

## Place of Supply of Goods

### **Q 5. What would be the place of supply where movement of goods is involved?**

Ans. The place of supply of goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient. (Section 10 of IGST Act)

### **Q 6. What would be the place of supply wherein the supplier hands over the goods to recipient in his state and further movement is caused by the recipient?**

Ans. The movement can be caused by supplier, recipient or any other person. Where the supply involves movement of goods, the place of supply shall be the location where the movement of goods terminates for delivery to the recipient.

Illustration: A person from Gujarat comes to Mumbai and purchases goods. He declared his Gujarat GSTIN, arranges transport himself and takes goods to Gujarat. The place of supply would be Gujarat in this case.

### **Q 7. What is the place of supply wherein movement of goods is not involved?**

Ans. Where supply does not involve movement of goods, the place of supply shall be the location of goods at the time of delivery to the recipient.

Illustration: A in Mumbai has given his goods on lease basis to B in Delhi. After some time, the lessee B decides to purchase the goods. The supply takes place by way of change of title and no movement is required as the goods are already with the buyer. The place of supply is Delhi, the location of goods at the time of delivery.

### **Q 8. What will be the place of supply if the goods are delivered by the supplier to a person on the direction of a third person?**

Ans. It would be deemed that the third person has received the goods and the place of supply of such goods shall be the principal place of business of such person. (Section 10 of IGST Act)

Such cases are termed as bill to ship to cases wherein the supplier sends the invoice to the buyer and the goods to the recipient on the direction of the buyer. Even though the goods are not received by the buyer, it is presumed that he has received the goods and he is able to take the input tax credit. The buyer may further issue his invoice to the actual recipient of goods. Thus, it is a tripartite arrangement wherein there are usually three parties and two transactions.

	Bill to	B (Buyer; Delhi)
A(Supplier; Mumbai)	Ship to	C (Recipient, Gurgaon)

In the above case, goods go directly to C. The place of supply is location of B

Location of Supplier	Location of Third Party Delivery of goods	Place of Supply
First Transaction between A and B with delivery to C		
Mumbai (Maharashtra) Delhi	Gurgaon (Haryana) Delhi	

**Q 9. What will be the place of supply where the goods or services are supplied on board a conveyance, such as a vessel, an aircraft, a train or a motor vehicle?**

Ans. In respect of goods, the place of supply shall be the location at which such goods are taken on board. (Section 10 (1)(e) of IGST Act). For instance, if goods are taken on board at Vadodara, Gujarat on Rajdhani Express from Mumbai to Delhi. The place of supply shall be Vadodara, Gujarat.

However, in respect of services, the place of supply shall be the location of the first scheduled point of departure of that conveyance for the journey. (Section 12 and 13 of IGST Act)

**Q 10. What is the place of supply in case of assembly or installation of goods at site?**

Ans. The place of supply of goods, where the goods are installed or assembled at the site, will be the place of such installation or assembly. (Section 10(1)(d) of IGST Act)

**Q 11. What is the place of supply of goods imported into India?**

Ans. The place of supply of goods imported into India shall be the location of the importer.

Illustration: An importer from Jaipur, Rajasthan imports goods from China through Mumbai Air Cargo and declared the GSTIN of Rajasthan. The place of supply of goods shall be Rajasthan. Thus, the state tax component of the integrated tax would accrue to Rajasthan.

**Q 12. What is the place of supply of goods exported from India?**

Ans. The place of supply of goods exported from India shall be the location outside India.