India

### **POS of Goods other than Import and Export [Sec. 10]:**

S.No.	Nature of Supply	Place of Supply
1	Supply involving movement of goods, whether by supplier or recipient or by any other person	Location of goods at time when <b>movement of goods terminates</b> for delivery to recipient
2	Supply not involving movement of goods either by supplier/recipient (E.g.: lease of office building)	<b>Location of such goods at the time of delivery</b> to recipient
3	Where goods are assembled/installed at site	Place of such <b>installation or assembly</b>
4	Where goods are delivered to recipient/any person <b>on direction of 3<sup>rd</sup> person</b> by transfer of title/otherwise [ <b>'Bill to Ship to' model</b> ]	Principal place of business ( <b>PPOB</b> ) of <b>such third person</b> [But if there is installation, then <b>location of installation</b> is to be considered]



5	Where supply is made to unregd. persons & address of such person is recorded in invoice [E.g.: Over the Counter (OTC) Sales]	Location as per address of unregd person recorded in invoice (Mentioning State instead of complete address is sufficient)
6	If supply is made to unregd persons & address of such person is not recorded in invoice	Location of supplier
7	Goods supplied on-board a conveyance like vessel /aircraft/train/vehicle [E.g.: Items by hawkers]	Place where such goods are taken on-board the conveyance

**POS of Goods under Import and Export [Sec. 11]:**

S. No.	Nature of Supply	Place of Supply
1	Import	Location of Importer i.e. place where importer is located
2	Export	Location outside India i.e. place where goods are exported

**POS of Services where Location of Supplier AND Location of Recipient are in India [Sec. 12]:**

S.No.	Nature of Service	Place of Supply
1	Default/ General provision [Sec. 12(2)] [Apply only if supply does not fall in any of the specific cases u/s 12]	- If recipient is <b>regd</b> : Location of <b>Recipient</b> - If recipient is <b>unregd</b> : Location of <b>Recipient</b> (if available)/ Location of <b>Supplier</b> (otherwise)
2	Immovable property related-services [E.g.: by architects, designers etc.] including accommodation in hotel /boat /vessel	- If located <b>in India</b> : Location of <b>immovable property /boat/vessel</b> - If located <b>outside India</b> : Location of <b>recipient</b> [If located in >1 State: Each such State in proportion to value of services provided]

Note: If located in >1 State: Each such State in proportion to value of services provided:

Type of Service		Factor Determining Proportionate Value of Service
(i) If contract/agreement available		As per <b>contract/</b> agreement
(ii) In absence of contract/ agreement	Service provided by way of lodging accommodation by <b>hotel/inn/guest house</b> etc. (except for single property in multiple States/UTs)	Number of <b>nights</b> stayed in such property
	All other services w.r.t. immovable property incl. organizing marriage/reception, accommodation in single property located in multiple States/UT	<b>Area</b> of immovable property lying in each State/UT
	Services by way of lodging accommodation by <b>house boat/vessel</b> & its ancillary services	<b>Time spent</b> by boat or vessel in each such State/UT
3	Restaurant & catering services, personal grooming, fitness, beauty treatment, & health service	Location where services are actually <b>performed</b> .

4	Training and performance appraisal services	-B2B: Location of such registered person; -B2C: Location where the services are actually performed.										
5	ADMISSION to an event or amusement park	Place where event is actually held or where park/place is located.										
6	ORGANIZATION of an event including ancillary services and assigning of sponsorship to such events	<table border="1"> <thead> <tr> <th rowspan="2">Event Organization</th> <th colspan="2">Place of Supply</th> </tr> <tr> <th>Recipient is regd</th> <th>Recipient is unregd</th> </tr> </thead> <tbody> <tr> <td>In India</td> <td rowspan="2">Location of Recipient</td> <td>Location where event is held</td> </tr> <tr> <td>Outside India</td> <td>Location of Recipient</td> </tr> </tbody> </table>	Event Organization	Place of Supply		Recipient is regd	Recipient is unregd	In India	Location of Recipient	Location where event is held	Outside India	Location of Recipient
Event Organization	Place of Supply											
	Recipient is regd	Recipient is unregd										
In India	Location of Recipient	Location where event is held										
Outside India		Location of Recipient										

If event is held in >1 State: Each such State in proportion to the value of services provided

Type of Service	Factor Determining Proportionate Value of Service
(i) If contract/agreement available	As per contract/ agreement
(ii) In absence of contract/agreement	Proportionate value to be computed by applying GAAP

7	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.									
8	Passenger transportation	<table border="1"> <thead> <tr> <th rowspan="2">Nature of Supply</th> <th rowspan="2">Recipient is Regd</th> <th>POS</th> </tr> <tr> <th>Recipient is Unregd</th> </tr> </thead> <tbody> <tr> <td>Passenger transportation</td> <td rowspan="2">Location of recipient</td> <td>Location where passenger embarks on conveyance for continuous journey</td> </tr> <tr> <td>Issue of right to passage for future journey/ use</td> <td>a) If address of unregd person available: Location of unregd person b) Otherwise: Location of Supplier</td> </tr> </tbody> </table> <p>[Return journey is treated as separate journey, even if tickets for onward &amp; return journey issued at same time]</p>	Nature of Supply	Recipient is Regd	POS	Recipient is Unregd	Passenger transportation	Location of recipient	Location where passenger embarks on conveyance for continuous journey	Issue of right to passage for future journey/ use	a) If address of unregd person available: Location of unregd person b) Otherwise: Location of Supplier
Nature of Supply	Recipient is Regd	POS									
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Passenger transportation	Location of recipient	Location where passenger embarks on conveyance for continuous journey									
Issue of right to passage for future journey/ use		a) If address of unregd person available: Location of unregd person b) Otherwise: Location of Supplier									
9	Services on board a conveyance	Location of first scheduled point of departure of that conveyance for the journey.									
10	Banking & other financial services including stock broking	- Location of Recipient in Supplier's records - If not available: Location of supplier									
11	Insurance services	Location of recipient									
12	Advertisement services to Government [CG/SG/UT/LA]	Each of States/UTs where advt. is broadcasted/ displayed/ run/ disseminated.									

Manner of determining proportionate value of Advt. service attributable to different States/UTs: If contract/ agreement available, as per such contract; otherwise as follows:

Scenario	Proportionate Value of Advt. Service
Advt. in newspapers & publications	Amt. payable for publishing an advt. in all editions of newspaper/ publication in each State/UT

Advt. by printed material like pamphlets, leaflets, diaries, calendars, T-shirts, etc.	Amt payable for <b>distribution</b> of a specific number of such material in each State/UT
Advt. in hoardings (other than those on trains)	Amt payable for <b>hoardings</b> located in each State/UT
Advt. on trains	Amt in ratio of <b>length of railway track</b> in each State/UT for that train
Advt. on the back of utility bills of Oil & Gas Cos., etc.	Amt <b>payable</b> to each State/UT for advt. on bills pertaining to consumers having <b>billing addresses</b> in each State/UT
Advt. on railway tickets	Amt attributable in ratio of <b>no. of Railway Stations</b> in each State/UT
Advt. on radio stations	Amt <b>payable</b> to radio station, which is part of each State/UT
Advt. on television channels	Amt calculated on the basis of <b>viewership</b> in each State/UT [based on <b>BARC</b> figures of <b>last week of preceding qtr</b> ]
Advt. in cinema halls	Amt <b>payable</b> to cinema halls or screens in a multiplex in each State/UT
Advt. on internet	Amt attributable to each State/UT calculated on basis of <b>internet subscriber</b> in each State/UT [as per <b>TRAI</b> figures of <b>last qtr of PFY</b> ]
Advt. through SMS	Amt attributable to each State/UT calculated based on <b>telecom subscribers</b> in each State/UT [as per <b>TRAI</b> figures of <b>preceding qtr</b> ]

13	Telecommunication services	<b>Nature of Supply</b>	<b>Place of Supply</b>
		<b>Fixed telecommunication</b> line, leased circuits, internet leased circuit, cable or dish <b>antenna</b>	Location of such <b>fixed equipment</b>
		<b>Post-paid</b> mobile connection & internet services	-Location of <b>billing address</b> of recipient in supplier's records -Location of <b>supplier</b> (otherwise)
		<b>Pre-paid</b> mobile connection, internet services, & DTH services (recharge coupon, vouchers, net pack, etc.) Services provided through a <b>selling agent/re-seller/distributor</b> of subscriber identity module card /recharge voucher	Address of <b>selling agent/ re-seller/distributor</b> at time of supply
		Services provided by any person to <b>final subscriber</b>	Location of <b>pre-pay. recd./ vouchers sold</b>
		Pre-paid services where payment via internet banking / electronic mode	Location of the <b>recipient</b> in supplier's records
		Other cases	-Address of <b>recipient</b> as per supplier's records
			-Location of <b>supplier</b> (otherwise)

If the leased circuit is installed in >1 State/UT:

- If contract/ agreement available, as per such **contract**;
- otherwise on the basis of **number of points lying in each State/UT** [For circuits b/w 2 points, **starting and end points constitute 2 points** & any **intermediate point** in circuit will **also constitute a point**]

**POS of Services where location of supplier OR location of recipient is Outside India [Sec. 13]:**

S. No.	Nature of Service	Place of Supply
1	Default/ General provision [Sec. 13(2)] [Apply only if supply does not fall in any of the specific cases u/s 13]	- If Location of recipient is available: Location of <b>Recipient</b> - If Location of recipient is not available: Location of <b>Supplier</b>

Note: For **cutting & polishing activity on unpolished diamonds** which are temporarily imported into India and are not put to any use in India, POS is determined as per Sec. 13(2) only

2	Services supplied w.r.t. goods required to be made physically available	Location where services are actually performed
	Services supplied in respect of goods but from a remote location by electronic means	Location where goods are situated at the time of supply
	Services supplied w.r.t. goods temporarily imported into India for repairs/other treatment /process and are exported after such repairs/treatment/process, without being put to any other use in India	Location of <b>Recipient</b> (If unavailable, location of <b>supplier</b> )
3	Services requiring physical presence of recipient or representative	Location where service actually <b>performed</b>

Note for 2 & 3:

(i) If supplied at >1 location including a location in taxable territory: **POS = Location in taxable territory**

(ii) If supplied in >1 State/UT: If contract/agreement available, then as per such **contract**, otherwise as follows:

Cases	Manner of Computing the Proportionate Value of Service
Services supplied on same goods	Equally dividing value of service in each of the States/UTs where service is performed
Services supplied on different goods	Considering the ratio of invoice value of goods in each State/UT, on which service is performed, as ratio of value of service performed in each State/UT
Services supplied to individuals	Applying GAAP

4	Service supplied directly in relation to immovable property (e.g., hotel, boat, vessel, construction/ architect services)	Location of <b>immovable property</b>
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Note:

(i) If supplied at >1 location including a location in taxable territory: **POS= Location in taxable territory**

(ii) If supplied in >1 State/UT: Same as immovable property related cases discussed in Sec. 12

5	Admission to or organization of event	Place where event is actually <b>held</b>
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Note:

(i) If supplied at >1 location including a location in taxable territory: **POS= Location in taxable territory**

(ii) If supplied in >1 State/UT: Same as event related cases discussed in Sec. 12

6	Services of Banking Co./FIs/NBFCs to A/c holders	Location of <b>supplier</b>
	Intermediary services	
	Hiring of means of transport including yachts but excluding aircrafts/vessels, up to 1 month	

Note: Services provided by intermediary where location of both supplier & recipient is outside taxable territory is **EXEMPT**.

7	Passenger transportation	Place where passenger <b>embarks</b> on conveyance for a continuous journey
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8	Services provided on-board a conveyance	1 <sup>st</sup> scheduled point of departure of that conveyance for the journey
9	OIDAR services	Location of Recipient

For determining recipient's location for OIDAR services, if any 2 of following 7 conditions are satisfied, service recipient is deemed to be located in the taxable territory (India):

- Recipient provides an Indian address online.
- Payment is made using an Indian credit/debit/other card.
- Billing address is in India.
- Recipient's device has an Indian IP address.
- Payment is made using an Indian bank account.
- SIM card used has an Indian country code.
- Service is received through an Indian fixed landline.

**POS of services u/s 13(13):**

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

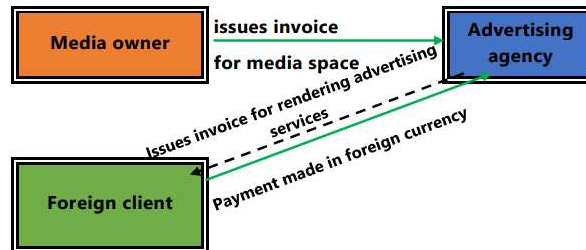
**Clarifications On POS:**

- POS For Goods (Particularly Via E-Commerce) to Unregd Persons: POS is Delivery Address (State Y), Even if Billing Address is different (State X). Also, in such cases, supplier may record delivery address as also address of recipient on invoice.
- POS for Cargo Handling Services by Ports: As these services are not considered to be linked to immovable property, POS is determined u/s 12(2) or 13(2) i.e. default POS provisions.
- POS for Software/Design Services w.r.t. Electronics Semi-Conductor and Design Manufacturing (ESDM) Industry: ESDM industry develop software & design integrated circuits for overseas clients based on electronically provided requirements and IP blocks. These designs are communicated abroad for manufacture of hardware based on such designs, & occasionally prototype hardware is provided back to Indian Cos. for testing. Here, testing of software on sample prototype hardware is an ancillary supply, whereas, chip design/software development is principal supply. Thus, this is composite supply involving software design and testing, POS is location of recipient (outside India), as per Sec. 13(2). Sec. 13(3)(a) [goods required to be made physically available] do not apply separately here.
- POS for Transportation Services: For transportation of goods, including through mail or courier, where either the supplier or recipient is outside India, there is no specific rule; so, POS follows default rule u/s 13(2) [recipient's location; if not available, supplier's location].
- POS for Advertising Services: In cases where advertising cos. procure space for billboards/hoardings, if vendor sells space/grants usage rights, POS is where immovable property is located; if not i.e. if vendor is just responsible for display of advt., then general rule u/s 12(2) apply.
- POS for Custodial Services to FPIs: Custodial services provided by banks/FIs to FPIs are not treated as services provided to 'account holder', so these services do not qualify as banking services u/s 13(8)(a). POS is determined under default provision of Sec. 13(2).
- Intermediary: A broker/agent/ other person, who arranges/facilitates the supply of goods/services/both, or securities, b/w 2 or more persons, but does not include a person who supplies these on his own account.

Scope of "Intermediary":

- i. Minimum of 3 parties
- ii. 2 distinct supplies
- iii. Has the character of agent/broker
- iv. Does not include a person who supplies goods/ services on his own account
- v. Sub-contracting for a service is not intermediary service
- vi. Specific provision of POS of 'intermediary services' u/s 13 shall be invoked only when either location of supplier/ recipient of intermediary services is outside India.

8. POS for Advertising Services to Foreign Clients:



Issue 1: Whether advertising co. is "intermediary" b/w foreign client and media owners?

Answer: Advertising co. has 2 separate agreements:

- With Foreign Client: Agency designs & displays advt., bills client directly & receives payment in FC.
- With Media Co.: Agency buys media space for advt. and makes payments to media company.

Since these are distinct principal-to-principal supplies and also no agreement exists b/w media co. & foreign client, advt. co. is not acting as agent but supplying on his own and thus not an "intermediary".

Issue 2: Whether representative of foreign client in India or the target audience of the advt. in India is "recipient" of the advertising services?

Answer: "Recipient" is one who is liable to pay. Here, foreign client pays advertising co. & not the Indian consumers/target audience of advt. Even if a representative of foreign client in India is involved, foreign client remains recipient because agreement, invoice, & payment are all with him.

Issue 3: Whether advertising services provided by advt. cos. to foreign clients are "performance-based services" u/s 13(3)?

Answer: Advertising services do not involve goods that need to be physically available with the service provider, so Sec. 13(3)(a) (dealing with physical goods) is not applicable. The foreign client or their representative does not need to be physically present with advt. co. to receive services, so Sec. 13(3)(b) (dealing with services requiring physical presence) is also not applicable. Therefore, POS of advt. services will be determined by default rule u/s 13(2) i.e. location of recipient (foreign client) i.e. outside India. So, these services qualify as "export of services".

9. POS when Acting as Agent for Foreign Client: If Indian advt. co. acts as agent, facilitating media space for foreign client & media owner directly invoices foreign client, POS for these facilitation (intermediary) services is location of supplier (Indian advertising co.) u/s 13(8)(b).

10. Data hosting services provided by Indian Data Hosting Service Providers (DHSPs) to foreign Cloud Computing Service Providers (CCSPs): DHSP provides data hosting services to CCSPs on a principal-to-principal basis and thus not 'intermediary services'. Also, these are not linked to "goods made available in India" by CCSPs to DHSPs. Further, data hosting services are not directly related to "immovable property". So, POS for such services is determined based on location of recipient (CCSP) i.e. outside India, according to default rule u/s 13(2), & thus export of service subject to Sec. 2(6).